

# CITY OF VERNONIA

## BUDGET MESSAGE FY 2014-2015

April 18, 2014

**Members of the City of Vernonia Budget Committee and Citizens of Vernonia,**

I am pleased to present this balanced Fiscal Year 2014-2015 Operating Budget and Capital Improvement Plan.

The current fiscal year was a difficult one for the City. After the budget was adopted, Columbia County reassessed all flood plain properties which resulted in a \$40,000 reduction in property tax revenue for the General Fund. We also lost revenue for administration of the Vernonia Prevention Coalition as the grant was not awarded for the 2013/2014 year. In the future the City will not be the fiscal agent for this program. In addition, one of our police officers left to go to work for the City of St. Helens. The Chief chose not to fill the position which offset most of the short fall. In the upcoming fiscal year, property tax revenues are estimated to remain the same as 2013/2014 fiscal year estimates.

The Wastewater Treatment Project did not get underway as was planned. The City chose to hold off until spring 2015 in order to pursue better financing options. However; the Flume repair and Biosolids Removal Projects were done in the current year.

As we have done in recent years, the attached budget is designed to support the expectations of our community. The budget used the goals of department heads, city committees and City Council as a basis for its design.

The following pages describe the sections of the budget

### **Overall Budget:**

The City of Vernonia total budget is \$7,253,483; this compares to last year's adopted budget of \$7,722,696; a decrease of 469,213 or 6%. The Sewer Rehab fund makes up over \$3,000,000 of the budget. This is the fund that is used to track the wastewater project. The normal operating budget for the City remains about the same at \$4.2 million

The three major components of the budget are:

#### **1. Personnel Services**

Increases in personnel costs are:

- a. >~5% Health Benefits
- b. >2.5% Cost of Living
- c. One Police Officer (5%) Step Increase per CBA

#### **2. Materials and Services**

- a. Materials and Services is decreased over all while contingencies increased slightly.

#### **3. Capital Outlay**

The City is forecasting expending at least \$3,000,000 on planned wastewater facility improvements – This was scheduled to happen in the current fiscal year, but did not so the funds will carry over into the next fiscal year budget.

**The City has several different funds that make up the entire budget. They are grouped as follows**

### **General Fund**

General Fund is supported in most part by property tax revenue and franchise fees. It is made up of:

- Administration
- Planning / Building
- Police
- Library

### **Enterprise Funds**

Enterprise funds are generally self-supporting and consist of:

- Airport
- Cemetery
- Vernonia Learning Center (subsidized by the General Fund)
- Parks
- Water
- Sewer
- Streets

### **System Development Charges**

SDC's are charged for all new construction. SDC revenue can only be used for improvements or new installations specific to each SDC fund. The City collects SDC's for:

- Water
- Sewer
- Parks
- Storm Water
- Streets

### **Sewer Rehab Fund**

The Sewer Rehab Fund is used to track funding sources and expenditures associated with the wastewater project.

### **Water and Sewer Debt**

These Funds are used to track all debt service payments.

### **Reserve Funds**

Reserve Funds have been established to set aside money for facility maintenance and repairs. They include:

- General Facilities – for the maintenance of City Hall, Library and VCLC
- Parks Facilities – for the maintenance of City Parks by focusing on one major project each year.
- Water Facilities – for the maintenance and or replacement of the water plant

You will find a short narrative for each of the above funds on the cover page before each funds budget in the Budget document.

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