



2024-2025 Budget

Alex McHaddad, City Administrator/Budget Officer



Budget Committee

- ORS 294.414
- City Council
- Meetings 5/20/2025 and 5/27/2025
- Appointed
 - Doreen Baker
 - Rhonda Cisna
 - Khirenda Johnson
 - JT Thorne
 - Jim Tyler

Budget Message

The Jewel of the Blue Mountains has a unique pool of funds, with standard fees like taxes and water payments supplemented by a history of competitive grant funding and the operation of two business-like funds, the Hu-Na-Ha RV Park and Transfer Station. Property taxes collected by the City are due to increase.

Beginning in February, the City began an enhanced review of finances that discovered a history of extraneous spending that beleaguered past budgets and decreased cash reserves. Spending will be monitored throughout the 25-26 fiscal year to prevent waste. Eliminating extraneous spending puts the City in a better financial position to improve services, eliminate debt, and build reserves.

Budget Message

The city will need to continue strategic planning during the 2025-2026 fiscal year in order to present a 2026-2027 budget that funds municipal priorities and obligations. The planning process will review additional areas where spending can be cut. While some City fees must increase due to inflation, burdening taxpayers with increased revenue has the potential to decrease the pool of residents able to pay these fees.

The City's public safety planning process is proof that this process will work in the future. A revived Public Safety funding led to a refreshed and cheaper contract with the Union County Sheriff's Office, and the contract with Union County Justice Court for municipal adjudication eliminates up-front costs and only brings in revenue. Elgin's new Ordinance Officer will be more proactive in working with the community to clean up properties and ensure compliance. The Council's next focus appears to be on improved economic development and tourism promotion, with the Hu-Na-Ha RV Park at the center.

Budget Message

As the kids say, TLDR (Too Long Didn't Read): The City's Budget this fiscal year was built on carefully-planned improvement procedures and this will occur in the future, especially as the City retires debt and expands economic development activities.

Budget Totals

Beginning Fund Balance/Net Working Capital	\$315,250.
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	\$1,404,300
Federal, State & all Other Grants, Gifts, Allocations & Donations	\$3,708,300
Revenue from Bonds and Other Debt	\$0
Interfund Transfers / Internal Service Reimbursements	\$884,200
All Other Resources Except Current Year Property Taxes	\$232,550
Current Year Property Taxes Estimated to be Received	\$525,000
Total Resources	\$7,069,600

Personnel Services	\$955,650.00
Materials and Services	\$1,735,650.00
Capital Outlay	\$3,040,050.00
Debt Service	\$197,850.00
Interfund Transfers	\$884,200.00
Contingencies	\$3,000.00
Special Payments	\$1,500.00
Unappropriated Ending Balance and Reserved for Future Expenditure	\$254,700.00
Total Requirements	\$7,069,600

Fund Changes

Beginning Fund Balance/Net Working Capital		Personnel Services	
	-8%		-10%
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges		Materials and Services	
	-0.6%		-4%
Federal, State & all Other Grants, Gifts, Allocations & Donations		Capital Outlay	
	+13%		+10%
Revenue from Bonds and Other Debt		Debt Service	
Interfund Transfers / Internal Service Reimbursements			23%
	-8%	Interfund Transfers	
All Other Resources Except Current Year Property Taxes			+13%
	+0.05%	Contingencies	
Current Year Property Taxes Estimated to be Received			400%
	-2%	Special Payments	
Total Resources	5%		+0%
		Unappropriated Ending Balance and Reserved for Future Expenditure	
			+66%
		Total Requirements	
			+5%

Funds

001 General Fund

This fund receives its income through various sources like property taxes and franchise fees. It is used to supply our public safety fund, library fund, shortages in the dump fund and EMT fund, and staff and council training. This fund was more difficult to stabilize for the next fiscal year due to increased law enforcement costs. Balancing the fund is only achieved via an increase in RV Park fees.

Resources: \$729,900.00

Expenditures: \$699,800.00

002 Property Fund

The property fund is supplied by all funds and is where we run all of our City-funded projects through, as well as grant projects like the SCA. We also use this fund to address any necessary vehicle or property repairs and pay all utilities, such as electricity and gas. This fund also collects money from various funds to pay off the City's loan to purchase the new City Hall, City Shop, and City Compound/Kennel.

Resources: \$794,500.00

Expenditures: \$783,950.00

Funds

003 Public Safety

All Sheriff (law enforcement contract), court, ordinance, and legal costs and revenues are run through this fund. The City is contracting with Union County Justice Court going forward so there will be no expenditures related to a judge. 2025-2026 Contract with UCSO is \$350,771.00 for 3 deputies.

Resources: \$440,900.00

Expenditures: \$427,150.00

004 Emergency Equipment Reserve Fund

All EMS and police-related major purchases are handled through this fund. Currently, we have a note on the new ambulance for approximately \$104,000.00. The fund can only be balanced this year with increased RV Park user fees that will be presented to Council May 14.

Resources: \$43,000

Expenditures: \$43,000

Funds

005 Public Works Equipment Reserve Fund

All Public Works major equipment purchases are made in through this fund. Currently the Public Works Director is satisfied with our fleet and feels no need to make additional purchases.

Resources: \$6,650

Expenditures: \$6,650

006 Library

Elgin's library is mainly entirely by General Fund monies, in addition to grant funding and fees. As rising costs in funds continue to poke holes in City reserves, it becomes harder every year to ensure that we have proper funding. A funding request for volunteer stipends to operate the Library in the Librarian's absence could not be granted. The City must review reductions in either law enforcement, EMS, dump, or library operations (or a combination of these) to ensure the budget is balanced in the future.

Resources: \$85,550

Expenditures: \$83,150

Funds

007 Industrial Park Debt Fund

This fund collects monies from the water and sewer funds and pays down the City's infrastructure loan, which stands at \$51,000.

Resources: \$21,500

Expenditures: \$21,000

008 Ambulance Fund

All EMT operations are run through this fund. In the past, it has been able to support itself. However, due to rising costs everywhere, the costs to operate is getting harder to maintain. The City switched insurance billing companies and we are getting a more accurate return and in a timelier manner. With the recent purchase of a new ambulance, we are having to tighten our belts in this fund a bit more until we get this new vehicle paid off (\$104,000.00).

Resources: \$163,400

Expenditures: \$141,000

Funds

009 Community Center Fund

The City is no longer managing operations for the Elgin Parks & Recreation District.

010 Block Grant Fund

Because of the amount of money that is run through our Federal Block Grant Projects, the City has elected to run all these operations through a fund JUST dedicated to them. This makes tracking revenues and disbursements easier for all. We are currently on a 1-year cycle of funding here that breaks down as follows:

1. Apply for CDBG for design (Water Capital Improvements Project) \$603,000 – fully funded through grants (2025) For fiscal year 2026
2. Apply for CDBG for construction (Water Capital Improvements Project) \$2,495,000 – fully funded through grants (2025) For fiscal year 2026

Resources: \$3,098,000

Expenditures: \$3,098,000

Funds

101 – Street Fund

The City started a Street User Fee eight years ago and per Resolution, which was due to increase \$1 every year. This user fee has capped and will no longer be increased under the previous Resolution. It will bring in extremely needed funding to complete projects like asphalt overlays, new bridges, new sidewalks, and snow removal. Coupled with the SCA grant that we have secured for the last few years, we have been able to finish some great projects. We did not get the SCA grant this year but we do have one paving project planned for N. 10th Ave which is listed under the property fund. We will be applying for the SCA grant this year for a project in 2026. This will allow us to save revenue for a road project in 2026.

Resources: \$258,900

Expenditures: \$244,750

102 – Street Reserve Fund

This is a savings fund for unused monies from the Street Fund.

Resources: \$300

Expenditures: \$0

Funds

401 – Water Fund

This is our largest fund in terms of revenues and expenditures, aside from the Block Grant Fund. The City is currently working on securing funding for a water capital improvement project. The City plans to apply for grant funding in the fall of 2025 and construction will start in the spring of 2026. One of the grant requirements is an assessment of the municipalities rates and how they compare to the state average for other Cities our size. It was found that the City of Elgin must increase its rates to meet the averages or risk loss of much needed funding. We need to look at a reasonable increase for this year's budget. The water project will include new meters throughout town, much needed upgrades to well pumping equipment, and better aquifer control to strengthen the longevity of city water sources. The staff is recommending an increase of \$2.50 to water rates. This will set us towards meeting the state recommended average.

Resources: \$556,700

Expenditures: \$535,100

402 – Water Capital Reserve Fund

This is a savings fund for unused monies from the Water Fund.

Resources: \$2,900

Expenditures: \$0

Funds

403 – Water Debt Fund

This fund collects monies from the Water Fund to pay off the Safe Water Drinking Revolving Loan which currently stands at \$265,000.

Resources: \$37,900

Expenditures: \$37,850

410 – Sewer Fund

Our Sewer Fund is the second largest fund the City operates as far as revenues go. Much like the water fund, we are starting to experience shortages due to rising costs and not increasing our rates to match. The sewer rate is another one that has been identified as being under the average and will need increased to secure much needed funding to help improve infrastructure. The staff is recommending an increase of \$2.50 to sewer rates. They feel like they can continue to maintain and grow the system with this amount.

Resources: \$514,250

Expenditures: \$485,450

Funds

411 – Sewer Reserve Fund

This is a savings fund for unused monies from the Sewer Fund.

Resources: \$20,950

Expenditures: \$0

420 – RV Park Fund

The City owns and operates the Hu-Na-Ha RV Park. We are still experiencing high use and are able to utilize revenues to balance the City's budget. Balancing the General Fund and Emergency Equipment Reserve Fund depend on the Council passing RV Park fee increases at the May 14 Council meeting. Revenue included in this budget is below the full projection so that we are not over-reliant on fee increases.

This fund has the potential to grow much larger with a better marketing plan introducing video and social media marketing alongside local radio ads. Currently, the City spends 100% of RV Park marketing funds on radio ads that air solely in Baker and Union Counties, a guaranteed recipe to limit the Park's customer pool.

Resources: \$162,200

Expenditures: \$152,650

Funds

430 – Solid Waste Fund

This fund manages the City-owned solid waste transfer station. Since the installation of scales, the dump has been in the black the last couple of years and has stayed out of the auditors' eyes, due to increased vigilance and record keeping. The council has set a new minimum charge at \$20.00 to help cover the increase from Waste-Pro. This fund is looking very positive for the coming year and staff does not expect any changes needed to this fund.

Resources: \$88,800

Expenditures: \$68,900

630 – Customer Deposit Fund

All new water/sewer/street funds must pay a deposit if they do not have a good history of utility payments and those are stored here.

Resources: \$43,300

Expenditures: \$1,500