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May 2, 2023

Honorable Mayor, City Council, Budget Committee and Citizens of Garibaldi:

Staff is pleased to present to you the proposed operating budgets for Fiscal Year 2023-24. Oregon budget law (ORS294.403) requires a Budget Message to be prepared by the Budget Officer and delivered at the first meeting of the Budget Committee(s). As required by law, each budget is balanced and proposes a spending plan for the coming year which is based upon projected resources and the operational needs of the city. Restrictions imposed by revenues and fund balances will govern what expenditures can be made, staffing levels, and projects that can be funded. The proposed budget presents my recommendations as Budget Officer.

The City's poor position this year can be attributed mainly to accounting deficiencies, high inflation rates, and delaying for too long inevitable utility rate increases. These become apparent in the proposed budget as staffing cuts, property sales, and rate increases had to be incorporated to produce a balanced budget.

The City does wish to improve its position and has embarked on an effort to bring delinquent accounting to current. Part of this effort included hiring a new full-time finance officer in Fiscal Year 2022-2023. Our new Finance Officer Marni Johnston did not come on board until April 2023. Johnston was tasked on very short notice with the preparation of these proposed budgets. Her findings are summarized in the Proposed Budget Narrative. The narrative can be found on the City's website at www.ci.garibaldi.or.us, and will be discussed in detail at the proposed budget (Zoom) meetings on May 3, 2023 at City Hall.

Although sometimes difficult or politically unpopular, a city council must ensure that resources are available to meet the minimum operating needs of a city. It is recommended that the city council immediately commence work to evaluate current and future revenue sources, and to determine what minimum service levels are needed and desired for the community. The time to act is now.

Jay Marugg
Budget Officer/Garibaldi City Manager Pro Tem/Fire Chief