



May 12, 2020

As Budget Officer of the City of Gearhart, it is my privilege to present the proposed 2020/2021 budget to the budget committee for review.

1. The information in the Budget Document, as presented indicates the anticipated resources and requirements of the City of Gearhart for fiscal year 2020/2021 and is in accordance with budget law.
2. The proposed budget includes the appropriations necessary to operate the City's departments for the fiscal year, as well as two years of historical data and last year's budgeted numbers. Appropriations for Reserve Funds are also included within the budget.

The General Fund anticipated resources for this fiscal year are \$2,004,500 from various sources.

While revenue is increasing slightly our tax rate remains the same. The conservative increase is appropriate due to the anticipated amount of building and an improvement in home assessed value. Another source of revenue is the Transient Room Tax which is anticipated to be \$250,000 which is \$125,000 less than last year's budget. Room taxes from hotels are anticipated to be less than last year because of the Covid-19 pandemic. Building permit budget numbers are estimated to remain similar to this year. We may see a future drop in building permit fees as available buildable land in Gearhart is reduced because our available buildable lands are in decline.

The City's tax rate is permanent and remains unchanged at \$1.0053 per \$1000 and \$0.0602 per \$1000 for the Gearhart Road District.

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Included in the budget are the appropriations necessary to allow the implementation of the City's salary schedule and increases. A Cost Of Living Adjustment (COLA) increase of 1.6% as per the Social Security Administration is applied to salaries this year starting in January. A 5% step anniversary increases some City employees that will take effect during the anniversary date of their employment.

Gearhart Reserve funds will again receive additional resources this year.

The proposed State Revenue Sharing Fund expenditures will be finalized after citizen input at the public hearing.

Chad Sweet
Budget Officer/City Administrator