

# City of Sweet Home Oregon

---



**APRIL 2023**

---

**Quarterly Reports  
Quarter 3 – 2023  
Matt Brown**

---

## General Fund (100)

General Fund (100)	Budget	3/31/23 Balance
<u>Resources</u>		
Beg. Balance	1,770,000	1,571,878
Revenue	3,345,000	3,700,348
<b>Total</b>	<b>5,115,000</b>	<b>4,600,035</b>
<u>Expenditures</u>		
Operations	3,591,000	2,571,255
Capital Outlay	220,000	0
Contingency	500,000	0
Unappropriated	804,000	0
<b>Total</b>	<b>5,115,000</b>	<b>2,571,255</b>

The General Fund for the City of Sweet Home is at a satisfactory level after the fund structure changes made earlier in the fiscal year to be simplified and easier to understand. A new budget based on preliminary balances was approved a few months ago to update the new fund structure and most estimates.

The beginning balance for the General Fund was budgeted and estimated to be around \$1.77 million. During the fund structure changes and ongoing updates to the city's bank reconciliation, this balance is currently at \$1.57 million, about \$200k less than budgeted.

There are three large line items that the city sees revenue from: property taxes, franchise fees, and support service internal charges.

1. Property taxes were initially budgeted based on the last several years which has seen modest increases based on Measure 5/50 increases as well as new development seen in city limits. This year, the city has seen similar increases to the previous years increases; collecting more than originally budgeted by about \$75,000 with still 3 months to go into the fiscal year. This revenue above the budget will assist in offsetting the decrease in fund balance mentioned earlier.

- 
2. Franchise Fees appear to be in the relative range of what was originally budgeted. Franchise fees typically are very predictable and systematic unless a drastic change in operations changes from a major company.
  3. Support Service Internal Charges come from other departments in the city. There is no reason to anticipate a lower than budgeted amount, since these amounts are calculated during the budget season to ensure other departments outside of the General Fund are paying their fair share of pooled resources like Administration and Financial Services.

The General Fund recorded a large Federal Grant of \$1.2 Million into the Grants line item. These were federal COVID funds that are available to use. As of right now, the city anticipates keeping this revenue in the General Fund to assist with operational needs in many departments over the next couple of years.

All departments within the General Fund are here because they do not make enough revenue to support themselves year and year. Although several specific line items in most departments may appear over budget or about to go over budget, overall, all departments within the General Fund should not go over their original appropriation amount. A supplemental budget completed by 6/30/2023 will correct any line-item overages to ensure the city stays within appropriations.

## Public Safety Fund (200)

Public Safety Fund (200)	Budget	3/31/23 Balance
<u>Resources</u>		
Beg. Balance	3,400,000	4,362,501
Revenue	3,621,000	3,128,734
<b>Total</b>	<b>7,021,000</b>	<b>7,491,235</b>
<u>Expenditures</u>		
Operations	3,009,000	2,048,285
Capital Outlay	300,000	0
Contingency	725,000	0
Unappropriated	2,987,000	0
<b>Total</b>	<b>7,021,000</b>	<b>2,048,285</b>

The Public Safety Fund's beginning balance during the fund structure transition was budgeted at \$3.4 Million and as the city continues updating bank reconciliations and adjustments, the current fund balance is sitting at \$4.3 million, about \$900k more than budgeted.

The main revenue source in the Public Safety Fund is the operational levy the city has for public safety. The City budgeted \$3.5M in property tax revenue based on previous years' history of collections and anticipated increases from Measure 5/50 limits and new development. Unlike the General Fund, the original budget appears to be too high, and I do not anticipate the city collecting the budget amount, by about \$400,000. This unanticipated beginning balance will assist in making up the difference to ensure no operational changes should be needed this fiscal year.

Although several specific line items may appear over budget or about to go over budget, the overall operational budget will not. A supplemental budget will be used to clean up line-item specifics by the end of the fiscal year.

---

## Library Fund (201)

Library Fund (201)	Budget	3/31/23 Balance
<u>Resources</u>		
Beg. Balance	772,000	328,751
Revenue	608,000	590,482
<b>Total</b>	<b>1,380,000</b>	<b>919,232</b>
<u>Expenditures</u>		
Operations	476,000	314,342
Capital Outlay	15,000	0
Contingency	120,000	0
Unappropriated	769,000	0
<b>Total</b>	<b>1,380,000</b>	

The Library's Beginning Fund Balance is lower than budgeted by about \$430k. During the transition period of the fund structure changes, the original budget of the library was incorrect. No operational changes are needed currently, and other revenue appears to be steady.

The main revenue source for the Library Fund is an operational levy from property taxes. The specific line item for this property tax is budgeted at \$575k and through 3/31/2023 the city has already collected \$572k; it is safe to assume that the city will receive more funds than budgeted in FY 2023 for the Library Fund, however, not enough to make up for the drop in fund balance mentioned previously.

Although several specific line items may appear over budget or near over budget, the operational appropriations should not be exceeded, and the line-item specific budgets can be corrected during a supplemental budget done before the end of the fiscal year.

---

## Community Center Fund (203)

Community Center (203)	Budget	3/31/23 Balance
<u>Resources</u>		
Beg. Balance	11,000	11,853
Revenue	30,000	17,705
<b>Total</b>	<b>41,000</b>	<b>29,558</b>
<u>Expenditures</u>		
Operations	28,000	35,859
Unappropriated	13,000	0
<b>Total</b>	<b>41,000</b>	<b>61,883</b>

The beginning fund balance of the Community Center fund is pretty much as budgeted. Revenue for this fund appears lower than anticipated for the end of March 2023. It should be noted that on 4/3, the fund did receive a \$6,300 payment which would increase current revenue \$24,005. Even so, expenses appear to be an outpacing problem for this fund.

Utilities were originally budgeted at \$22,000 based on previous years, however currently utility expenses are at \$28,300 with an estimated year end budget of \$38,000. It is likely that that the previous 1-2 years used for the \$22k budget estimate were under-utilized years meaning that the center may not have been used as much and fewer utility expenses were seen. Other line-item overages include facility maintenance that is budgeted at \$4,000 but current expenses sit at \$5,800 with an estimated year end balance of \$7,700. Like utilities, this may be another line item not budgeted correctly based on the most recent previous years. The last line item for this fund is professional services, which is budgeted at \$2,000 and currently sits at \$1,750 with an estimated year end cost of \$2,500. Based on estimates, this fund will need \$22,000 in additional appropriations that will need to come from another fund as an interfund loan or gift. I recommend these funds come from the General or Reserve Fund.

The fund currently has \$13k as unappropriated that it cannot touch.

---

## **Transportation Fund (206)**

The beginning fund balance for the Transportation Fund is at \$740,000 which is what was budgeted during the transition period of the fund structure.

Revenue for the Transportation Fund mainly comes from the State Gas Tax that is received from ODOT. This money is coming in as anticipated, and I do not expect any shortages in revenue for this fund.

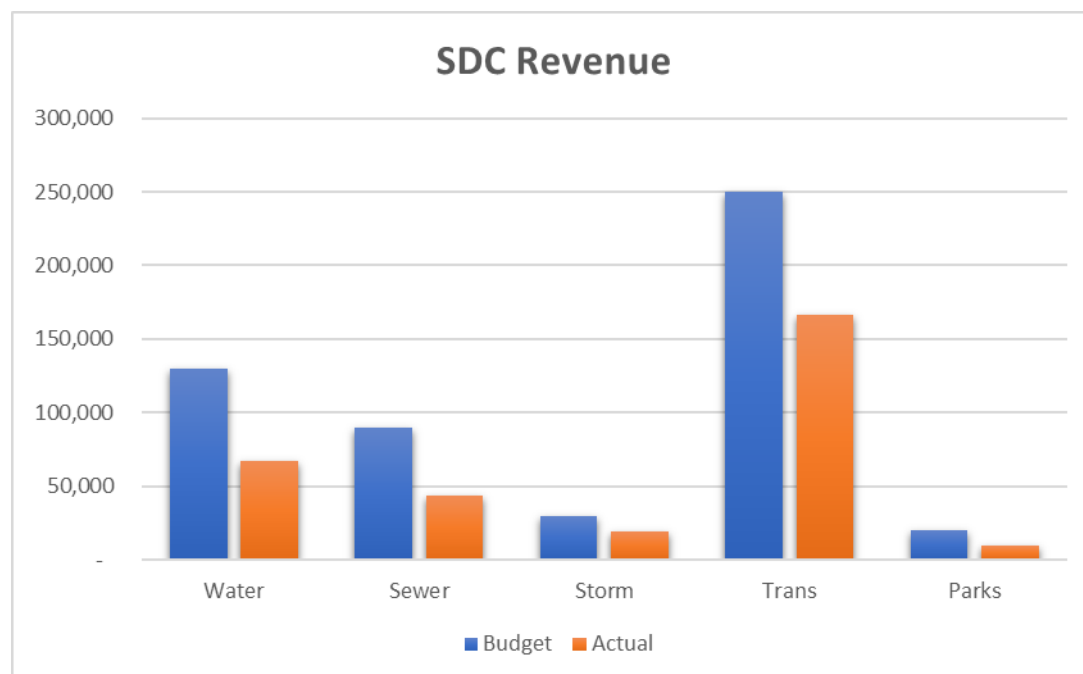
A few specific line items appear to be over budget or will likely go over budget by the end of the year. Operationally, the fund should not go over budget and a supplemental budget can be done before the end of the fiscal year to correct any line items.

\$800,000 was budgeted in Capital Outlay expenditures: \$500k was recently paid out to ODOT for the 22<sup>nd</sup> Ave project which was a pass-through from the Department of Administrative Services & Federal Government. An additional \$200k was budgeted as a grant expense for an EV station that is getting started. \$100k was budgeted for general capital outlay that may not be spent by the end of the fiscal year.

## **City Enhancement Fund (207)**

This fund is home to several departments (Projects) like the Path Program, Special Events, Public Transit Grants, Weddle Bridge, and Pool funds. Beginning balances for this fund is coming in as anticipated and in some programs a little higher.

## System Development Charge Funds (300s)



Water, Sewer, Storm, and Parks beginning balances are coming back as anticipated from the fund structure changes. Transportation SDC will see a decrease in the beginning balance of about \$200k.

All revenues for SDC funds are coming in lower than budgeted. I anticipate that the city will collect, on average, about 75% of what was budgeted originally. This is mainly due to a lower amount of development within the city.

Although the city budgets all the expenditure authority for SDC funds, no expenditures have been recorded in SDC funds. Throughout the next fiscal year, Finance and Public Works will work on creating a Capital Improvement Plan that identified future projects and what projects may be SDC eligible to ensure that the City of Sweet Home is using every available dollar from new development fees to pay for new or updated infrastructure.



## Water Fund (500)

Water Fund (500)	Budget	3/31/23 Balance
<u>Resources</u>		
Beg. Balance	2,596,000	3,419,411
Revenue	2,595,000	1,983,373
<b>Total</b>	<b>5,191,000</b>	<b>5,402,784</b>
<u>Expenditures</u>		
Operations	1,339,000	852,375
Capital Outlay	700,000	118,957
Debt Service	475,000	610,354
Contingency	350,000	0
Unappropriated	2,327,000	0
<b>Total</b>	<b>5,191,000</b>	<b>1,581,683</b>

The beginning balance for the water fund is more than budgeted by about \$820k which is great news for the health of the water fund. Revenue for the water fund is coming in as anticipated in the budget.

Debt Service payments are currently overspent. This is because staff had trouble finding documentation for debt service schedules. A few line items in both departments are overspent or will likely be overspent by the end of the year. This can all easily be corrected during the supplemental budget process before the end of the fiscal year.

## Sewer Fund (550)

Sewer Fund (550)	Budget	3/31/23 Balance
<u>Resources</u>		
Beg. Balance	3,350,000	2,431,886
Revenue	10,796,000	2,321,502
<b>Total</b>	<b>14,146,000</b>	<b>4,753,389</b>
<u>Expenditures</u>		
Operations	1,361,000	935,502
Capital Outlay	7,850,000	1,669,619
Debt Service	560,000	313,000
Contingency	350,000	0
Unappropriated	4,025,000	0
<b>Total</b>	<b>14,146,000</b>	<b>2,949,741</b>

The beginning fund balance for the Sewer Fund is below what was originally budgeted by about \$900k. Based on current revenue projections though, the city will make up \$400-500k of this by the end of the fiscal year because revenue from the sewer fund is coming in higher than originally budgeted. In the Sewer Fund, there is a budget amount of \$8.2 Million for a grant. This may not come in time for the end of the fiscal year but is still scheduled to be received over the summer.

A few line items are over budget currently or will likely be over budget by the end of the fiscal year. There is room within the current appropriations to move line-item amounts around and not incur moving contingency funds.

---

## Storm Fund (560)

Storm Fund (560)	Budget	3/31/23 Balance
<u>Resources</u>		
Beg. Balance	394,000	394,294
Revenue	163,000	146,964
<b>Total</b>	<b>557,000</b>	<b>541,258</b>
<u>Expenditures</u>		
Operations	262,000	61,883
Contingency	30,000	0
Unappropriated	265,000	0
<b>Total</b>	<b>557,000</b>	<b>61,883</b>

The Storm Fund's beginning balance is coming in as anticipated. Revenue for the Storm Fund is also coming in higher than budgeted. No line items are currently overspent, and no budget adjustments appear necessary at this time.

## Economic Development Fund (760)

The beginning fund balance is coming in as budgeted. The City appropriated 100% use of all funds; however the city will not likely use all the funds available and carryover a balance into the new fiscal year. Current expenditures at the end of March are only at 14%.

## Reserve Fund (770)

The beginning fund balance is coming in as expected. All funds were appropriated to Contingency use.