



## Proposed Budget 2023-2024

Budget Committee Presentation

April 11, 2023



# **Budget Policy**

**Adopted October 16, 2018**

# Budget Policy: Objective

## III. Objectives

The primary objectives of budget activities shall be:

- To ensure that the annual budgeting process is performed in a timely manner and supports the OLWS' financial and operational planning objectives and processes.
- To ensure actual versus budget variance is monitored and that significant variances are explained and reported.
- To ensure that expenditures made are in line with program objectives.
- To ensure that budgets are reviewed periodically for relevance and revised, as necessary.

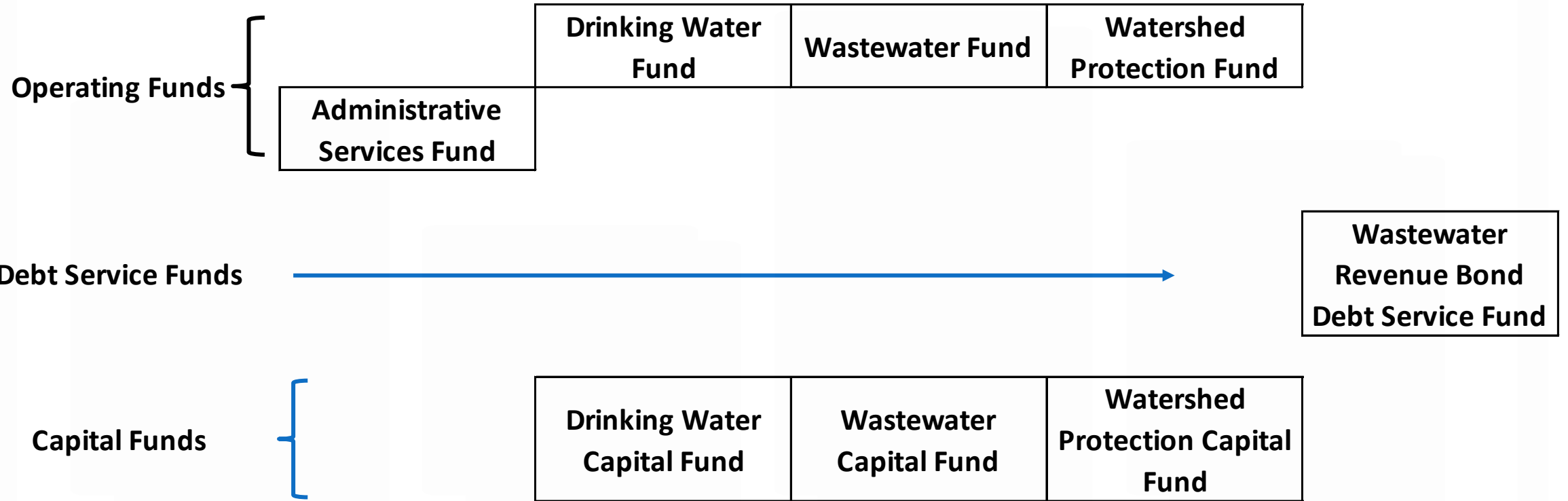
To the extent possible, OLWS' budget process will:

- Incorporate a long-term perspective,
- Establish linkages to broad organizational goals,
- Focus budget decisions on results and outcomes,
- Involve and promote effective communication with stakeholders, and
- Provide incentives to OLWS management and employees.

# FY 2023-24 Proposed Budget Areas of Focus

- Planning for the future
  - Renewal and replacement of aging water and wastewater infrastructure
  - Financing for Capital Improvements
  - Long-term drinking water supply availability
- Building resilience
  - Water intertie projects
  - Economic inflationary costs
  - Emergency management planning
- Security
  - Cyber security (SCADA)
  - Physical asset security
- Financial stewardship
  - Regulatory compliance
  - Asset Management
  - Financial Forecasting
  - Non-revenue water
  - Grants and Loans

# Current Government Fund Types



# Resources vs. Revenue

## Resources

- Beginning Fund Balance
- Utility Service Charges (R)
- System Development (R) Charges
- Bond Proceeds (R)
- Other Revenue (R)
- Transfers In

(R) = Revenue category

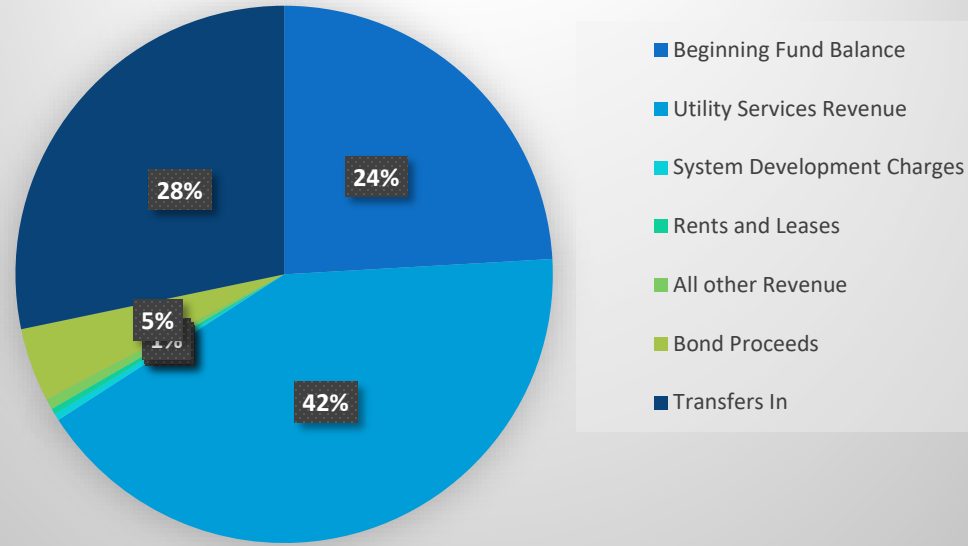
OAK LODGE WATER SERVICES AUTHORITY  
RESOURCES SUMMARY – BY PROGRAM  
FY 2023-24

ACTUAL 20-21	ACTUAL 21-22	BUDGET 22-23	Fund	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
\$ -	\$ -	\$ 1,168,115	<b>Administrative Services</b>	\$ 1,450,193	\$ -	\$ -
-	-	70,400	Fund Balance	77,400	-	-
-	-	1,008,000	Other revenue	1,128,000	-	-
-	-	1,920,000	Transfer In - Fund 10	2,148,000	-	-
-	-	1,008,000	Transfer In - Fund 20	1,128,000	-	-
\$ -	\$ -	\$ 5,174,515	Transfer In - Fund 30	\$ 5,931,593	\$ -	\$ -
\$ -	\$ -	\$ 1,015,771	<b>Total</b>	\$ 5,931,593	\$ -	\$ -
\$ -	\$ -	\$ 4,351,000	<b>Drinking Water</b>	\$ 580,708	\$ -	\$ -
-	-	273,000	Fund Balance	6,091,000	-	-
\$ -	\$ -	\$ 5,639,771	Water Charges	273,000	-	-
\$ -	\$ -	\$ 1,207,862	Leases & Other Revenue	\$ 6,944,708	\$ -	\$ -
\$ -	\$ -	\$ 9,199,000	<b>Total</b>	\$ 6,944,708	\$ -	\$ -
\$ -	\$ -	\$ 100,000	<b>Wastewater</b>	\$ 535,947	\$ -	\$ -
\$ -	\$ -	\$ 20,000	Fund Balance	12,879,000	-	-
\$ -	\$ -	\$ 10,526,862	Wastewater Charges	-	-	-
\$ -	\$ -	\$ 467,895	System Development Charges	20,000	-	-
\$ -	\$ -	\$ 1,592,000	Other revenue	154,600	-	-
\$ -	\$ -	\$ 2,087,895	Transfer In - Fund 30	\$ 13,589,547	\$ -	\$ -
\$ -	\$ -	\$ 592,666	<b>Total</b>	\$ 13,589,547	\$ -	\$ -
\$ -	\$ -	\$ 3,435,000	<b>Watershed Protection</b>	\$ 81,121	\$ -	\$ -
\$ -	\$ -	\$ 4,028,666	Fund Balance	1,783,040	-	-
\$ -	\$ -	\$ 3,911,900	Watershed Charges	28,000	-	-
\$ -	\$ -	\$ 1,000	Other Revenue	\$ 1,892,161	\$ -	\$ -
\$ -	\$ -	\$ 4,028,666	<b>Total</b>	\$ 1,892,161	\$ -	\$ -
\$ -	\$ -	\$ 527,978	<b>Wastewater Revenue Bond Debt Service</b>	\$ 527,978	\$ -	\$ -
\$ -	\$ -	\$ 1,000	Fund Balance	3,000	-	-
\$ -	\$ -	\$ 3,435,000	Other Revenue	3,482,000	-	-
\$ -	\$ -	\$ 4,028,666	Transfers In	\$ 4,012,978	\$ -	\$ -
\$ -	\$ -	\$ 4,028,666	<b>Total</b>	\$ 4,012,978	\$ -	\$ -
\$ -	\$ -	\$ 3,911,900	<b>Drinking Water Capital</b>	\$ 3,442,700	\$ -	\$ -
\$ -	\$ -	\$ 100,000	Fund Balance	100,000	-	-
\$ -	\$ -	\$ 30,000	System Development Charges	50,000	-	-
\$ -	\$ -	\$ 928,000	Other Revenue	2,000,000	-	-
\$ -	\$ -	\$ 4,969,900	Transfers In	\$ 5,592,700	\$ -	\$ -
\$ -	\$ -	\$ 4,969,900	<b>Total</b>	\$ 5,592,700	\$ -	\$ -
\$ -	\$ -	\$ 4,006,108	<b>Wastewater Capital</b>	\$ 2,730,089	\$ -	\$ -
\$ -	\$ -	\$ -	Fund Balance	100,000	-	-
\$ -	\$ -	\$ 30,000	System Development Charges	2,200,000	-	-
\$ -	\$ -	\$ 1,500,000	Proceeds from Borrowing	30,000	-	-
\$ -	\$ -	\$ 5,536,108	Other Revenue	4,000,000	-	-
\$ -	\$ -	\$ 5,536,108	Transfers In	\$ 9,060,089	\$ -	\$ -
\$ -	\$ -	\$ 2,173,058	<b>Total</b>	\$ 9,060,089	\$ -	\$ -
\$ -	\$ -	\$ 10,000	<b>Watershed Protection Capital</b>	\$ 2,613,105	\$ -	\$ -
\$ -	\$ -	\$ 250,000	Fund Balance	20,000	-	-
\$ -	\$ -	\$ 2,433,058	Other Revenue	-	-	-
\$ -	\$ -	\$ 2,433,058	Transfers In	\$ 2,633,105	\$ -	\$ -
\$ -	\$ -	\$ 2,433,058	<b>Total</b>	\$ 2,633,105	\$ -	\$ -
\$ -	\$ -	\$ 40,396,775	<b>TOTAL RESOURCES</b>	\$ 49,656,881	\$ -	\$ -

# Resources

## Year-on-Year Comparison

### FY 2023-24 Resources



	Adopted Budget FY 2022-23	Proposed Budget FY 2023-24	
Beginning Fund Balance	14,543,375	11,961,841	-17.8%
Utility Services Revenue	15,142,000	20,753,040	37.1%
System Development Charges	200,000	200,000	0.0%
Rents and Leases	180,000	180,000	0.0%
Bond Proceeds	-	2,200,000	
All other Revenue	282,400	321,400	13.8%
Transfers In	10,049,000	14,040,600	39.7%
	<u>40,396,775</u>	<u>49,656,881</u>	

# Requirements vs. Expenditures

## Requirements

- Personnel Services (E)
- Materials and Services (E)
- Capital Outlay (E)
- Debt Service (E)
- Special Payments (E)
- Transfers Out
- Contingency
- Reserves

(E) = Expenditure category

### OAK LODGE WATER SERVICES AUTHORITY REQUIREMENTS SUMMARY – BY PROGRAM FY 2023-24

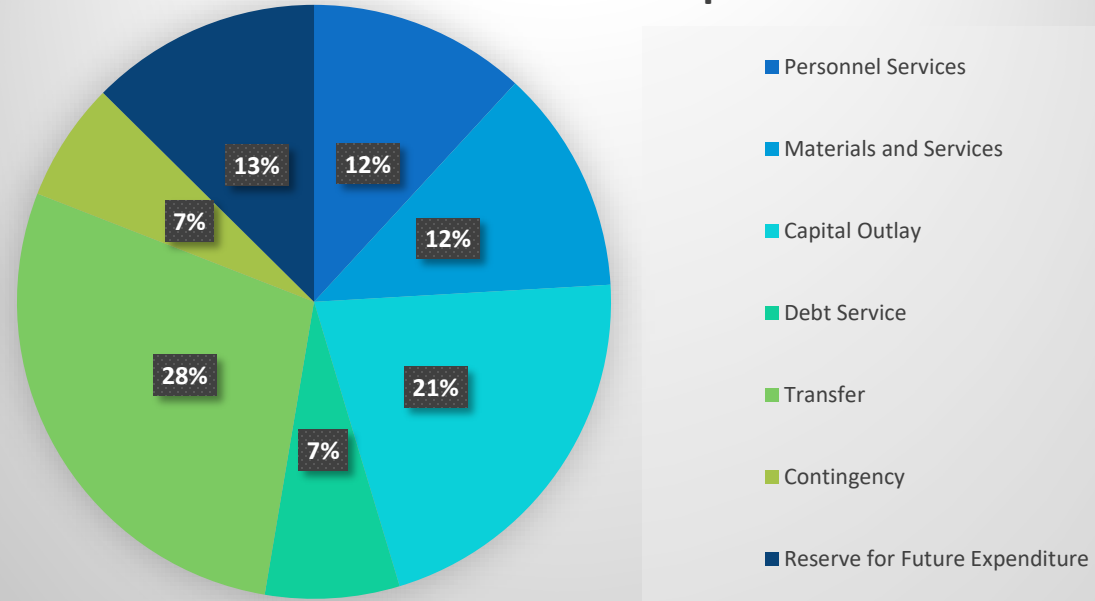
ACTUALS 20-21	ACTUALS 21-22	BUDGET 22-23	Fund	PROPOSED 23-24	APPROVED 23-24	ADOPTED 23-24
\$ -	\$ -	\$ 2,250,000	<b>Administrative Services</b>	\$ 2,676,000	\$ -	\$ -
-	-	2,136,103	Personnel Services	2,579,300	-	-
-	-	788,412	Materials & Services	676,293	-	-
\$ -	\$ -	\$ 5,174,515	Contingency	\$ 5,931,593	\$ -	\$ -
\$ -	\$ -	\$ 1,107,000	<b>Drinking Water</b>	\$ 1,096,000	\$ -	\$ -
-	-	1,681,600	Personnel Services	1,841,900	-	-
-	-	209,063	Materials & Services	209,100	-	-
-	-	1,936,000	Debt Service	3,128,000	-	-
-	-	706,108	Transfers	669,708	-	-
\$ -	\$ -	\$ 5,639,771	Contingency	\$ 6,944,708	\$ -	\$ -
\$ -	\$ -	\$ 1,877,000	<b>Wastewater</b>	\$ 1,924,000	\$ -	\$ -
-	-	1,343,450	Personnel Services	1,362,600	-	-
-	-	6,855,000	Materials & Services	9,630,000	-	-
-	-	451,412	Transfers	672,947	-	-
\$ -	\$ -	\$ 10,526,862	Contingency	\$ 13,589,547	\$ -	\$ -
\$ -	\$ -	\$ 160,000	<b>Watershed Protection</b>	\$ 186,000	\$ -	\$ -
-	-	249,800	Personnel Services	292,400	-	-
-	-	120,000	Materials & Services	-	-	-
-	-	1,258,000	Debt Service	-	-	-
-	-	300,095	Transfers	1,282,600	-	-
\$ -	\$ -	\$ 2,087,895	Contingency	\$ 131,161	\$ -	\$ -
\$ -	\$ -	\$ 3,434,144	<b>Wastewater Revenue Bond Debt Service</b>	\$ 3,423,000	\$ -	\$ -
-	-	594,522	Debt Service	589,978	-	-
\$ -	\$ -	\$ 4,028,666	Reserve for future expenditure	\$ 4,012,978	\$ -	\$ -
\$ -	\$ -	\$ 2,839,000	<b>Drinking Water Capital</b>	\$ 3,720,000	\$ -	\$ -
-	-	288,000	Capital Outlay	370,000	-	-
-	-	1,842,900	Contingency	1,502,700	-	-
\$ -	\$ -	\$ 4,969,900	Reserve for future expenditure	\$ 5,592,700	\$ -	\$ -
\$ -	\$ -	\$ 4,023,340	<b>Wastewater Capital</b>	\$ 6,538,000	\$ -	\$ -
-	-	481,834	Capital Outlay	653,800	-	-
-	-	1,030,934	Contingency	1,868,289	-	-
\$ -	\$ -	\$ 5,536,108	Reserve for future expenditure	\$ 9,060,089	\$ -	\$ -
\$ -	\$ -	\$ 300,000	<b>Watershed Protection Capital</b>	\$ 300,000	\$ -	\$ -
-	-	50,000	Capital Outlay	50,000	-	-
-	-	2,083,058	Contingency	2,283,105	-	-
\$ -	\$ -	\$ 2,433,058	Reserve for future expenditure	\$ 2,633,105	\$ -	\$ -
\$ -	\$ -	\$ 40,396,775	<b>TOTAL REQUIREMENTS</b>	\$ 49,656,881	\$ -	\$ -



# Requirements

## Year-on-Year Comparison

FY 2023-24 Requirements



	Adopted Budget FY 2022-23	Proposed Budget FY 2023-24	
Personnel Services	5,394,000	5,882,000	9.0%
Materials and Services	5,410,953	6,076,200	12.3%
Capital Outlay	7,162,340	10,558,000	47.4%
Debt Service	3,763,207	3,632,100	-3.5%
Transfer	10,049,000	14,040,600	39.7%
Contingency	3,065,861	3,223,909	5.2%
Reserve for Future Expenditure	5,551,414	6,244,072	12.5%
	<u>40,396,775</u>	<u>49,656,881</u>	

# Balanced Budget

Oregon Local Budget law requires “The budget must be constructed so that the total resources in each fund equal the total requirements in that fund. When the resources are equal to the requirements, the fund is said to be “in balance”.

Beginning Fund Balances	Revenues	Transfers	Total Resources
\$11,961,841	23,654,440	14,040,600	\$ 49,656,881

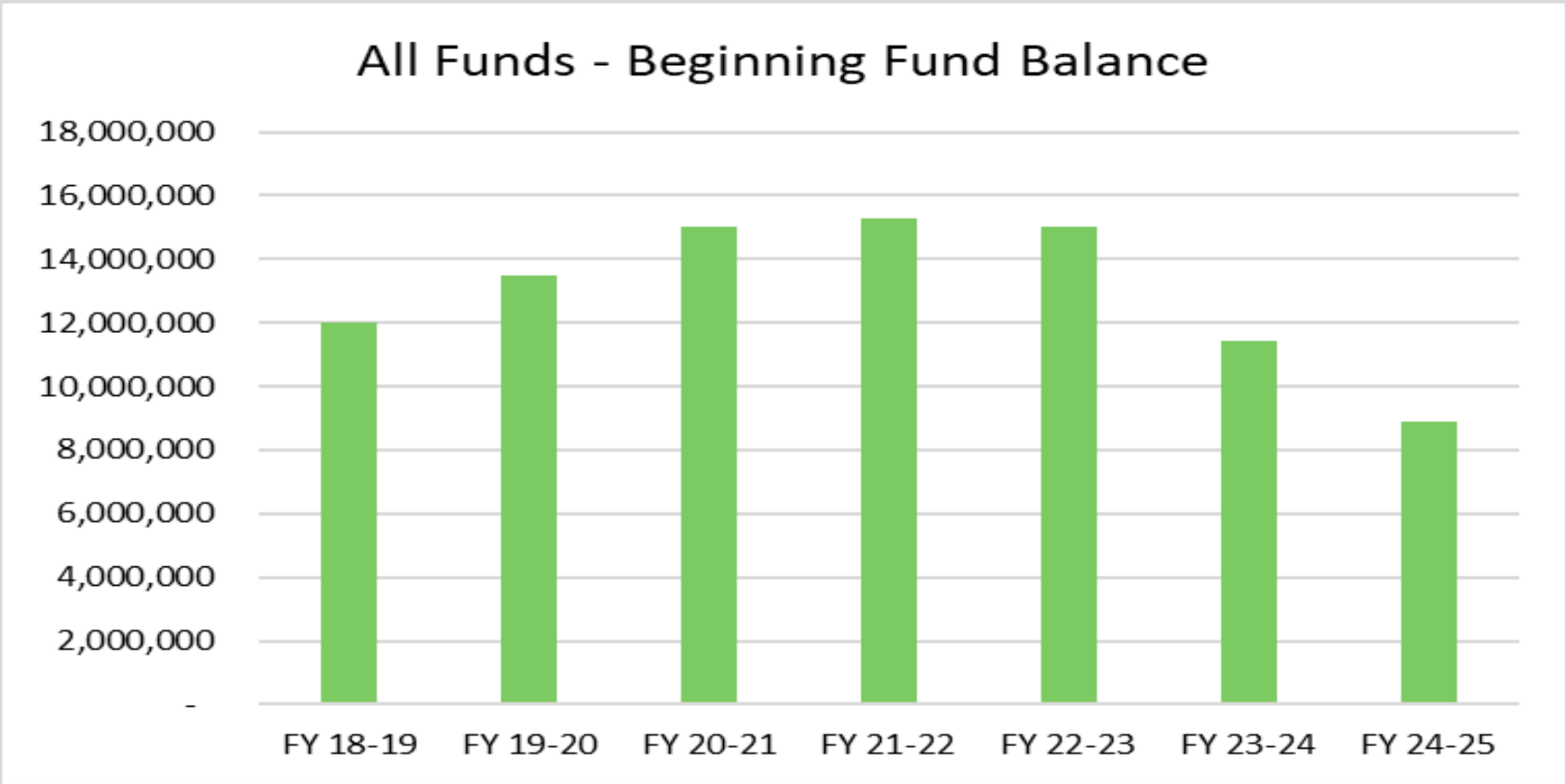
Expenditures	Transfers	Contingencies & Reserves	Total Requirements
\$26,148,300	14,040,600	9,467,981	\$ 49,656,881

Beginning Fund Balances	Revenues	Transfers	Total Resources
\$ 11,961,841	23,654,440	14,040,600	\$ 49,656,881



**Beginning Fund Balances**

# Beginning Fund Balance - Trend

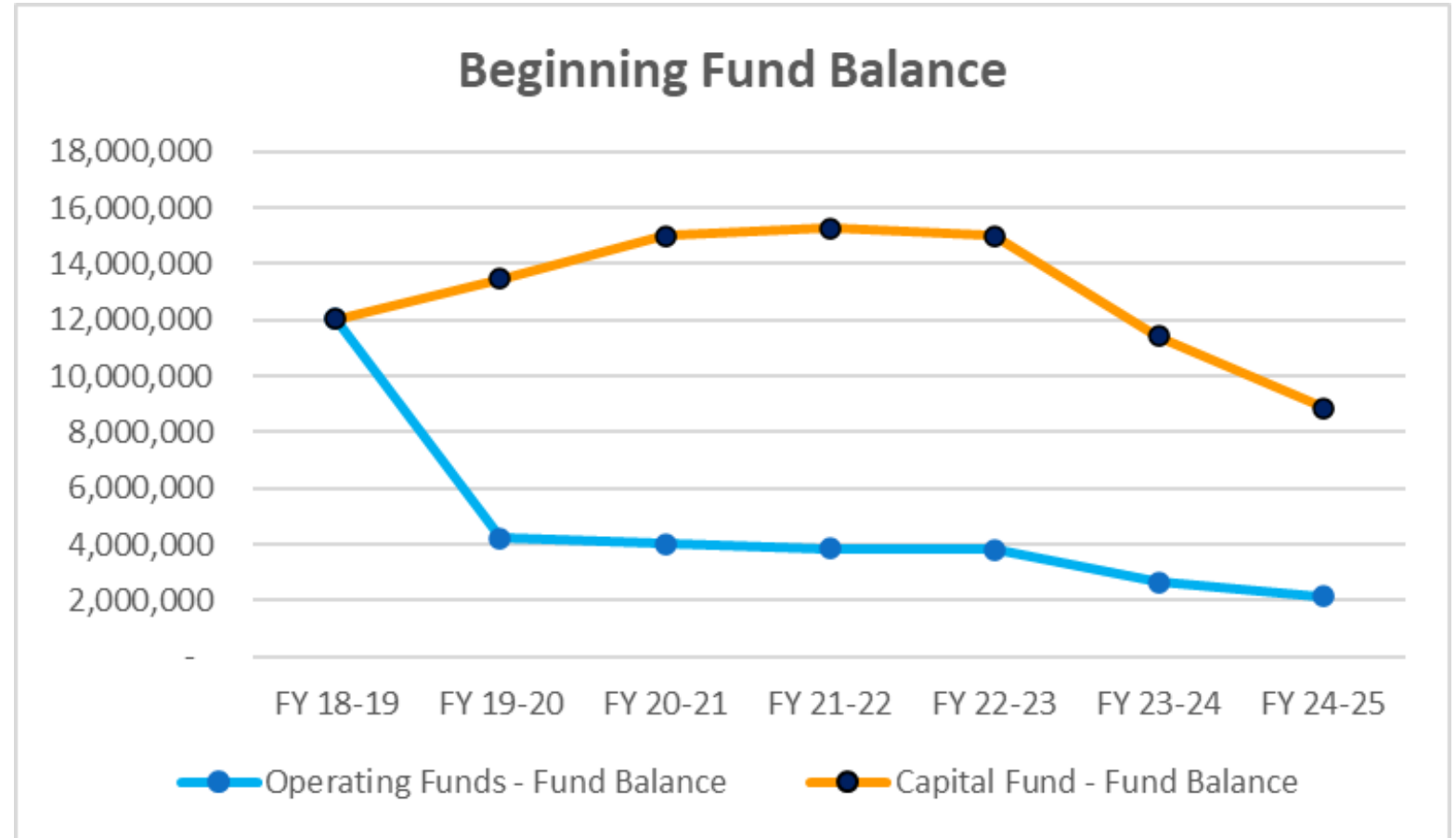


FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
12,025,679	13,483,475	15,006,392	15,270,836	15,004,777	11,433,863	8,878,003
15%	12%	11%	2%	-2%	-24%	-22%

**Beginning Fund Balance**

# Use of Beginning Fund Balance

## Operating vs. Capital Funds



	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
<b>Operating Funds - Fund Balance</b>	12,025,679	4,211,009	4,000,253	3,852,459	3,800,212	2,647,969	2,150,109
<b>Capital Fund - Fund Balance</b>	-	9,272,466	11,006,140	11,418,377	11,204,565	8,785,894	6,727,894
<b>Total</b>	<b>12,025,679</b>	<b>13,483,475</b>	<b>15,006,392</b>	<b>15,270,836</b>	<b>15,004,777</b>	<b>11,433,863</b>	<b>8,878,003</b>

# Use of Beginning Fund Balance

## Operating Funds

**\$0.5 Million**

	Drinking Water Fund	Wastewater Fund	Watershed Protection Fund	Use of Operating Beginning Fund Balances
<b>Operating Revenue</b>	\$ 6,364,000	\$ 13,053,600	\$ 1,811,040	
<b>Transfers out</b>	(3,128,000)	(9,630,000)	(1,282,600)	
<b>Net</b>	3,236,000	3,423,600	528,440	
<b>Operating Expenditures</b>	(3,147,000)	(3,286,600)	(478,400)	
<b>Use of Fund Balance</b>	(89,000)	(137,000)	(50,040)	\$ (276,040)
<b>Administrative Services Fund</b>				
<b>Other Revenue</b>	77,400			
<b>Transfers In</b>	4,404,000			
<b>Net</b>	4,481,400			
<b>Operating Expenditures</b>	(5,255,300)			
<b>Use of Fund Balance</b>	773,900			773,900
				<b>\$ 497,860</b>

# Use of Beginning Fund Balance

# Capital Funds

## \$2.1 Million

	<b>Drinking Water Capital Fund</b>	<b>Wastewater Capital Fund</b>	<b>Watershed Protection Capital Fund</b>	<b>Use of Capital Beginning Fund Balances</b>
<b>SDC's &amp; Other Revenue</b>	\$ 150,000	\$ 2,330,000	\$ 20,000	
<b>Transfers In</b>	2,000,000	4,000,000	-	
<b>Net</b>	2,150,000	6,330,000	20,000	
<b>Capital Outlay</b>	(3,720,000)	(6,538,000)	(300,000)	
<b>Use of Fund Balance</b>	1,570,000	208,000	280,000	<b>\$ 2,058,000</b>

Beginning Fund Balances	Revenues	Transfers	Total Resources
\$ 11,961,841	23,654,440	14,040,600	\$ 49,656,881



**Revenues**