



## Budget Message – Fiscal Year 2024 – 25

Budget Committee Members,

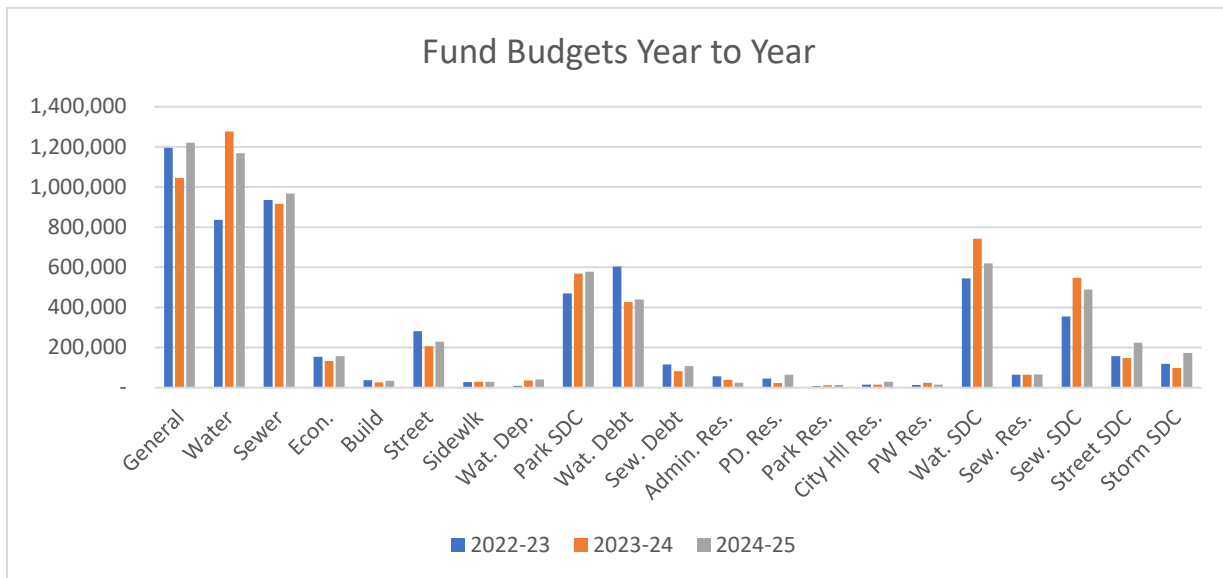
Attached is the City of Yamhill’s Annual Budget for the fiscal year 2024–25. This budget has been created by City Staff and meets all Oregon Administrative Rules and is developed in accordance with the best business practices recommended by GAAP (Generally Accepted Accounting Procedures), GASB (Governmental Accounting Standard Board) the GFOA (Government Finance Officers Association) and Oregon Department of Revenue. This Budget document outlines the resources needed during the 2024-25 fiscal year to continue with our authorized construction plans, operational commitments and future growth.

### Overview

Preparing for modest growth and improving our ability to supply water to the City of Yamhill are the two major drivers for expenditure in the coming year. Rehab of current infrastructure and meeting the needs of planned growth account for some increases in the Water Fund and the General Fund.

It should be noted that the Proposed budget contemplates a Cost-of-Living wage Increase for staff of 3.6%. Also, with respect to water increases implemented in early 24, Water and Sewer Rates are not anticipated to increase in 2024-25.

Except for Water and the General Fund, other fund requirements remain near flat. Also, the 2024-25 Budget anticipates Council hiring a permanent City Administrator.





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When added together All funds Budgeted for 2023/24 was \$6.38 million and the budget for 2024/25 is up slightly at \$6.72 million.

Beginning Balances this year when combined are \$3.5 million, and contingencies and unappropriated ending balance in the coming year are \$2.9 million. This shows the Cities cash position is forecast to decrease by approximately \$600k.

### Fund Highlights – General Fund

The General fund accounts for 6 different Departments at the City. The budget projects General Fund expenses by separate departments, but all resources are accounted for in one budget area. Below is a break out of Revenue and Expenses by Area.

Budget still includes a new City Administrator.

	Admin	Council	Police	Court	Parks	Planning	Total
Sources	\$1,220,280						\$1,220,280
Uses	\$332,151	\$7,100	\$658,821	\$62,836	\$48,841	\$110,530	\$1,220,280

Taxes to be received this year are estimated at \$476,000. This amount does not even support Parks and Police Services. This is a future issue that will need to be addressed as the City Grows.

Contingency is currently budgeted to decrease slightly from the 23-24 Budget of \$91k to \$83k. This decrease is due to wage increases supported by the General Fund.

### Utilities

Utilities supported by the Yamhill are expected to cost the city nearly \$5.2 million. All of these costs will be covered by rates and fees charged for services and new construction.

Total water funds at \$2.26 million is about 1/3<sup>rd</sup> of Cities total budget. Because the water operations fund is now paying for Debt service of \$158k instead of drawing this money from SDC's, and the continued focus on capital improvements to the water system, contingency in the water operations fund has dropped from \$122,854 in 2023-24 to \$52,745 in 2024-25.

Since the rate increase in 2023-24 there is no planned increase for water 2024-25.

Water production was at 100,000,000 gallons.

Planned Capital for water.

- 5a Olive Street



# City of Yamhill

A small taste of Oregon

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### Sewer Funds

The Sewer Fund (Fund 30) is up this year compared to last budget year by about \$50k due mainly to inflationary forces. Manhole rehab has been included as the major capital project for the year.

Sewer rates are also projected to be flat in 2024-25. The Sewer fund shows an increase due to an increase in beginning balance which is due to timing of capital projects. The Sewer Fund will initiate the Disinfection program for \$189k in 2024-25.

### Street Fund

The Street Fund budget is down Budget to Budget with major work planed for the East Main Street project.

### Other Funds

This year the 2024-25 Budget proposes to add anew enterprise fund called “Storm Water Operations. In past years, expenses for the operations of the Storm system have come from the Sewer fund. Staff feels that creation of this fund will allow us to better match monies collected for Storm projects with projects specifically for Storm Water system improvement.

### Summary

In total the City continues to provide quality services for our current citizens and the ability for the City welcome growth.

Greg Graven  
Interim City Administrator