

Budget Review 2024-25

City of Maywood Park



BUDGET HIGHLIGHTS

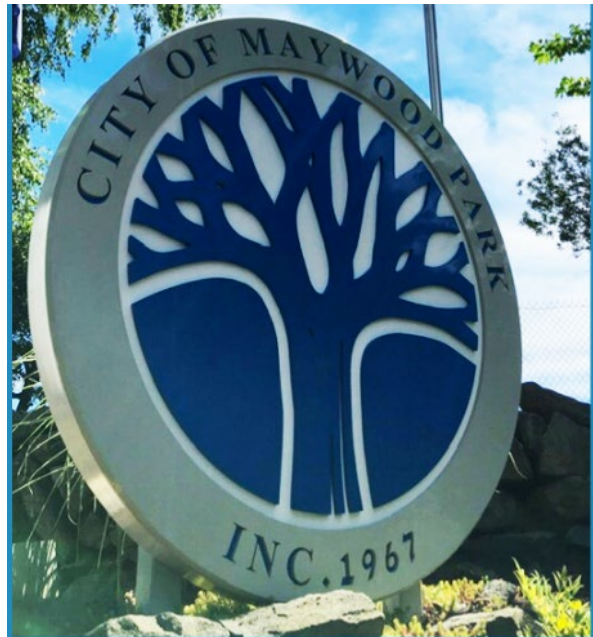
- The budget for the fiscal year 2024-25 is \$739,345, a decrease of \$218,755 as a result of a lower beginning fund balance and a reduction of fund transfers.
- After many years of ongoing discussions, Maywood Park residents voted last fall not to move forward with the city's wastewater sewer project at this time.
- American Rescue Plan Act (ARPA) dollars were received in FY 22 and FY 23 and transferred to capital funds in the FY 24 budget. With the decision not to proceed with the wastewater project, the city's ending fund balance is reduced by \$154K and the city budgets a return of ARPA dollars that were slated for the project.
- Beginning fund balance decreases by 16% with the majority of the reduction in the General Fund as a result of planned one-time transfers of resources to capital funds in the current year.
- Transfers within funds will see a 79% decrease in this budget, from \$193,300 to \$40,300. The only transfers are to and from the State Street Fund.
- The city reclassified some capital expenditures as materials and services in this year's budget, decreasing Capital Outlay budget from \$135,000 to \$35,300. The work done will be predominately the same.

INTRODUCTION & BACKGROUND

The City of Maywood Park is a triangular residential area of about three square miles located at the intersection of Interstates 205 and 84.

It is an island surrounded by the City of Portland. Maywood Park serves about 340 homes and an estimated population of 829. It is home to a Mount Hood Community College campus.

The five-member council is elected at large to four-year terms. The council, from its membership, appoints the mayor and council president. The voters passed a permanent property taxing authority of \$1.9500 per thousand of assessed value in November 1998.



The city contracts with other districts for most services: Multnomah County for police, planning, and street maintenance and the City of Portland for water and fire protection services. Maywood Park does not have sanitary sewers; all sewage is processed on-site.

City of Maywood Park	2020-21	2021-22	2022-23	2023-24
Assessed Value in Millions	\$73.1	\$75.4	\$77.8	\$80.5
Real Market Value (M-5) in Millions	\$127.5	\$163.1	\$172.8	\$172.1
Property Tax Rate Extended: Operations	\$1.9500	\$1.9500	\$1.9500	\$1.9500
Measure 5 Loss	\$-121	\$-123	\$-132	\$-176
Number of Employees (FTE's)	1	1	1	1

BUDGET OVERVIEW

The City of Maywood Park budgets day-to-day operations in the General Fund. Street repair and related expenditures are budgeted in the State Tax Street Fund. Three other funds are used for special projects: Maywood Park Commons property development, storm drain repair and replacement, and the wastewater project. The \$170,300 from the ARPA Funds will be returned if the district does not find a use that fits guidelines by the required date. So it shows in the budget as a Special Payment.

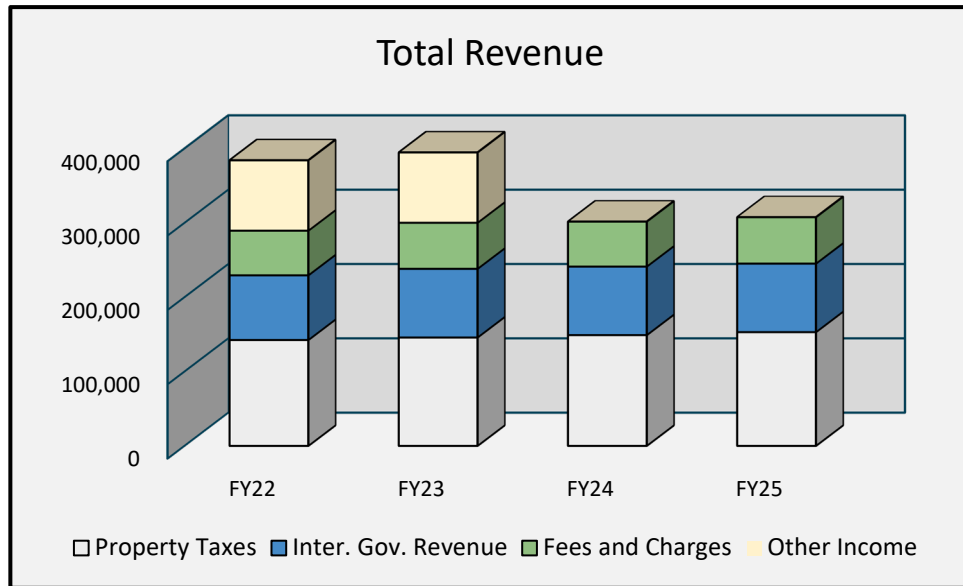
In most budgeted years, expenditures are outpacing the revenues received. Actual spending has a smaller gap, with FY 22 seeing a slight loss and FY 23 seeing an increase of \$82 thousand. Materials and services lead the operational spending.

Total Revenue vs. Total Expenditures				
	FY 2022	FY 2023	FY 2024	FY 2025
	Actual	Actual	Budget	Budget
Revenue	384,218	394,747	301,800	307,845
Expenditures	431,165	312,345	564,600	659,745
Gain/Loss in Dollars	-46,947	82,402	-262,800	-351,900
Gain/Loss Percentage	-10.89%	26.38%	-46.55%	-53.34%

RESOURCES

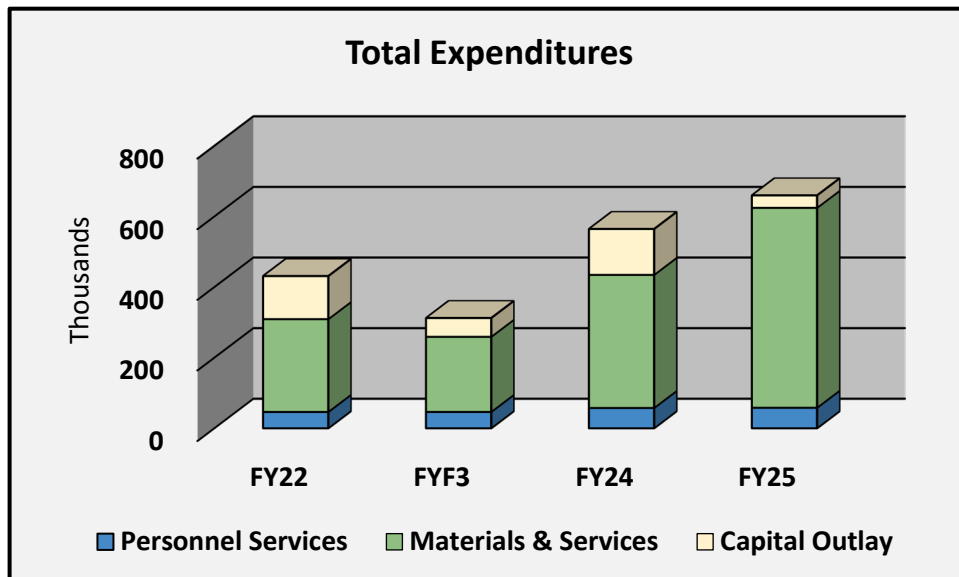
The Approved Budget revenues are \$307,845. The beginning fund balance is 48% of the total resources budgeted at \$391,200. Primary revenue sources are consistent with historical trends and include state-shared proceeds, state gasoline tax, franchise fees, and earned interest, with property taxes making up

50% of the revenue. All income except gas tax is received into the General Fund. The city's income remains relatively flat. The increases seen in the two audit years are from ARPA funds first and second payout for the city's wastewater project.



The preceding graph shows the city's total revenue. Property taxes and other governmental revenue sources are the city's primary funding sources. All revenue is consistent year over year, increasing slightly.

REQUIREMENTS

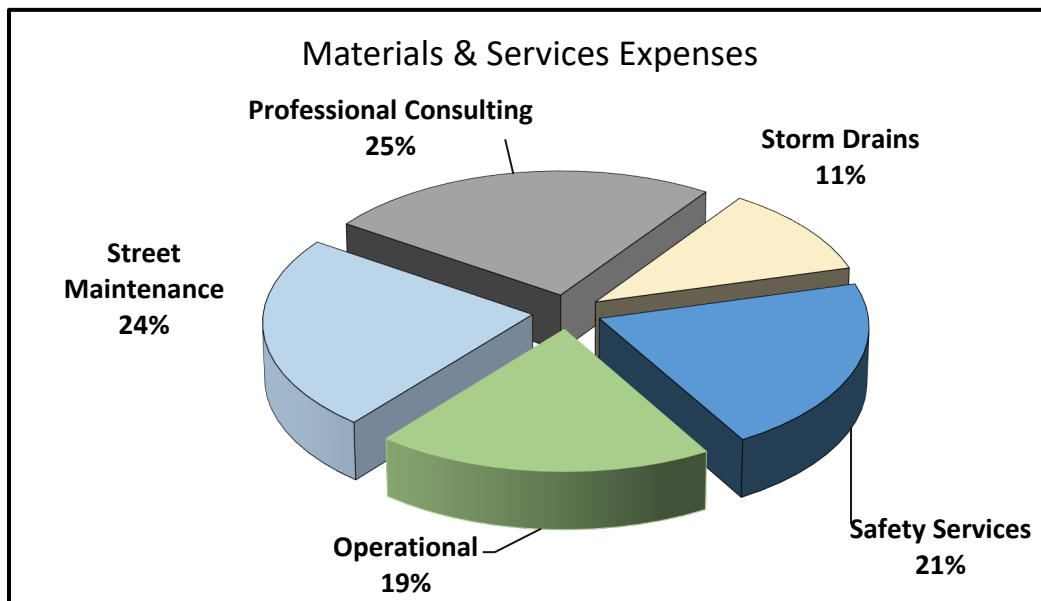


Year-over-year comparisons are shown in the previous graphs. As with the resources, expenditures have been pretty consistent year over year. Each category changes slightly. Personnel Services changes the least of the three categories. This expenditure covers slight increases in salary and associated payroll

expenses. Materials and Services spiked in FY24, derived from a \$90 thousand allocation for professional fees and consulting services surrounding the sanitary sewer system. The category remained high in FY 25 due to maintenance projects and contract labor for code enforcement. Capital expenditures are the spending classification with the most variation, as this depends on the nature of the capital projects. Since the sanitary sewer project was set aside for now, capital expenditures have dropped from \$130 thousand to \$35 thousand and the amounts budgeted for the current fiscal year will not be spent.

Personnel Services: The City of Maywood Park is small and has only 0.7 permanent FTE: the Finance Director and City Recorder. Both are part-time salaried positions. The amount allocated to Personnel Services is \$58,170, which includes a stipend for the mayor and councilors. More details provided in the *General Fund Requirements* section of this review.

Materials & Services are the most significant expense entity at \$566,275. The chart shows that this grouping can be divided into five usage categories.



Safety Services, recorded in the General Fund, include contracts with the Multnomah County Sheriff's Office for patrols. The cost for these services is \$43,000. Police and emergency medical services (BOEC 911) will cost \$21,000 in FY 25. Also included in this group are Community and Neighborhood Emergency Response Team (CERT/NERT) supplies, materials, and training costs. The street signs and maintenance expenditures are recorded in the State Tax Street Fund and paid for using Oregon Department of Transportation Highway Trust dollars.

Plans for new street signs, speed bumps, berm irrigation line repairs, street repairs, and computer equipement drive **capital expenditures** to \$35,000.

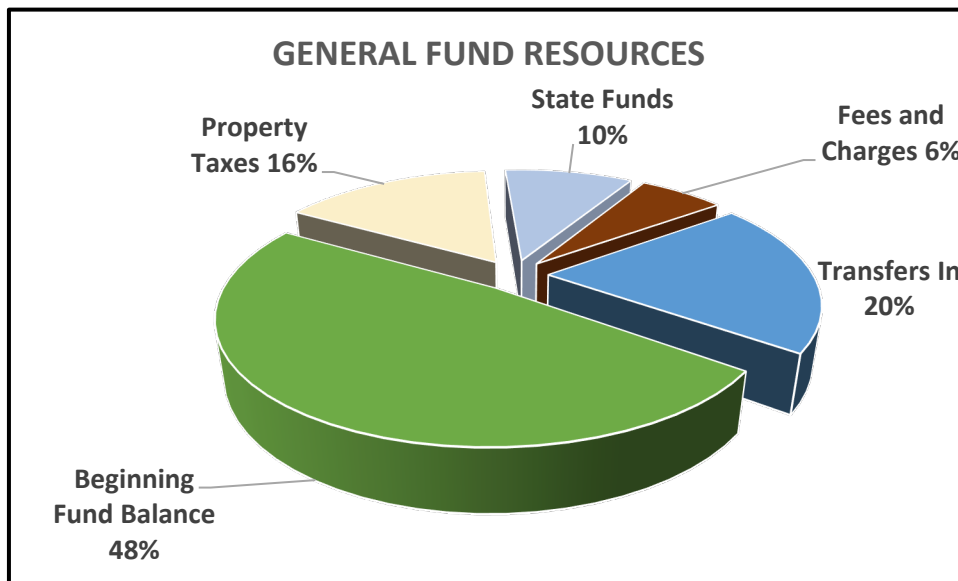
Ending fund balance is reduced \$154K with the majority of the reduction in the Wastewater System Reserves Fund as the city plans to pay back the ARPA funds for the wastewater project.

GENERAL FUND

The General Fund is decreasing by 23% percent. The beginning fund balance is \$17,300, down by \$178,700 over the current year due to the second payout of the American Rescue Plan Act (ARPA) received in FY23. The city planned to use these funds to develop the sanitary sewer system. However, the voters decided not to pursue transitioning to a public sewer system at this time. These ARPA funds must be returned if the city does not find a qualifying use within the required time frame.

The General Fund will transfer \$28,000 in FY25 to the State Tax Street Fund for capital projects. This transfer is the only one anticipated from the General Fund.

GENERAL FUND RESOURCES



Property taxes are Maywood Park's primary revenue source. Maywood Park will continue to levy its total tax rate of \$1.9500 per \$1,000 AV in FY 24 to support the city operations. The rate will yield \$153,000 in revenue.

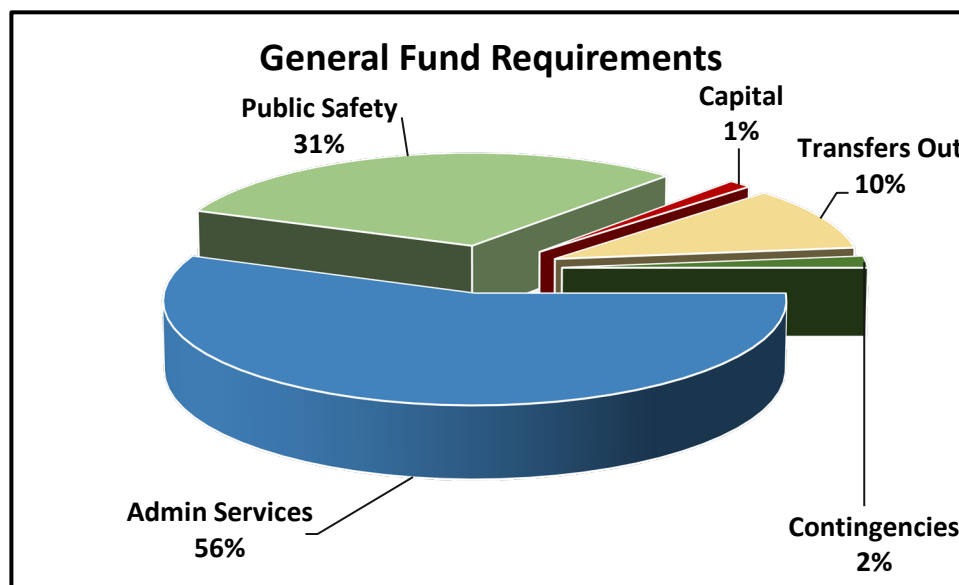
Maywood Park collects \$62,455 in **fees and charges**. The **State Revenue** is from State revenue sharing, cigarette, liquor, and marijuana tax. **Other resources** include licenses, rebates, reimbursements, and miscellaneous sources. **Transfers** into the General Fund come from the State Tax Street Fund, \$12,300, which covers the costs of administering the fund.

GENERAL FUND REQUIREMENTS

Maywood Park breaks the General Fund into three expenditure categories:

- **Administration and Support Services** include personnel services, fees for professional services such as auditors, city planning consultants and attorney fees, office supplies and expenses, and office and property management and maintenance. This expenditure is \$153,520.

- Providing Public Safety Services** in FY 25 totals \$84,500. These dollars cover the inter-governmental agreement with the Multnomah County Sheriff's office for routine patrols for the city and three traffic speed control missions per year, the Bureau of Emergency Communications (BOEC) 911 emergency services charges and fire protection services, the bio-hazard camp cleanup cost, and Community/Neighborhood Response Team (CERT/NERT) materials and supplies and training costs.
- Unallocated Capital Expenditures** are the third category and total \$3,500. The city has set aside \$2,500 for office furniture and computer equipment and \$1,000 to cover the remaining cost to complete the upgrades to the temperature-controlled storage unit for the Community Emergency Response Team resources and other supplies for city events.

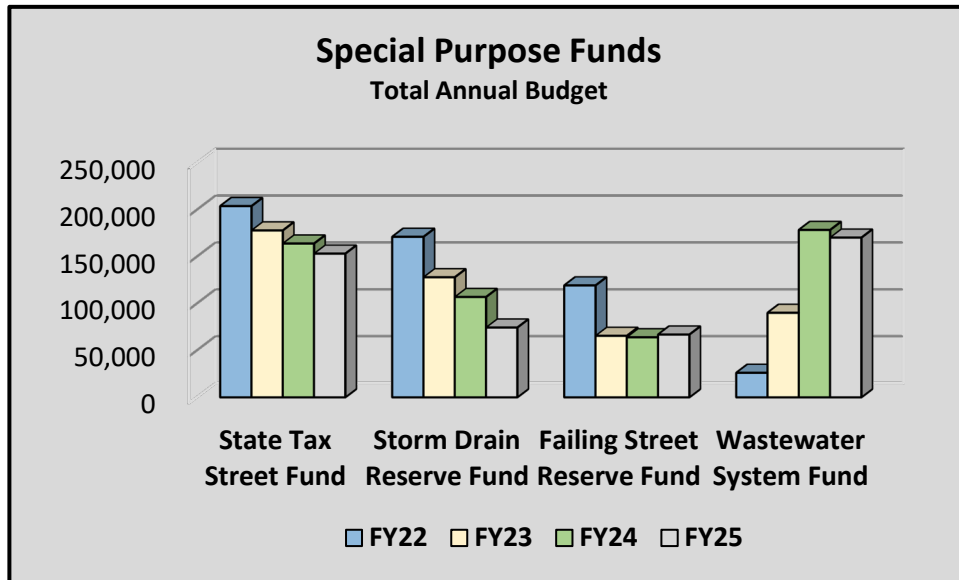


Personnel Services: Maywood Park has only two permanent employees: a finance director and a city recorder. Both are part-time positions, have a fixed monthly salary with no benefits, and are equivalent to less than one full-time employee. Allocations for salaries and wages will rise 13% or less than \$5,000 in FY25 as the city increases the hours per week to 20 hours. Stipends will decrease from \$15,300 to \$10,370 for the mayor and council members.

Materials & Services The materials and services in the General Fund approved budget total \$95,350. This is a 5% decline compared to the current year's expenditures in this category and is a result of a decrease in the dollars set aside for community events and adjusting budget to match spending.

Transfers of \$28,000 are considerably less than the city usually transfers from the General Fund. These dollars will go to the Street Fund to help cover cash flow. Transfers are made to other funds depending on available funds and the expected expenditures in different funds.

OTHER SIGNIFICANT BUDGET AREAS



OTHER FUNDS

Maywood Park has four additional funds. The State Tax Street Fund receives a share of the Oregon Department of Transportation (ODOT) highway tax. The other three funds are supported only by transfers from the General Fund. Each fund decreased in FY25, except for the Failing Street Fund, which will increase slightly compared to the current year.

- State Tax Street Fund \$153,225**
 The city is anticipating revenue from the Oregon Department of Transportation to decrease 7% to \$153,225 in FY 25, with a decrease in state distribution and the amount transferred from the General Fund from \$60,000 to \$28,000. These funds will support street maintenance, multi-use paths, signs, lighting, and related capital projects. The city is budgeting \$4,000 for contingency.
- Storm Water Reserves Fund \$74,400**
 This fund is used for Underground Injection Controls to handle stormwater runoff. With a beginning fund balance of \$74,400 and only \$71,000 in expenditures for maintenance, repairs, and upgrades if needed, the General Fund will not transfer any resources to the Storm Water Reserve Fund.
- Failing Street Property Development Reserves Fund \$66,900**
 The Failing Street Property is a city-owned site planned for a city commons /city hall facility. This fund is exclusively supported by transfers from the General Fund. The beginning fund balance is \$66,900 in FY 25, so there is no transfer from the General Fund. The available resources will support the maintenance needed for the commons area and will still set aside \$26,900 for future expenditures.

- **Wastewater System Reserves Fund \$170,300**

Maywood Park does not have a sanitary sewer system. After many years of ongoing discussions, the city completed the study to move from septic systems to a city-wide sanitary sewer system and suggested this to the voters during last November's election. The voters decided against moving forward with this project at this time. The one expenditure in this fund is the return of \$170,000 ARPA funds if the city does not find a qualified project before the deadline.

DEBT STATUS

The City of Maywood Park has no debt.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
x		Did the district meet publication requirements?
x		Do resources equal requirements in every fund?
n/a		Does the GO Debt Service Fund show only principal and interest payments?
x		Are contingencies shown only in operating funds?
x		Did the budget committee approve the budget?
x		Did the budget committee set the levy?
x		Does the audit show the district was in compliance with budget law?

LOCAL BUDGET LAW COMPLIANCE

The FY 2024-25 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purposes shown.

The fiscal year 2022-23 audit report does not note any expenditures above the budget resolution or any other violations of Local Budget Law.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the Fiscal Year 2024-25 budget or budget process and suggest the Certification Letter contain no recommendations or objections.

City of Maywood Park					
Budget Summary					
	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	%
<u>SUMMARY OF ALL FUNDS</u>	Actual	Actual	Revised	Approved	Change
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	142,415	145,793	149,000	153,000	2.7%
TOTAL PROPERTY TAX	142,415	145,793	149,000	153,000	2.7%
RESOURCES:					
Beginning Fund Balance	448,043	401,096	463,000	391,200	-15.5%
Property Taxes	142,415	145,793	149,000	153,000	2.7%
Intergovernmental Revenue	87,028	92,407	92,200	92,190	0.0%
Fees and Charges	60,079	61,969	60,500	62,455	3.2%
Other Income	94,696	94,578	100	200	100.0%
Transfers In	175,400	176,600	193,300	40,300	-79.2%
TOTAL RESOURCES	1,007,661	972,443	958,100	739,345	-22.8%
REQUIREMENTS BY OBJECT:					
Personnel Services	46,321	46,325	57,600	58,170	-13.9%
Materials & Services	262,895	212,768	377,000	566,275	54.3%
Capital Outlay	121,949	53,252	130,000	35,300	-72.8%
Fund Transfers	175,400	176,600	193,300	40,300	-79.2%
Contingencies	0	0	15,700	9,000	-42.7%
Ending Fund Balance	401,096	483,498	184,500	30,300	-83.6%
TOTAL REQUIREMENTS BY OBJECT	1,007,661	972,443	958,100	739,345	-22.8%
SUMMARY OF BUDGET - BY FUND					
General Fund	487,075	510,730	444,600	274,520	-38.3%
State Tax Street Fund	203,943	177,984	164,000	153,225	-6.6%
Wastewater System Reserves Fund	26,115	90,115	178,500	170,300	-4.6%
Storm Drain Reserve Fund	171,195	128,054	107,000	74,400	-30.5%
Failing Street Reserve Fund	119,333	65,560	64,000	66,900	4.5%
GRAND TOTAL ALL FUNDS	1,007,661	972,443	958,100	739,345	-22.8%
DETAIL OF GENERAL FUND					
RESOURCES:					
Beginning Fund Balance	105,597	156,614	196,000	17,300	-91.2%
Property Tax	142,415	145,793	149,000	153,000	2.7%
State Revenue	23,941	27,633	27,200	29,265	7.6%
Fees and Charges	60,079	61,969	60,500	62,455	3.2%

Other Income	94,643	94,321	100	200	100.0%
Transfers In	60,400	24,400	11,800	12,300	4.2%
TOTAL FUND RESOURCES	487,075	510,730	444,600	274,520	-38.3%
REQUIREMENTS:					
Administrative Services	117,180	113,597	157,500	153,520	-2.5%
Public Safety	61,834	48,042	81,400	84,500	3.8%
Capital Outlay Unallocated	36,447	12,719	20,000	3,500	-82.5%
Transfers Out	115,000	152,200	181,500	28,000	-84.6%
Contingencies	0	0	4,200	5,000	19.0%
Ending Fund Balance	156,614	184,172	0	0	0.0%
TOTAL FUND REQUIREMENTS	487,075	510,730	444,600	274,520	-38.3%