

Town of Lakeview

Honorable Mayor, Town Council, and the Town of Lakeview Citizens:

It is a pleasure to present this Fiscal Year (FY) 2023-2024 budget to you. Despite the many unpleasant effects that occurred FY 2022-2023, this budget is sustainable and will provide operations, human resources, and capital investment sufficient to meet the needs and expectations of the citizens of Lakeview. This effort requires a stable mixed revenue stream that can weather the inevitable fluctuations of the economy without causing dramatic swings in service levels.

EXECUTIVE SUMMARY

This budget is the culmination of many hours of work. The FT2023-2024 budget maintains a conservative level of stewardship, revenues and expenditures while reflecting a consistent growth pattern for our community.

COUNCIL PRIORITIES

The main priority of the Council is to address:

Infrastructure: the council and town have inherited a failing infrastructure long past its lifecycle. The Council has committed to replacing and/or repairing the town's most critically failing lines in this fiscal year. Public Works identified those most critical areas as Center Street to South F Street along US Highway 395 and connecting streets and areas surrounding Lake District Hospital, South I to South H by the Lake School District High School. To support this effort, we will continue to work with our Governor, Senators, and Representatives to address the unique and complex challenges as well as submit for federal funding through grant applications.

Continued work will occur during this fiscal year with our water treatment facility. The year will be filled with progression by beginning a pilot program that will be set up in the Town's parking lot to run tests. This will determine the correct media filter necessary to remove the manganese and iron from our water and will complete Phase 1 of the Water Treatment Facility Project Schedule. Then Phase 2 will begin the final design and bidding process to keep the project moving to completion and delivery August 2026.

We will start a 2-year project to change all residential water meters to residential smart meters in July 2023, starting on Roberta Road. Then, to 11th, 10th, and 9th Streets. to improve leak detection and assist in the replacing of aging water pipes.

Economic Development: developing a healthy and diverse community is at the heart of economic development. The 2023-2024 goals are to increase the tax base and create more local job opportunities through the adoption of the Urban Renewal Area (URA) Agency. Through the URA the town will encourage and incentivize partnerships and collaborations with residents, businesses, and industries to locate to Lakeview. A targeted emphasis for the Town is to recruit and forge a pathway towards a second grocery store, pharmacy, hospitality, and residential housing in Lakeview. Recruitment efforts will begin in June 2023.

Workforce: we have spent many hours creating a partnership with Klamath Community College and their new apprenticeship program. We hope to provide educational avenues for workforce foundational

skills development to meet Lakeview’s technical need for work force expansion, plumbing, electricians, and other curriculum directed at the mechanical contractors, operators, future installers, and future designers.

Parks and Recreation: The budget authorizes an additional \$50,000 to assist the final stages of development for McDonald Park. The highly anticipated splash pad is expected to be near completion by the end of JULY, depending on weather conditions. We are excited about this and the opportunity it has been to create a park designed for all ages and families to enjoy.

HIGHLIGHTS TO COME IN FY2023-2024

- \$20,000,000 in capital projects.
- Increasing general fund revenues up to 3% with anticipated growth from Next Renewables and EcoMaterials Green Cement facilities going into operation.
- 3 new full-time employees (2 to Public Works and 1 to Economic Development).
- All funds are balanced and sustainable with recurring revenues so long as fees and taxes increase with inflation.
- All volunteer Fire department with increased funding to help pay more for our volunteers and additional training.
- New Vactor truck for public works to make an impact on our sewer services and simplify public works operations.
- 911/Fire building roof replacement.

RATE INCREASES

The Town received a \$20,000 grant for a water rate study to be done. To focus on long-term needs, the Town must evaluate rates charges for utilities. In accordance with best practices, the Town has contracted with a third party to evaluate and determine water rates sufficient for upcoming infrastructure projects. The Town will also be reviewing and evaluating changes to our sewer and system development rates.

NEW FUNDS

In the General Fund we are adding and Ordinance Department the line items number are

10-65-110-Ordinance Office	10-65-530-Telephone
10-65-220-FICA Expense	10-65-540-Advertisement
10-65-250-SUT Expense	10-65-610-Materials & Supplies

Fund 45 – R3 for Regional Rural Revitalization

Fund 46 – Smart Meter Project

FUNDS RETURNING

Fund 31 – Fire Truck Fund to allow the town to save for future fire truck purchases.

FUNDS RETIRING

FUND 11	HUD SPECIAL PROJECT	FUND 47	WATER/SEWER EXTENTION PRISON
FUND 12	WOODSMOKE REDUCTION GRANT	FUND 50	UTILITY FUND
FUND 21	PLANNING FUND	FUND 51	CAPITAL – IMP 25%
FUND 23	HEAD START CDBG	FUND 52	UTILITY – CAP REPLACE 5%
FUND 29	PROGRAM/PROJECT SUPPORT	FUND 60	DEBT SERVICE FUND
FUND 33	POLICE VEHICLE FUND	FUND 70	UNALLOCATED INTEREST FUND
FUND 41	SYSTEM DEVELOPMENT	FUND 71	INSURANCE FUND
FUND 43	STREETScape PROJECT	FUND 72	DONATIONS FUND

TOWN GRANT AWARDS

GRANTS		Amount	awarded	Admin Fee to GL
AWARDED				
DEQ AQ	Town of Lakeview Air Quality	\$75,000	21-23	\$ 7,500
ARPA State of Oregon Grant	Town of Lakeview Water Treatment Facility	\$15,000,000	21-27	\$ 30,000
DEQ Woodsmoke Mitigation	Town of Lakeview Air Quality	\$15,000	22-23	\$ -
DLCD Grant	Town of Lakeview	\$85,000	22-23	\$ 8,500
Department of Justice	Police Deputy & SRO	\$375,000	22-27	\$ 37,500
State of Oregon State Fire Marshall	Town of Lakeview Fire Personnel	\$33,000	22-23	\$ 3,300
Small City Allotment	Town of Lakeview Roberta Road	\$250,000	22-23	\$ -
The Collins Foundation	Town of Lakeview McDonald Park	\$200,000	22-23	\$ -
Oregon Department of Energy	Town of Lakeview Geothermal Expansion	\$100,000	23-24	\$ 10,000
R3 - HB3138	Housing & Infrastructure Grant	\$75,000	23-24	\$ 7,500
TOTAL		\$16,208,000		\$ 104,300.00

Grant awards funding from federal or state dollars must adhere to principles, standards, and procedures. Awarded funds must be used solely for the project as described in the grant agreement contract. Any changes must be approved in writing.

Allowable costs are those that are assigned to the project task identified in the grant agreement contract. The Town is allowed to calculate 10%, but not to exceed 10% for administrative work directly attributable to the grant project. Examples of Administrative costs are costs relating to submittal of funds requests, progress reports, and the Final Report as well as all related accounting or payroll preparation expenses.

The town’s administration activities are distributed to the general fund, therefore, \$100,000 has been allocated to 10-33-900 ADMIN FEES FOR GRANTS in the general fund to assist with expenses and salaries.

ACCOUNTING POLICIES

In order to ensure adherence of limitations and restrictions placed on the use of the money available to the town, the accounts are maintained in accordance with the principles of “fund accounting.” This is the procedure by which revenues and expenditures for various purposes are classified, for accounting and reporting purposes, in accountant groups that are in accordance with activities or objectives specified under an adopted budget. The operation of these funds is accounted for by providing a set of self-balancing accounts. The basis of accounts utilized by the town is the modified accrual basis of account. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (when they are measured and available). “Measurable” means the amount of the transaction

can be determined and “available” means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The town considers property taxes as available if they are collected within 60 days after year-end.

A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the town and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the “susceptible to accrual” criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions under capital leases are reported as other financing sources.

CONCLUSION

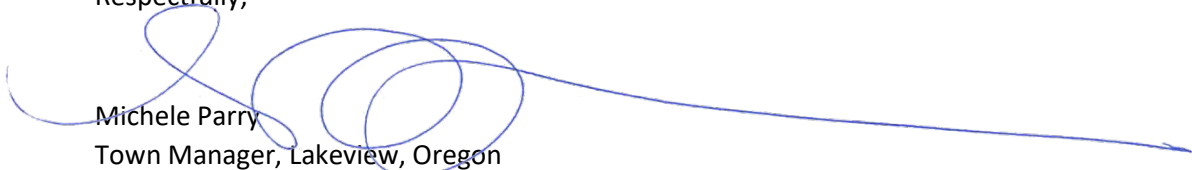
It is a challenge to provide sufficient detail in written form to give enough information to make meaningful input into the budget without overwhelming everything with too much to consider.

We are at the beginning of seeing community investments for the long-term benefit of the citizens of Lakeview. Most importantly, 2023-2024 will bring a concentrated effort to begin replacing the town’s 48 miles of infrastructure that has had 20 years of deferred maintenance. It’s a staggering undertaking with a formidable price tag, but we are going to tackle it one mile at a time.

Careful attention was paid to recurring versus one-time funding. Despite the huge capital number, recurring expenses are sustainable with recurring revenues.

In the end, the goal is to strive to do better than the prior year, to live fully, and see the dozens and dozens of magical moments of moving forward together. I thank Lakeview for having me as the Town Manager, and for working together to produce noticeable changes in the town.

Respectfully,


Michele Parry
Town Manager, Lakeview, Oregon