

City of Bonners Ferry

FY 2024 Budget Presentation



CITY ELECTED LEADERSHIP



Title	Term
Mayor: James R. "Dick" Staples,	2020-2024
Council President: Rick Alonzo,	2020-2024
Councilman: Brion Poston,	2022-2026
Councilwoman: Val Thompson,	2020-2024
Councilman: Ron Smith,	2022-2026

CITY APPOINTED LEADERSHIP



Administrator: Lisa Ailport, AICP
Engineer: Mike Klaus, P.E.
Attorney: Andrakay Pluid
Clerk/Treasurer: Deby Garcia
Police Chief: Brian Zimmerman
Fire Chief: Dave Winey

CITY DEPARTMENTS



General Fund	Employed	Description
Police Department	8	7 officers, 1 Admin
Street/Park	4	1 Superintendent; 4 general laborers
Fire Department	7	1 Chief; 1 Assist. Chief; 2 Lieutenants; 2 Captains Several Volunteer Firefighters
Planning / Zoning/Other	0	Contracted Planner/ LOT Clerk
Parks / Rec	Various	1 part-time pool manager; seasonal lifeguards
Visitor Center	0	Volunteer ran
Economic Development	1	EDC Director - Shared position
Enterprise Funds		
Garbage	0	Contracted
Water/Sewer	7	1 Superintendent, 5 Staff Members; Support Clerks
Electric	8	1 Superintendent, 6 staff members; Support Clerks
Other	Various	Part-time IT, Part time Automation,



Bonnors Ferry Executive Summary- FY2024

Thank you for taking the time to read the city's summary of the FY2024 budget. Staff and City Council is hopeful that this summary document both educates the inquisitive public as well as provides accountability of your government to its people.

Cities in Idaho follow a fiscal year calendar that starts on October 1 and runs through September 30, of the following year. The city uses the year that the budget year ends in, to document the fiscal year. For example, the budget you are reviewing ends on September 30, 2024, therefore is called FY2024. The FY2024 budget assumes \$20,767,340.00 in total planned expenses and balances those expenses with \$20,767,340.00 in revenues. This is otherwise known as a balanced budget.

The total budget consists of the General Fund and the city's four enterprise funds: Water, Wastewater, Electric and Garbage. Within the General Fund there are several departments, which include: Police, Fire, Streets, Parks and Visitor Center, Economic Development, Golf Course, Swimming Pool, Animal Control, General fund Capital, School Resource Officer program, among other smaller departments. Water, Sewer, Electric and Garbage all operate independent of the general fund, which means the revenues that they receive (fees, rates and charges) are only used to support that department. No tax dollars are used to support them.

The city adheres to the state mandate that a balanced budget must be approved, and this year is no different. A balanced budget ensures that ongoing costs are aligned with ongoing revenue sources. The FY24 Budget assumes a 3% increase in property tax revenues, as allowed by state law to fund inflationary expenses. Idaho State also shares taxes received from state sales tax, fuel tax and liquor tax with cities and counties. The amount shared with each city or county is based on an algorithm determined by the state legislature but is loosely tied to the city/county population numbers.

In review, the State revenue sharing isn't expected to increase from what was received in previous years. In fact, the city anticipates that revenue in these categories will shrink as inflation continues to rise as well as interest rates.

The FY24 budget anticipates adding a new source of revenue from the local option tax (LOT) that was supported by voters in May of this year. The LOT will run for just over 10 years, and business will remit a 1% sales tax revenue to the city (see Ord. 609 for more info). These funds will be used to support the operations, maintenance and capital costs of the police, fire and street department. Council was very clear that any money raised outside the needed operating funds for the police, fire and street department, will be used to assist with those department's long list of capital investment. However, no money will be spent in this area if it is not raised first by the local option tax. A slide later in this presentation illustrates how much labor costs are anticipated to be covered and what capital infrastructure is planned if money exceeds the needed working capital.



Bonners Ferry Executive Summary- FY2024

Within the city's enterprise funds, council considered rate increases to adequately support the continued operations and maintenance as well as fund needed capital investments. In particular, the budget anticipates a 5% rate increase for both Water and Sewer, a 7% increase in Electric and a 3.5% increase in Garbage. The Electric Department is seeing an increase in rates in response to dramatic increases in costs of materials as well as an increase in BPA's purchased power. The city's Moyie Hydro facility produces only about 30% of the overall need within the city's electric service area. The remaining 70% of power is purchased through Bonneville Power Administration, or BPA.

With the increase alone in BPA's purchased power costs the city will be paying an anticipated \$315,000 additional dollars to purchase power, over FY2023 costs.

For the past ±80 years, the city has conducted a general fund transfer from utilities to the general fund to offset the cost of the utilities on the general fund system. With the transfer not occurring, those dollars will remain within the utility funds. The Electric Department will see approximately \$225,000 remain in the utility. However, with the additional costs from BPA as well as the cost of materials and labor going up, the city will have to take an aggressive rate increase to keep the utility solvent. The Water and Sewer Department's rate increase has meant to closely follow what inflation is doing. Taking only a 5% rate increase will not match what the actual inflation costs are over the past 12 month. Council has acknowledged that future discussions around how the utilities are doing on revenue will need to be watched closely to ensure that revenues and expenses keep pace with each other so that the utility remains fiscally solvent. That said, the future slides in each department provide more explanation and illustration on the utility funds.

Questions relating to the budget, strategic planning/funding process or the capital planning process can be made by anyone interested. You're welcomed to submit those questions to City Administrator, Lisa Ailport at lailport@bonnersferry.id.gov or by calling 208-267-3105 during regular business hours.

Thank you for taking the time to read the City's FY2024 summary report.

FY2024 Budget Summary

Revenue and Expenditures by Fund





GENERAL FUND





City of Bonners Ferry- General Fund Summary

The City's General Fund is the primary source of funding of city services that use tax dollars to operate. These include the city's police, fire, streets and parks, among other smaller departments.

Property taxes support around 40% of the operating dollars needed for these department and the remaining funding is made up of state revenue sharing, local option tax, franchise fees and charges for service fees. Other departments, such as planning and zoning or the golf course, generally self fund through user fees.

Over the past three years the city has been fiscally conservative with its anticipated revenues, which has proven to be a well constructed plan for its citizens. This means the city anticipate less revenue from outside sources, mainly state revenue sharing, and therefore budgets for less money. The results of this method over the last three years have seen higher than anticipated revenue coming from the state in sales, liquor and fuel tax, which is likely tied to increased travel in Idaho during the COVID years.

This trend, coupled with the city's lower budgeted expenses, means the city has been able to invest in capital needs as well as build our emergency reserve (aka contingency budget). The emergency reserve should contain a minimum of 90-days of operating expenses as well as contain emergency funds to offset any unforeseen or catastrophic event. The city currently has a contingency reserve account of around \$530,000.00, in 2018 the contingency reserve was around \$305,000. In comparison from where we are in our contingency fund to where we should be, for 2024 our 90-day reserve amount should be around \$580,000.00. This amount is taken from our total general fund expenses, minus our one-time capital investments.

At the beginning of FY2023, city leadership was advised by their attorney that the general fund transfer from the enterprise funds (water, sewer and electric) could no longer occur. The general fund transfer equaled 5% of the utilities gross sales and represented about 25% of the overall revenue for the general fund services. The 5% fund transfer was meant to offset the impact of the utility on the public infrastructure that is used to support it. The overall loss of revenue from sales in 2023 was around \$450,000.



City of Bonners Ferry- General Fund Transfer

With the loss of the funds in the general fund, the council asked its voters if they'd support a 1% local option tax on goods subject to Idaho sales tax. The predicted amount of revenue raised with a 1% sales tax ranged from $\pm\$500,000$ to $\pm\$900,000$, based on county extrapolated sales data.

Voters supported the Local Option Tax, with 72% in favor of the new non-property tax. That law became effective in July of 2023 and will remain in effect until December 31, 2033, unless extended by the voters.

The new revenue stream means that the city can financially plan for the police, streets and fire department, and depending on revenue received may also be able to fund deferred capital purchases (more on this later).

According to Idaho State Law, the city must plan for all revenue anticipated through the local option tax. Therefore, the resulting general fund budget anticipates an additional \$820,000.00 in revenue, of which $\pm\$617,000$ will replace revenue previously funded through the general fund transfer as well as fund a new position that was created to support the businesses and administer the local option tax. Any remaining funding received will be used to help offset capital costs that have been deferred. To learn more about the local option tax spending plan, a summary of the plan is listed on page 17 and 18 of this report.



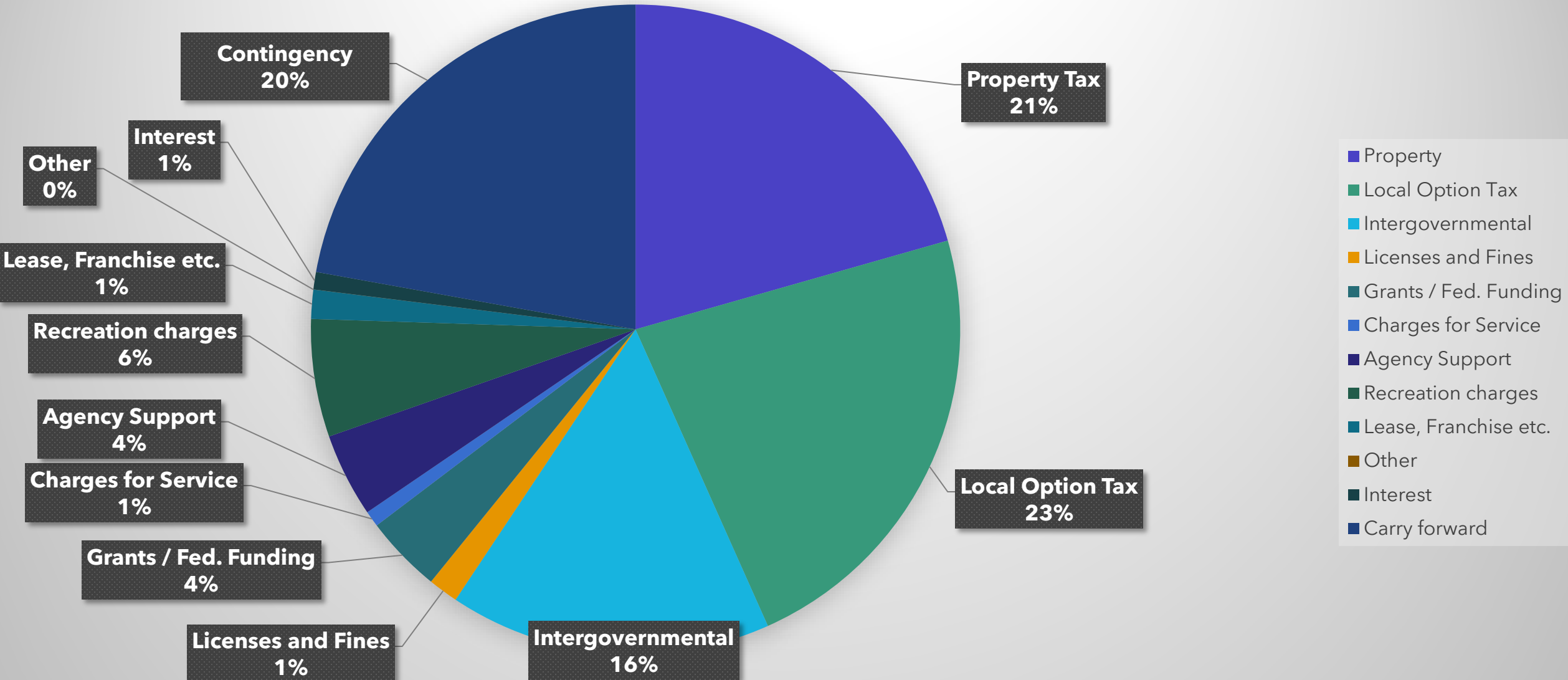
Bonnors Ferry Adopted FY2024 Revenues

General Fund Revenue	2021 Actuals Un-audited	2022 Actuals Un-audited	2023 Budget	2024 Budget
Property	\$ 716,038.53	\$ 700,696.07	\$ 742,354.11	\$ 743,125.00
Local Option Tax	\$ -	\$ -	\$ -	\$ 820,000.00
Intergovernmental	\$ 987,856.68	\$ 999,859.91	\$ 891,100.00	\$ 578,735.00
Licenses and Fines	\$ 48,818.39	\$ 38,112.38	\$ 23,500.00	\$ 53,960.00
Grants / Fed. Funding	\$ 168,903.98	\$ 301,014.34	\$ 10,000.00	\$ 138,500.00
Charges for Service	\$ 19,974.57	\$ 46,130.17	\$ 23,500.00	\$ 28,700.00
Agency Support	\$ 118,541.37	\$ 131,707.12	\$ 146,130.00	\$ 155,500.00
Recreation charges	\$ 210,814.66	\$ 230,650.24	\$ 196,023.00	\$ 211,500.00
Lease, Franchise etc.	\$ 48,197.12	\$ 60,159.32	\$ 53,011.00	\$ 52,236.00
Other	\$ 4,880.43	\$ 136,256.40	\$ 200.00	\$ 118.00
Interest	\$ 38,903.86	\$ 34,067.42	\$ 86,235.00	\$ 31,335.00
Carry forward	\$ 541,059.00	\$ 600,000.00	\$ 891,044.00	\$ 800,000.00
Total Income	\$ 2,903,988.59	\$ 3,278,653.37	\$ 3,063,097.11	\$ 3,608,709.00



Bonnors Ferry Adopted FY2024

Revenue for General Fund FY2024





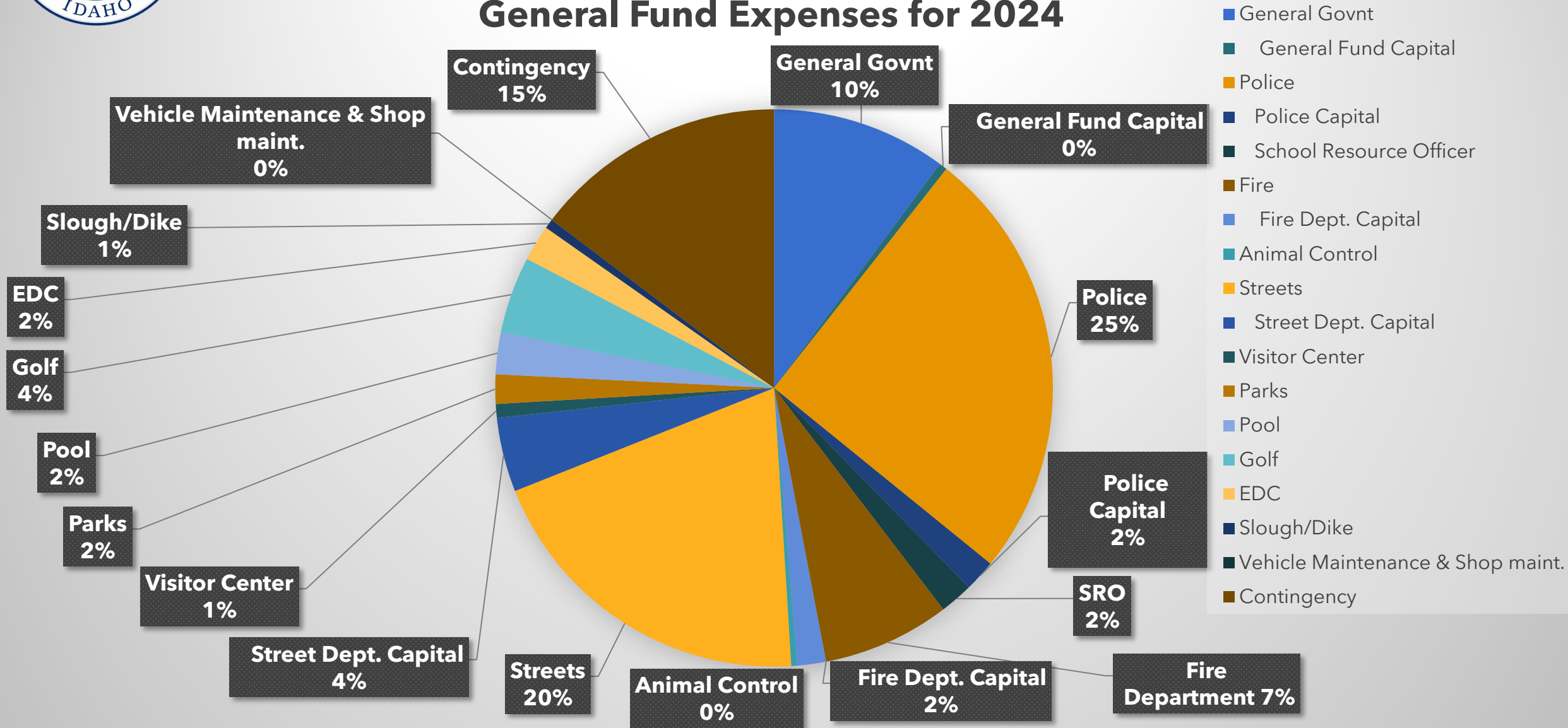
Bonners Ferry Adopted FY2024- Expenses

General Fund Expenses	2021 Actuals Un-audited	2022 Actuals Un-audited	2023 Budget	2024 Budget
General Govt.	\$ 186,567.66	\$ 229,447.94	\$ 276,357.00	\$ 365,755.00
General Fund Capital				\$ 17,000.00
Police	\$ 750,928.27	\$ 750,611.57	\$ 781,987.00	\$ 911,294.00
Police Capital				\$ 66,000.00
School Resource Officer				\$ 69,637.00
Fire	\$ 179,504.21	\$ 207,264.65	\$ 299,273.00	\$ 266,861.00
Fire Dept. Capital				\$ 60,000.00
Animal Control	\$ 11,224.87	\$ 11,376.70	\$ 12,021.00	\$ 12,379.00
Streets	\$ 466,333.83	\$ 635,626.09	\$ 625,158.00	\$ 720,044.00
Street Dept. Capital				\$ 155,700.00
Visitor Center	\$ 21,508.41	\$ 24,363.94	\$ 27,540.00	\$ 28,765.00
Parks	\$ 52,111.52	\$ 45,704.15	\$ 54,245.00	\$ 61,400.00
Pool	\$ 77,260.80	\$ 79,088.48	\$ 79,006.00	\$ 87,436.00
Golf	\$ 134,070.50	\$ 157,042.15	\$ 152,376.00	\$ 160,797.00
EDC	\$ 63,777.54	\$ 49,624.75	\$ 70,326.00	\$ 75,442.00
Slough/Dike	\$ 31,278.00	\$ -	\$ 20,199.00	\$ 20,199.00
Vehicle Maintenance & Shop maint.	\$ 44,107.21	\$ 110,053.07	\$ -	\$ -
Contingency	\$ 503,394.00	\$ 517,796.00	\$ 527,796.00	\$ 530,000.00
Grand Total	\$ 2,522,066.82	\$ 2,817,999.49	\$ 2,926,284.00	\$ 3,608,709
less contingency	\$ 2,018,672.82	\$ 2,300,203.49	\$ 2,398,488.00	\$ 3,078,709.00



Bonners Ferry Adopted FY2024

General Fund Expenses for 2024





Department Summaries- Overall Key Metrics of Change

Costs are rising over all sectors due to inflation

Food prices rose 8.0 percent, while energy prices were unchanged.

The index for all items less food and energy rose 7.3 percent over the past year.
±20% increase since April of 2020.

- Health Insurance increases by 6.1%
- General insurance increases by 30%
- Wages increase by \$3/hour for most, but not all employees
- Public Employee System of Idaho (retirement) increased overall by 3%

Employee retention is a high priority for the city council- livable wages are essential to ensuring employees are retained.



LOCAL OPTION TAX (LOT)





City of Bonners Ferry- Local Option Tax Summary

The City supported local option tax, brings in revenue to cover the operation/maintenance and labor needed to maintain the police, fire and street department. The local option tax, (supported by 72%), is a 1% sales tax on all goods subject to Idaho sales tax, up to a maximum of 1,000.00, in a single transaction.

Based on county wide sales data, the 1% was anticipated to bring in anywhere between \$500,000.00 to 900,000.00 a year. Within the FY 2024 budget a place holder of \$820,000.00 is budgeted. This amount anticipated will cover operational needs in the respective three areas, as well as fund capital needs (see later slide detailing cost allocations).

Overall, the cost to run all three departments exceeds the revenue that is anticipated from the local option tax, and the remaining funding will come from property tax, revenue sharing with the state, along with other revenues such as fees, fines and forfeitures.

The Police, Fire and Streets Department make up roughly 60% of the expenditures in the city budget (see previous revenue pie chart on page 14). Local option will make up around 23% of revenues, if fully realized.

Once the city can cover its labor costs with the local option tax, it will then move to its long list of deferred capital investments. The capital investments are defined as one-time allocation of costs to purchase, install or construct a physical asset. A good example of this would be the snow blower the city bought in 2021.

A future strategic plan will identify a 3–5-year priority list of all planned capital needs. Once the strategic plan is completed, the city will publish the plan for review and comment by the public. Until then, the city council, will make recommendations to fund the capital needs based on highest priority need.

To hold the City accountable, the list on the following page, will be included with the FY budget explaining the labor costs and the one-time capital expenses.



City of Bonners Ferry- Local Option Tax Summary

Local Option Tax Capital Expenditures

Budgeted LOT to cover 1-time expenses, tied to a draft strategic plan adopted with the budget. These funds will not be spent unless funding is received through the LOT tax.

Capital Expenses

Fire Department

Fire House 1 and 2 upgrades	\$ 10,000.00
Self Contained Breather App.	\$ 10,000.00
Water Tender (fire contribution)	\$ 50,000.00

Streets

Water Tender (Streets contribution)	\$ 100,700.00
Sidewalk improvements	\$ 15,000.00

General Government

Server Room	\$ 10,000.00
Awning over Sidewalk	\$ 7,000.00

Other Capital (See adjoining Explanation)

Total \$ 202,700.00

Budgeted funds as working capital (staff wages). These funds are needed to cover working capital. Any funds received by the LOT will be used here first before funding 1-time expense listed above.

Labor Costs funded with LOT

Police	
Wages only (no Fringe)	\$ 315,307.00
Street	
Wages only (no Fringe)	\$ 250,000.00
Gen. Maint. And Snow Removal	
General Government	
Business and Tax Support Clerk	\$ 51,993.00
Total	\$ 617,300.00

Summary Total
\$ 820,000.00

Other Capital may include:

Additional Payment on Street Loader	
Remaining Balance	\$ 101,607.00
Additional Police vehicle	\$ 25,000.00
Dump Truck for Street Dept.	\$ 250,000.00
Utility Truck/Vehicle	\$ 80,000.00
10- Bay building to house vehicles	\$ 250,000.00
Total	\$ 706,607.00



City of Bonners Ferry- General Fund

The following slides are Departments within the General Fund. A more detailed summary of the particular revenues and expenses can be provided, if requested. The Department funds are detailed in the following order:

- General Government
- Police Department
- Fire Department
- Street Department
- Other City Departments (Parks, Visitor Center, Animals Shelter, Economic Development etc.)



General Government



General Gov. Overview



STAFFING:

Elected

City Council

Mayor

Appointed Staff

City Administrator

City Attorney

City Engineer

City Clerk/Treasurer

Support Staff

Information Technology (IT)

Business and Tax Support Clerk

Payroll and Accounts Receivable Clerk

DUTIES:

Serve the Members of the Public and its citizenship.

Support the major systems of operations within the city, including police, fire, streets, utilities, and parks/rec.

Support the legislative process and adhered to public policy.

Support the budget process while implementing strategic planning goals.

General Gov. Overview



STAFFING:

STAFFING:

Contracted Staff:

City Planner

City Building Inspector

City Mapper

DUTIES:

Serve the Members of the Public and its citizenship.

Support the planning process, including phone calls regarding planning, zoning or building questions.

Support the Planning and Zoning Commission, along with map city infrastructure and zoning.

Enforce the building code and complete building inspections on behalf of the city.

Key Metrics



	2020	2021	2022	2023 YTD
Building Permits	32	31	40	18
P/Z Land Use Applications	0	3	3	2
Code Reforms	2	1	3	1
Annexations	0	0	0	4

Admin Goals



SHORT TERM GOALS (1-2) YEARS

- Evaluate rates of salaries of City Clerk/Treasurer, City Attorney, City Engineer and Administrator.
- Develop and implement strategic plan which measures and holds accountable local government to its people.
- Implement Local Option Tax and support
- Develop recommendations to Council on matters which increase efficiencies while reducing overhead and costs.
- Build accountability within an easily accessible location, such as the city website, where members of the public can see, participate and become knowledgeable about city business.

Admin Goals



LONG TERM GOALS (3-5) YEARS

- Work with Council on implementation of a priority-based selection process of funding capital needs within the city.
- Implement a strategic plan
- Build 3–5-year budget plan that accounts for differed capital expenditures.
- Evaluate contracted services for efficiencies and build model for when / if the city should look to bring in-house.
- Look to implement impact fees to offset growth on city services.
- Evaluate whether a general fund transfer from utilities can statutorily occur to help offset costs of utilities on the General Fund.

Admin Requests



FY24 BUDGETARY REQUESTS

Wages:

- Add Business and Tax Support Clerk wages to Clerk/Treasurer Wages -50K
- Move wages and Fringe of Executive staff from Gen. Gov. to appropriate areas of budget.
- Adjust fringe to include increases in health care costs.

Operational Needs:

- Upgrades to city hall to include a new heating and air conditioning unit.

Capital Needs:

- Replacement of awning overside walk - \$5,000.00
- Build server room in rear of building- \$10,000.00

General Government



Within this Department, all employee wages are split between the general fund and the other enterprise funds. This is because many of the employees have many duties assigned to them which, are supported in each fund.

Most of the increase in wages for this department was appropriated towards the Business and Tax Support Clerk as well as wage adjustments for existing employees. The capital plan will be paid for with local option tax dollars, should those funds be made available through received remittances.

	2021 Actuals	2022 Actuals	2023 Budgeted	2024 Budget
WAGES	\$ 36,536.88	\$ 42,912.88	\$ 52,666.00	\$ 119,603.07
FRINGE	\$ 44,107.62	\$ 29,784.83	\$ 55,382.00	\$ 94,638.61
OPERATION AND MAINTENANCE	\$ 105,923.16	\$ 156,750.23	\$ 161,309.00	\$ 151,513.50
CAPITAL	\$ -	\$ -	\$ 7,000.00	\$ 17,000.00
	\$ 186,567.66	\$ 229,447.94	\$ 276,357.00	\$ 382,755.18



Police Department



Police Dept. Overview



- **STAFFING:**

- **7-man Department**

- (1) Police Chief
- (1) Assistant Chief
- (1) Sergeant
- (4) Police Officer

- **DUTIES:**

Protect quality of life for citizens.

Ensure Bonners Ferry is a safe place to work, play, and raise a family.

Prepare and train to handle any type of incident that may occur.

Work to help plan and provide security assessment and assistance for large events.

Assist County Sheriff with law enforcement needs.

School Resource Officer (SRO)



Key Metrics

	2020	2021	2022	2023 YTD
Arrests	142	177	152	64
Clearance Rates	74.21%	85.79%	80.54%	84.72%
Crimes Against Persons	40	35	47	11
Crimes Against Property	31	21	21	6
Crimes Against Society	119	141	153	55



Police Goals

SHORT TERM GOALS (1-2) YEARS

- Review staffing needs and fill current open positions
- Develop organizational structure to provide job growth pathways for all officers.
- Review and analyze wages to ensure officers are provided a livable wages and competitive job placement.
- Provide / develop training for officers to a standard that is expected within the field.
- Develop strategic plan for capital replacement and fleet management to ensure citizen and council receive the service they expect.



Police Goals

LONG TERM GOALS (3-5) YEARS

- Working with Council to plan for ground level police station that meets the needs of the community, including ADA compliance facility.
- Build a functioning and capable records management system that can adequately store and support the Boundary County Prosecutor's office and State Court system.
- Support Boundary County School District with the SRO program.
- Build and maintain relationships with key stakeholders in our community, including but not limited to the Kootenai Tribe of Idaho, Boundary County Sheriff's Department and Boundary Community Hospital.

Police Requests



FY24 BUDGETARY REQUESTS

Wages:

- Increase in base wages of \$3.00/hour for FY24. Affects budget by **±80K**

Operational Needs:

- Increase in oils, gas and lubricants for fleet. Request for 25% more than current year.
- Rifles- ARPA dollars not spent in FY23 allocated \$13,500 for new rifles for officers. The Department would like to request to spend these funds in FY24.
- Repeaters- ARPA dollars also allocated \$30,000 for repeaters in police vehicles. The department would like to allocate these funds.

• Capital Needs:

- **Vehicles:** ARPA and resolution 2022-001 allocated \$66,000 for two vehicles, one new and one used. Police request to allocate these funds in the FY24 budget for capital replacement. It is likely that we will get up to three used vehicles with the money.

Police Summary



The seven-person department has not been fully staffed for the entire FY23 budget year. With the additional position filled and the wages adequately adjusted to provide livable wages, the overall budget does grow from the FY2022 actuals. However, the commitment from the voter's passage of the local sales tax, was to ensure that the police department was properly funded. The additional funding for the police wages and fringe primarily comes from the local option tax.

Approximately \$315,000.00 of the LOT will be used to fund labor/wage expenses. Overall, the increase is total is about 25% higher than 2022 actuals.

	2021 ACTUALS	2022 ACTUALS	2023 BUDGET	2024 BUDGET
WAGES	\$ 407,573.57	\$ 398,975.08	\$ 444,901.00	\$ 497,667.36
FRINGE	\$ 240,471.53	\$ 222,960.90	\$ 284,458.00	\$ 301,216.97
OPERATION AND MAINTENANCE	\$ 94,883.17	\$ 118,675.59	\$ 156,348.00	\$ 182,046.65
CAPITAL	\$ 8,000.00	\$ 10,000.00	\$ 66,000.00	\$ 66,000.00
TOTAL	\$ 750,928.27	\$ 750,611.57	\$ 951,707.00	\$ 1,046,930.98
			Costs without Capital / ARPA	\$ 933,930.98
			Guns/Rifles	\$ 17,000.00
			Vehicles	\$ 66,000.00
			Repeater	\$ 30,000.00



FIRE DEPARTMENT

FIRE DEPT.



• STAFFING:

- (1) Fire Chief
- (1) Assistant Chiefs
- (3) Fire Lieutenants
- (2) Fire Captains
- (9) Firefighters

DUTIES:

Protect the lives and property of the citizens of Bonners Ferry in a safe and expeditious manner through the practice of fire prevention, fire suppression and fire investigation.

Volunteer Dept:

The Fire Department is a volunteer Department. City offers medical insurance for the employee only, with 10% contribution amount paid by employee.

The Fire Chief, Assistant Chief, Lieutenants and Captains are all paid a monthly salary.

The remaining firefighters are paid a nominal hourly wage to cover their portion of insurance contribution.



Fire Goals

SHORT TERM GOALS (1-2) YEARS

- Adding 3-4 additional firefighters to bring total numbers available to between 12-13 actively available to the city.
- Personal Protective Equipment and Self-Contained Breathing Apparatus gear – plan to replace date sensitive components.

Ex: Turnout (Pant/Coats), Boots, gloves, bottles, breathing apparatus etc.

- Firefighting and rescue tools- including axes, pipe poles, rescue tools, rapid intervention tool bags etc.
- Station 1- renovation items such as bathroom remodels, install air conditioning in upstairs meeting room.
- Station 2- extension of main bay by removing interior wall so that fire trucks can access more conveniently, since the bay is not long enough.



Fire Goals

LONG TERM GOALS (3-5) YEARS

- Renovation to Station 1
 - To address approach apron repairs.
 - Address floor covering- to reapply new topcoat
 - Install emergency generator that runs off natural gas or propane so that during inclement power outages, doors can be opened and remain open.
 - Address hot water system.
- Equipment –
 - Support apparatus vehicle needs replacement
 - Rescue Unit- replacement/updating CAV foam generator used to control small petroleum or chemical fire.
 - Water Tender- replacement of existing tender due to age and care.

Fire Requests



FY24 BUDGETARY REQUESTS

Wages:

- Increase in base wages of 10% to keep up with rising cost of insurance.
- Hire/Roster 4 additional firefighters- allocate health insurance for new hires.

Operational Needs:

- 5 Turnouts - ±\$10,000.00
- SCBA bottles- ±\$10,000.00
- \$5,000.00 towards Firefighting and Rescue Tools.

Capital Needs:

- Bathroom Remodel for Station 1- \$5,000.00
- Demolish interior Wall at Station 2- \$5,000.00

Fire Department Summary



The City operates a 15-20-person, volunteer fire Department. The Fire Department has always operated on a very frugal budget. Over the past few years, the city has invested in replacing the departments aged equipment. A new (to them) Fire Engine was purchased in 2021 using ARPA dollars and it replaced an engine that was over 30 years old. This department needs additional investments in the coming years and the LOT will help immensely.

Volunteers for their service receive health insurance benefits for only themselves. Health insurance is set to increase 6.1% and because the employee is required to cover 10% of their insurance costs, the wages need to increase roughly the same amount to allow the firefighters enough pay to cover their costs.

The LOT slide, shown earlier, anticipates \$70,000.00 to be invested into the fire department, ranging from operational expenses (Breathing apparatus and turnouts) to 1-time expenses, such as a water tender. Again, these funds will be not spent unless the funds for wages are covered first, and additional revenue is received.

	2021 Actuals	2022 Actuals	2023 BUDGET	2024 BUDGET
WAGES	\$ 51,484.81	\$ 62,048.26	\$ 71,607.00	\$ 78,717.70
FRINGE	\$ 85,295.32	\$ 102,562.74	\$ 117,714.00	\$ 120,948.80
OPERATION AND MAINTENANCE	\$ 42,724.08	\$ 42,653.65	\$ 59,952.00	\$ 67,194.08
CAPITAL	\$ -	\$ -	\$ 50,000.00	\$ 60,000.00
	\$ 179,504.21	\$ 207,264.65	\$ 299,273.00	\$ 326,860.58



STREETS DEPARTMENT



STREETS and PARKS DEPT.



STAFFING:

- (1) Superintendent
- (3) Laborers

DUTIES:

Maintain roadways, pathways, and rights-of-way.

Pavement management on over 22 miles of pavement within the city.

Winter snow removal and sanding operations.

Service and maintenance of department vehicles, equipment and facilities.

Landscaping and weed mitigation on city property.

City dike maintenance

State Highway sidewalk maintenance.

Maintain city pool grounds and facilities.

Mow and maintain city parks (excluding golf course).



Key Metrics

	2023	2024	2025	Notes
Miles of road maintenance	22	22	22	
Miles of pathway maintenance	±5.5	±11	±11	Both sides of Highway
Miles of Chip seal Planned	3.1	3.4	3.5	
Grader Patches	26 Yards	0	0	
Street overhauls		1.5		
City Park Acres Maintenance	10	10	10	

2019 and 2023 updated Transportation plan seeks to have all city roads chipped sealed every 7 years. Other streets also have complete overhauls or rebuilds planned, upon funding being secured.



Financial Planning

- According to the 2023 updated transportation plan, the suggested cost of chip seal / mile based on cost of materials is \$25,000 / mile if city crews are used. If performed by a contractor, it is estimated at \$125,000 / mile.
- Combined in 2023 and 2024, 7.5 miles of chip seal are planned => \$187,500
- LHTAC grant was sought to cover materials and help cover the costs to maintain roads => \$100,000
- Remaining cost should be budgeted => \$87,000



SHORT TERM GOALS (1-2) YEARS

Keep pace with the 2019 and 2023 Transportation plan by chip sealing roughly 3.5 miles of road per year.

Purchase additional equipment for maintenance of sidewalks along Highway 95.

Create a strategic plan for capital investments, including structural, operational expenses, as well as sidewalk improvements.

Street Goals



LONG TERM GOALS (3-5) YEARS

Execute strategic plan on capital needs.

Construct 10-bay building to house large equipment

Watch actual costs of maintenance of highway improvements and adjust as necessary to meet citizens expectations.

Two new/lightly used dump trucks

Street Goals



Streets Requests

FY24 BUDGETARY REQUESTS

Labor:

Consider \$2-\$3 / hour adjustment of existing staff to keep pace with rising cost of living.

Operational Needs:

- Roughly \$50K added for increase cost of road maintenance (\$50K from LHTAC- for total of \$100,000).
- \$15,000 for maintenance of sidewalks along Hwy 95.

Capital Needs:

- Purchase water tender to shared with Fire Department.
- Rebuild Box Sweeper- ARPA dollars allocated \$30,000 for this expense.

Street Department Summary



With over 22 miles of paved roads within the city, the street department remains a busy and productive part of the city system. Productivity within the street department can be increased with critical infrastructure investments. Much of the Department's productivity is lost quickly because of equipment failures or breakdowns. This has been a major focus for the city over the last years. As with many street and road departments, the cost of replacing equipment is fiscally undoable due to the large capital savings that must occur, sometimes over years. However, with the passage of the local option tax, labor has been given a priority within this department, and the future strategic plan will also provide prioritization on equipment replacement. Monies also received with the LOT can be used to leverage additional grant dollars to help rehab city streets and sidewalks.

FY24 Capital Plan for the street Department anticipates purchasing the following:

- Water Tender = \$100,700
- Sweeper Box Repairs = \$30,000
- Loader Appropriation Lease Pmt. = \$25,000.00

Under Operation and Maintenance, \$15,000 has been allocated for sidewalk repairs, which would be paid for using the LOT. The Water Tender and Sidewalk repairs will not occur unless LOT funding is received. The sweeper box is paid using ARPA funds and the lease appropriation payment is allocated out of the street budget.

	2021 Actuals	2022 Actuals	2023 BUDGET	2024 BUDGET
WAGES	\$ 146,081.42	\$ 166,744.16	\$ 205,710.00	\$ 236,282.51
FRINGE	\$ 146,055.04	\$ 116,719.91	\$ 186,477.00	\$ 203,718.64
OPERATION AND MAINTENANCE	\$ 116,822.37	\$ 146,212.02	\$ 177,971.00	\$ 280,043.05
CAPITAL	\$ 57,375.00	\$ 205,950.00	\$ 55,000.00	\$ 155,700.00
TOTAL	\$ 466,333.83	\$ 635,626.09	\$ 625,158.00	\$ 875,744.20



Other City Departments





City of Bonners Ferry- Other City Departments

To see a more detailed description of the following “Other Departments,” please feel free to reach out to Lisa Ailport, city Administrator. A summary of those department are below along with a following slide showing their anticipated expenses:

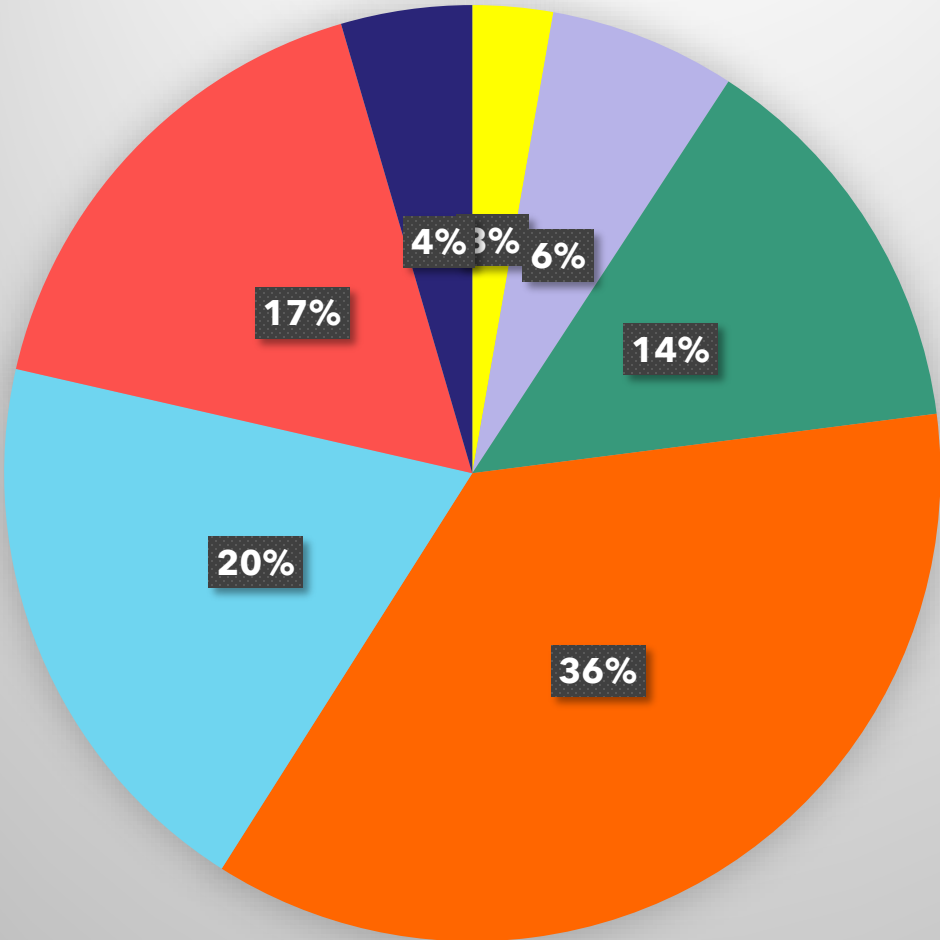
- Parks- comprising some streetscapes, the city pool and the city ran municipal golf course called Mirror Lake.
- Economic Development Coordinator- Comprising of a shared employee between the city of Bonners Ferry, City of Moyie Spring, Kootenai Tribe of Idaho and Boundary County.
- Visitor Center- comprising of a physical building including public restrooms. The facility is rented out for public and private gatherings, as well as run by a group of volunteers for the purpose of assisting visitors who come to the community.
- Animal Shelter- Comprised of a contracted service to Second Chance Animal Shelter. The city contracts to this business to handle all matters related to housing, feeding, caring and rehoming animals within Boundary County.
- Dike Maintenance and Slough maintenance- The city maintains the dikes that parallel the Kootenai River. The dikes are within a US Army Corp of Engineers program called PL84-99. As part of this program the city is required to provide routine maintenance and removal of vegetation to ensure integrity of the dikes are maintained. In response, should the city receive a major catastrophe that cause damage to the dikes, the US Army Corp will assist with the majority of the cost to replace, rebuild or rehabilitate the dike walls. The city’s dike system allow the control over floodplains and provide for relief from 100-year flood events. This results in savings to property owners through flood insurance, as the dikes reduce the overall threat to public and private property.



City of Bonners Ferry- Other City Departments

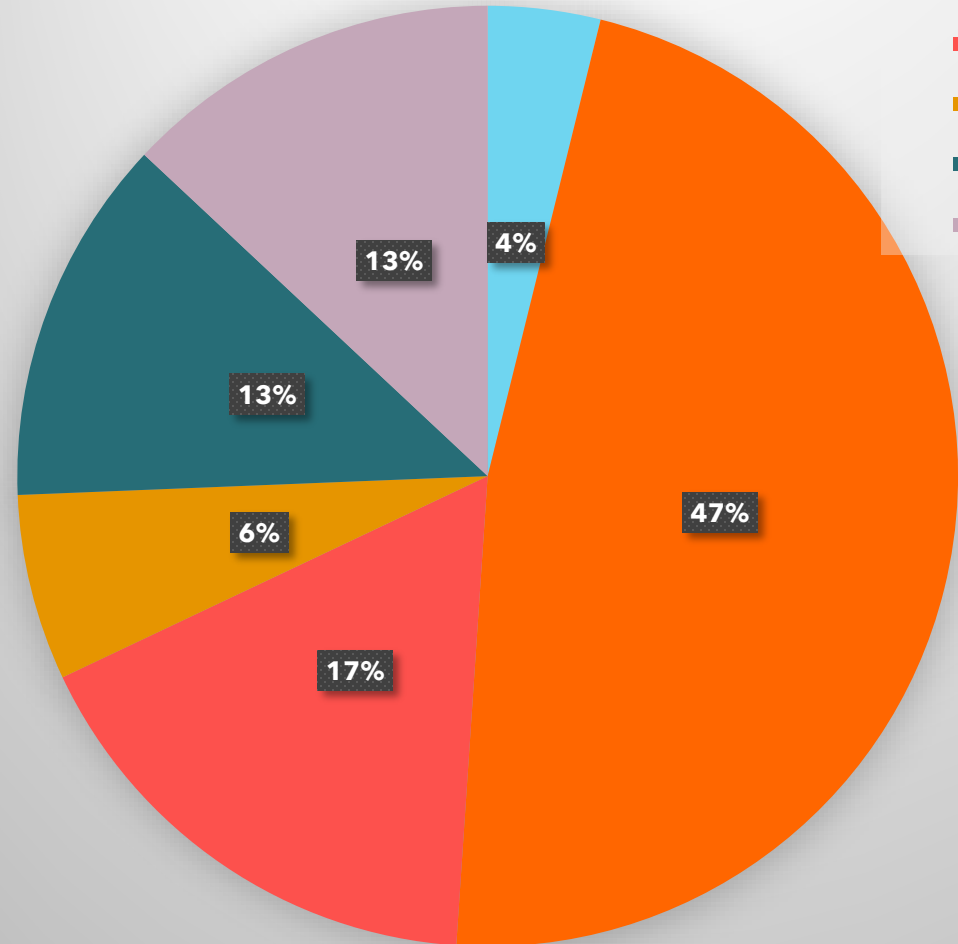
Expenses Other City Departments = \$446,418

- Animal Control
- Visitor Center
- Parks
- Golf
- Pool
- EDC
- Dikes/Slough



Revenues Other City Departments = \$414,196

- Pool
- Golf
- EDC
- URA
- Lease and Franchise
- Licenses and Fines





City of Bonners Ferry- General Fund RESERVE/CONTINGENCY

Intergovernmental Contingency Account- (General Fund Reserve)

Every city should have its rainy-day fund. That money that is set aside for unforeseen circumstances, such as major storm events, catastrophic failure of a public facility, etc. In addition, the city needs to have operating monies (cash) to pay its monthly obligations when revenues are received quarterly or biannually.

The city's auditors in the past have recommended that the city obtain a minimum 90-day operating reserve since revenues can be intermittent. The city receives its annual property tax in January and July of each fiscal year. State sales tax and fuel tax revenues are received quarterly and state liquor tax is shared roughly 5 times a year (slightly off quarterly). Other revenues are typically tied to monthly, quarterly or yearly payments or are fee driven and come in when a service is needed (ex. Building Permits).

With fluctuating revenues, having a 90-day reserve policy is a very good idea. Additionally, outside of the 90-days, if the city has unforeseen or unbudgeted expenses that occur, the reserve account allows the city to seamlessly conduct business on behalf of our citizenship and to be ready for a storm event or failure, should it occur.

As the cost of doing business increases each year, so to shall its reserve account. The current reserve account represents roughly 70-days of operating expenses, far below the recommended 90-day rule. Consistent and diligent efforts toward growing the city's contingency is an annual commitment and this is something that the City Council plans for each budget season.

General Fund- Contingency

	2024 Expenses	Expenses/Day	90-Day Expenses	Total	Budgeted	Variance
Operating - one-time expenses	\$ 2,793,009	\$ 7,652	\$ 581,558	\$ 581,558	\$ 530,000	\$ (51,558)
Emergency				\$ -		
Capital Planning				\$ -		
Bond/Restricted				\$ -		
Total	\$ 2,793,009	\$7,652	\$ 581,558	\$ 581,558	\$530,000	\$ (51,558)



Electric
Water
Sewer
Garbage

Enterprise Fund Accounts



Enterprise Account Summaries



The City operates, separate from the general fund, four enterprise funds. Those include the Electric fund, Water fund, Sewer fund and the Garbage fund.

An enterprise fund is an account or separate fund used to keep track of assets, working capital and expenses used to produce a service to customers for a fee or charge. The principal operating revenues of the City Enterprise funds are charged to customers for sales and services. For example, the city charges an electric rate to our customers for the cost of producing the electric service to the customer's property, building or structure.

The following slides will cover each fund and provide a short summary of the health of each fund. More information can be provided upon request.

Please feel free to reach out to Lisa Ailport, City Administrator for further information regarding the city's utility enterprise funds.



Electric Department



Enterprise Account- Electric Department



The City Electric Department is the largest of all the enterprise funds. The city serves from south of City limits near the golf course, north to Hwy 2, and seven miles east on Highway 2 to the City's hydro project along the Moyie River.

The Electric Department serves approximately 2500 customers, with most of those customers being outside city limits. The City's largest customers, our industrial customers, are also located outside city limits. In fact, most of the city electric sales (around 70%) are to customers outside of city limits.

In addition to our electric services, the city also owns a hydro electric power station and dam along the Moyie River. The dam is a "run of the river" project, which means the city does not have a reservoir to store water for regulating power generation. The hydro project produces around 20% of our overall needs and the remainder of our power is purchased through the Bonneville Power Administration (BPA).

The Hydro project has contributed to some of the best utility rates in the country. However, over the past 5 years several large investments have occurred in order to protect the investment and to comply with our license with the Federal Energy Regulator Commission (FERC). In 2029, the city will need to renew our dam license with FERC, which is required if the city anticipates generating power into the future. This process, coupled with our recent investments, have caused the city to take revenue bonds to complete these necessary infrastructure improvements. All this investment will aid the city in being able to relicense the hydro project in 2029.





Electric Dept.

STAFFING:

- (1) Engineer (split)
- (1) Contract Electrical Engineer
- (1) Superintendent
- (3) Journeyman Lineman
- (3) Account support clerks (split)
- (1) Journey Man Electrician (split)
- (2) Hydro Operators
- (3) Mechanic (split)

**Some split positions are shared positions between the department and other city department(s).

DUTIES:

Maintain approximately 58 miles of electric lines and associated equipment.

Maintain the Moyie substation where electricity generated at the dam is transferred to the energy grid.

Maintain and operate the 4MW hydro project along the Moyie River.

Manage $\pm 2,500$ residential, commercial and industrial electric accounts, including meters and transformers.

Coordinate with surrounding agencies on power upgrades, power outages and daily operations.

Serve individual property owners with assistance and account needs.

Set rates in correspondence to responsible management of the utility.

Enterprise Account- Electric Department



Much of the expenses for the Enterprise funds, consists of three areas, Capital investments, Operating and Maintenance Costs and Labor costs. These three areas, when compared to the utility revenues (utility bills) will give rise to whether the city needs to adjust rates to offset the cost of administering the utility.

To fully understand our cost of providing the utility service to each classified rate payer, the city has hired professional firms to assist in this area. The deliverable received is called a cost-of-service analysis or COSA. The city hired FCS consulting services in 2020 to assist the city with an updated COSA, specific to the electric department. The resulting COSA suggested a 5% rate increase for a period of 5 years to recover all anticipated revenues for capital investments and operating costs. However, when the COSA was completed, it did not anticipate inflationary costs of 20% or greater in some areas of the electric sector. Additionally, capital costs estimated in the capital plan have had cost overruns, cost increases and unpredicted costs that were not anticipated or easily planned for.

That said, the Electric Utility anticipates a 7% increase in rates to cover the actual costs of the city capital projects as well as operation and maintenance costs. Any increase to rates are required to be approved by City Council.

Much of the fiscal planning is driven by the capital plan as well as the operational needs. The following slides will cover the 1-2 year needs and 3-5 year needs as well as summarize the 5-year capital plan for the Electric Department.

Electric Department Goals

SHORT TERM GOALS (1-2) YEARS

- Implement Safety Program.
- Develop and implement strategic plan which measures and holds accountable local government to its people.
- Complete system-wide load study.
- Complete hydro controls upgrades by end of 2023.
- Complete Unit #1 Project by end of 2023.
- Complete Riverside pole relocation summer/fall 2023



Electric Department Goals

LONG TERM GOALS (3-5) YEARS

- Complete generator maintenance as scheduled
- Implement a strategic plan
- Replace rolling stock as scheduled.
- Complete upgrades to distribution and transmission system as recommended in forthcoming load study.



Enterprise Account- Electric Department 5 Yr. Capital Plan



Electric Department - Capital Investments	City of Bonners Ferry Electric Department - Proposed Capital Expenses	FY	2023	2024	2025	2026	2027
			EXPENSES				Note 3
<u>Distribution</u>		-					
	Rolling Stock				\$ 200,000	\$ 325,000	\$ 80,000
	Underground Replacement	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
	Overhead Line rebuild	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<u>Transmission and Substations</u>	-						
	Highway 95						
	Katka Switch & Dead-End Arm					\$ 350,000	
	Riverside (BC project) ¹	\$ 110,000					
	Riverside (City project)						
<u>Powerplant / Dam</u>	GSU to Moyie Sub - Direct Feed						
	Camera system						
	Generator						
	Hydro Controls Upgrades (10)			\$ 200,000			
	Fiber GSU to Moyie Substation				\$ 75,000		
	Unit #1 Maintenance/Rebuild ²	\$ 197,000	\$ 144,000				
	Unit #3 Maintenance/Rebuild ²				\$ 225,000		
	Unit #2 Maintenance/Rebuild ²						
	Unit #4 Maintenance/Rebuild ²						\$ 250,000
Anticipated Total Capital Investment by Year		\$ 432,000	\$ 469,000	\$ 625,000	\$ 800,000	\$ 455,000	

Enterprise Account- Electric Department



Notes from previous page.

Notes:

1. This project is expected to cost \$362,000, City will receive 50% reimbursement from FHWA
 2. The costs listed for each unit includes pulling the rotor and stator for cleaning off-site, and re-installation.
 3. Service Rig, single bucket, material handler
 4. 4WD digger truck
 5. Service Vehicle
-

Enterprise Account- Electric Department



Revenues for the Electric Department are set forth by rates paid by customers. The city has grouped liked customers into classes. Currently the city has three major classes of customers, Residential, Commercial and Industrial. Other smaller classes of rate payers include self consumed, (which means city and county accounts), pumping districts, (includes irrigation districts etc.), and interdepartmental, (which includes other public agencies).

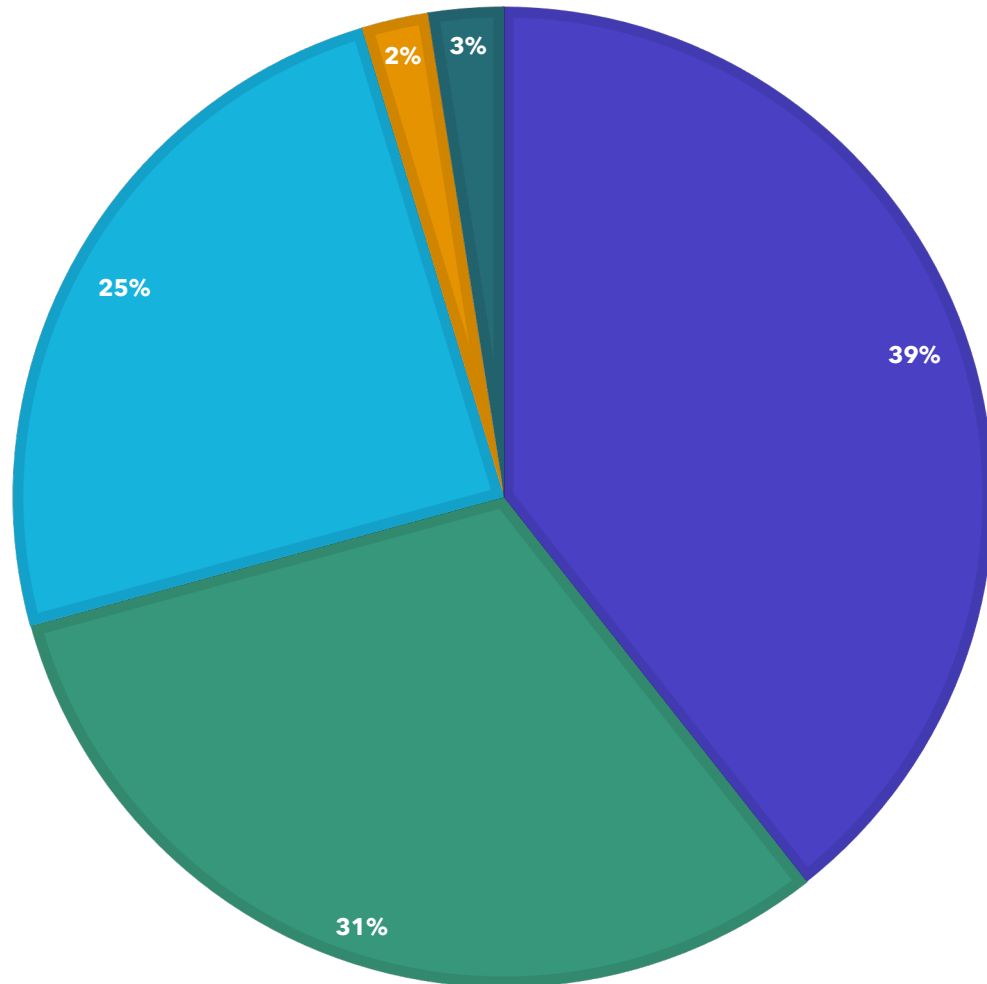
Overall, the three major classes of customers consume the largest portion of energy consumption, and therefore have the largest impact on the utility's infrastructure and costs (see attached slide). When consider the cost of operating and maintaining the electric system, including the Moyie Dam and Substation, the costs is split over the entirety of the customer classes based on their portion of ownership of the total system.

Enterprise Account- Electric Department



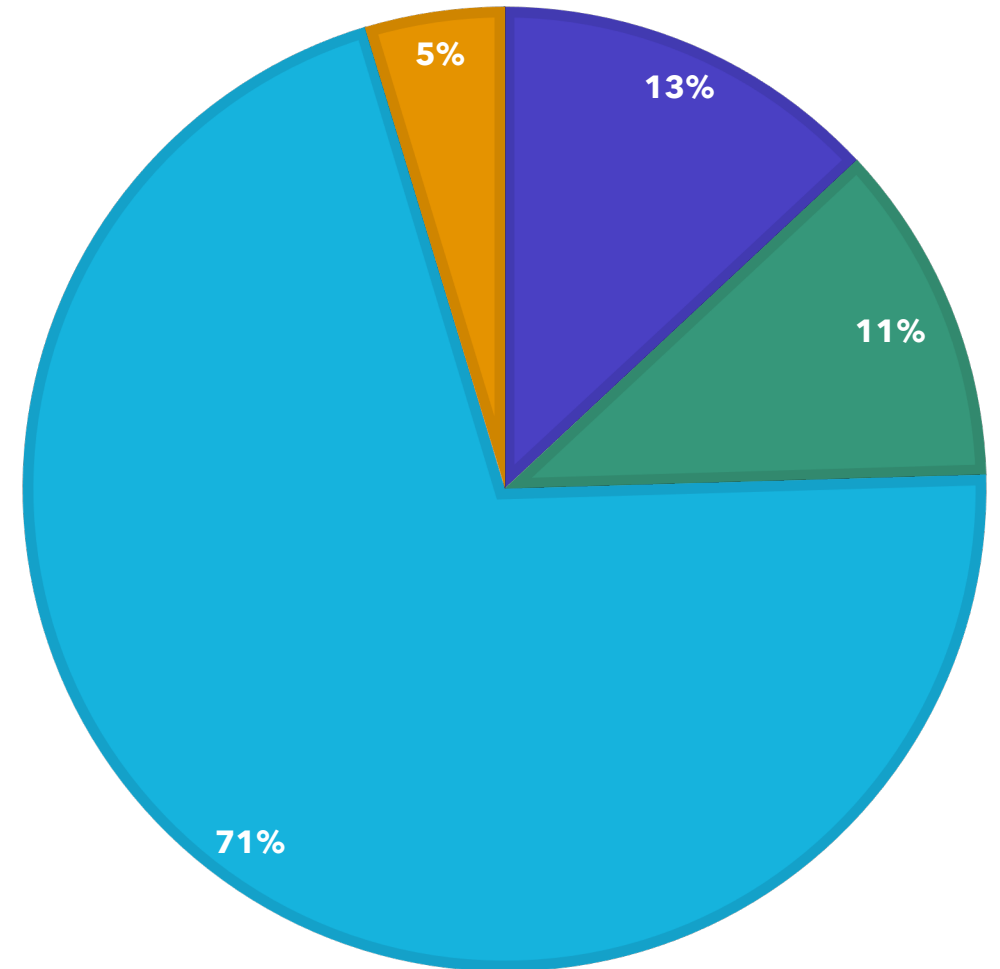
2024 ANTICIPATED REVENUES

■ Residential ■ Commercial ■ Industrial ■ Other Rate payers ■ All Other Revenues



2024 ANTICIPATED EXPENSES

■ LABOR ■ FRINGE ■ OPERATION AND MAINTENANCE ■ CAPITAL



Enterprise Account- Electric Department Reserve



The Electric Departments Contingency or Reserve account is driven under the same principles as the General Fund, however in addition to the 90-days of operating expenses, the city also budgets an emergency capital fund, future capital planning (for following FY- ex. FY25), and Bond covenants restriction. The purpose of this is to build buffers around those areas of the department that change year over year. This protects and insulate the rate payer from more volatile rate adjustments.

Within the Electric Department, there are two loans, the first is a loan for original automation of the Hydro powerhouse. That bond will be paid off in FY2024. The second bond is for the resurfacing of the dam, that bond will be paid off in 2040. Each bond has a bond covenant requiring the city to hold a percentage of the bond amount in reserve. That restriction is shown on the table below as Bond/Restricted.

When considering the Electric Department needs, the city expects to hold a reserve amount for FY2024 of around \$2.7 million. Each year the reserve amount will change based on the overall operating expenses and the future capital planning. Due to changes in the capital planning for the current FY and cost overruns on existing projects, staff is recommending for FY24, adjusting our operating days to 66.5, rather than increasing rates to pay for those one-time expenses. In the following years, staff will recommend ways to get the operating expenses back to an amount as suggested within our Reserve Planning policy.

The Reserve is budgeted each FY within the Operating and Maintenance line item.

Enterprise Account- Electric Department

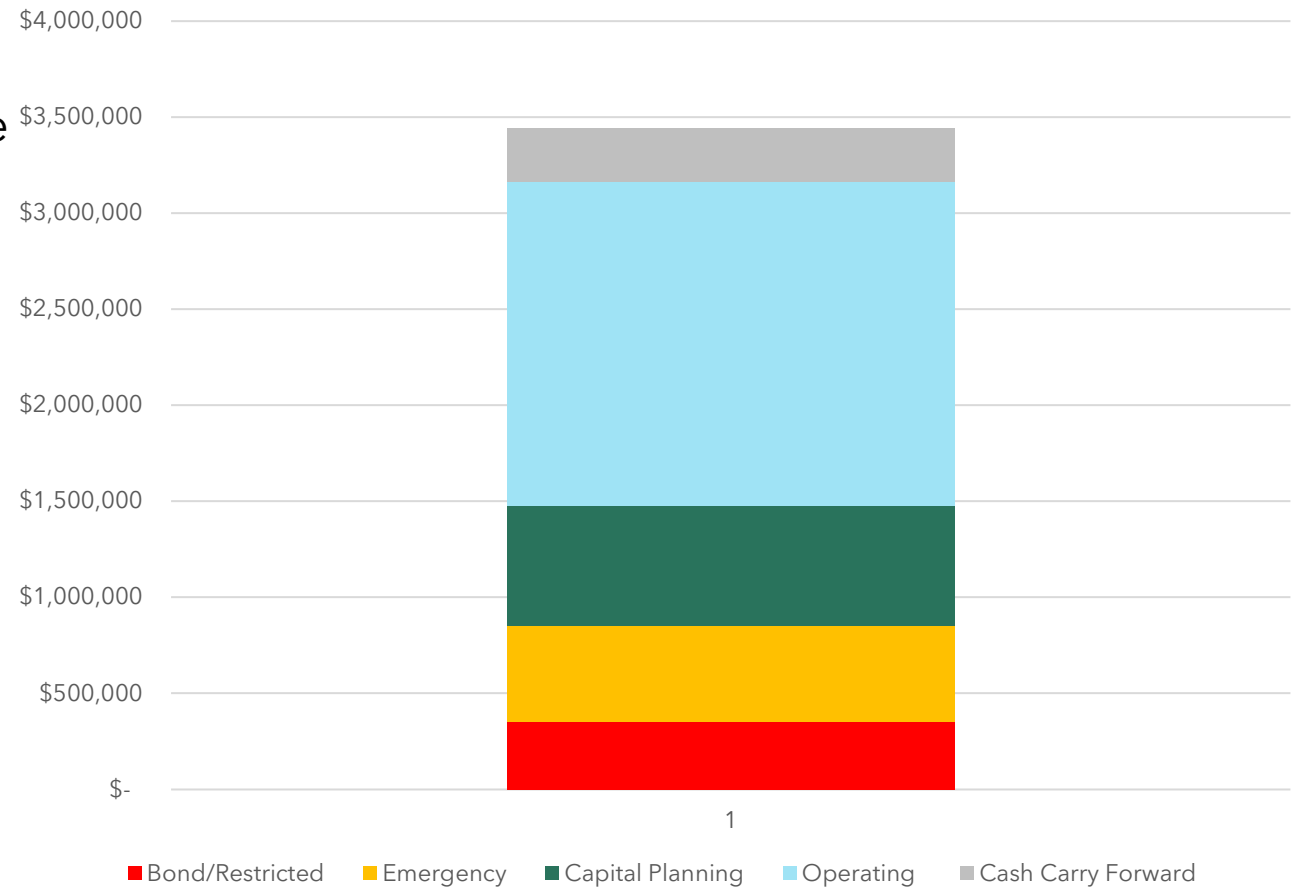


The Cash vs. Reserve Account shows that our cash position is slightly greater than our need for the reserve account. The Reserve Account should be at the very least the same as your cash carryforward. However, if the cash carryforward and a reserve are the same, it leave little room for capital planning and thus revenue must increase to pay for any future capital planning outside of the following FY.

Given the city's aggressive capital plan, staff is recommending lowering the reserve amount to account for 66 days of operating expense to stabilize rates. By doing this rate fluctuation is minimized over time.

The following fiscal year, staff and council should be considering ways to increase the reserve amount to more align with the 90-day operating expense rule.

Electric Reserve Summary



Electric Cash vs. Reserve	
Cash Carryforward	\$3,443,784.00
Reserve w/90-day rule met	\$3,166,591.92
Difference	\$277,192.08

Enterprise Account- Electric Department Reserve

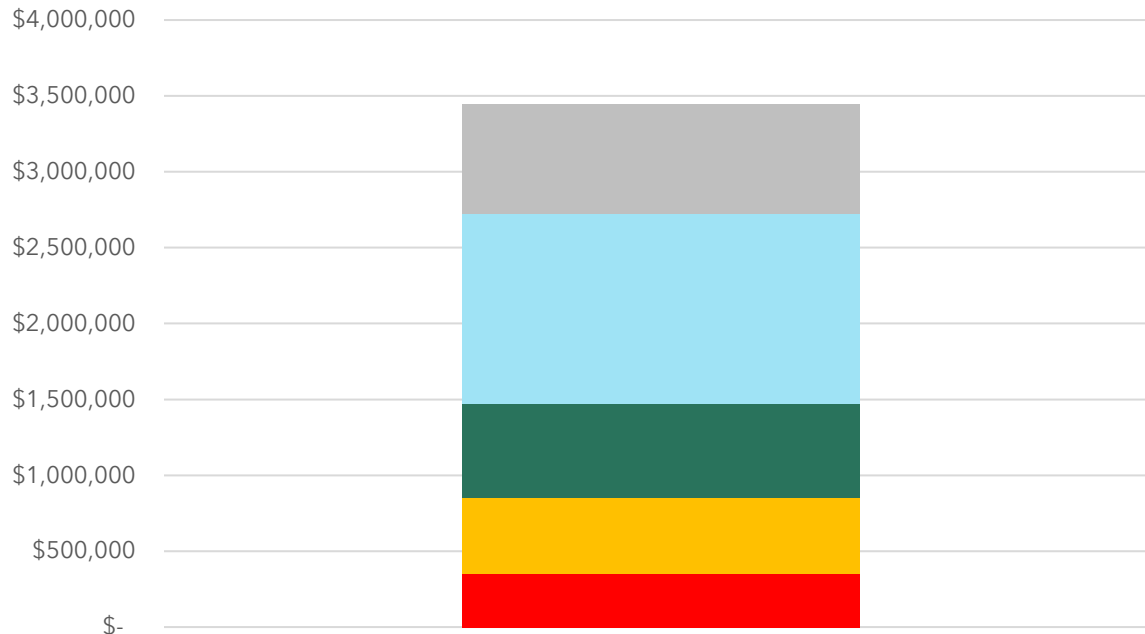


Reserve Planning

	2024 Expenses	Expenses/Day	90-Day Expenses	Total
Operating	\$ 6,860,345	\$ 18,795	\$ 1,248,442	\$ 1,248,442
Emergency	\$ 500,000			\$ 500,000
Capital Planning	\$ 625,000	FY2025		\$ 625,000
Bond/Restricted	\$ 350,000			\$ 350,000
Total				\$ 2,723,442

* Adjusted operating days to 66.5 to recover losses for capital planning in FY2025

Electric Reserve w/ Operating Expenses at 66.5 days



When comparing the reduction in operating days, the difference grows. This will allow the city to invest in capital projects for the planned FY and limit the rate increase that would be needed to maintain the 90-day rule.

If the city follows exactly how the reserve policy suggests, then we would need ±3.1 million in reserve; rather council has approved keeping ±2.7 in reserve.

Enterprise Account- Electric Department



The following is a summary of the Electric Department budget for FY2024. Major updates to the budget include a 13% rate wage increase to bring wages to within 90% of Northern Lights wages, Health Care cost increases and operation increases (actually lower than FY23) and our capital planning which includes those items on the capital planning slide previously shown. Purchased power cost has also increased around 10% from the current year.

The Capital plan includes: \$144,000 for Unit 1 upgrades at the powerhouse; \$200,000 automation upgrades at the Powerhouse;

TYPE	2021 Actuals	2022 Actuals	2023 BUDGET	2024 BUDGET
LABOR	\$ 691,093.31	\$ 705,319.44	\$ 785,678.00	\$ 964,319
FRINGE	\$ 687,852.29	\$ 410,739.30	\$ 769,301.00	\$ 847,298
OPERATION AND MAINTENANCE	\$ 2,640,318.43	\$ 3,142,804.01	\$ 6,977,747.00	\$ 7,952,182
CAPITAL	\$ -	\$ -	\$ 110,629.00	\$ 344,000
SUM	\$ 4,019,264.03	\$ 4,258,862.75	\$ 8,643,355.00	\$ 10,107,800
Electric Department	2021 Actuals	2022 Actuals	2023 Budget	2024 Budget
Revenue	\$ 5,548,729.34	\$ 5,507,639.12	\$ 6,237,355.00	\$ 6,664,016.11
Cash Carry Forward			\$	\$ 3,443,784.00
Expenses	\$ 4,019,264.03	\$ 4,258,862.75	\$ 8,643,355.00	\$ 7,384,344.54
Contingency/Reserve			\$	\$ 2,723,441.82



Water Department



Enterprise Account- Water Department



The City Water Department serves approximately 1400 properties. The city water system comprises of both surface water treatment as well as subsurface water (well). Our surface water systems include Myrtle Creek and the Kootenai River. Surface water is largely the toughest type of water to treat. This is due to the natural organic and inorganic materials found within freshwater systems.

Most of the city's drinking water comes from the Myrtle Creek watershed. However, the city dug a well in 2020 to provide an additional sourced water for peak times of use.

The Myrtle Creek intake is located about 2 miles from the Kootenai wildlife refuge along property owned by the National Forest Service. From there water is gravity fed from the intake to the city yard, nearly 7 miles away. The water is then filtered through a clarifier system designed to treat for both organic and inorganic materials. After leaving the clarifier systems, the water enters a settlement area where it is washed of its materials before being pumped to storage tanks located around the city.

Outside of the water main from Myrtle Creek, the city infrastructure is made up of a system of distribution pipes, valves, and meters that deliver water to homes, businesses or property. The city has been making investments to grow our sourced water in compliance with the Idaho Department of Environmental Quality standards. In 2020 a new well was dug near the lower oak area of the city, which serves as back up to Myrtle creek and the Kootenai River. Because the Well water has large amounts of calcium in the water, the city uses it sparingly and only when necessary to comply with water demands. In our long-range capital plan, the city is hoping to place a calcium remover/reducer at the well site, to better serve our customers.

Water Dept.



STAFFING:

- (1) Engineer (split)
- (1) Superintendent (split with Sewer)
- (4) Water Dept. Staff Members (split)
- (3) Account support clerks (split)
- (1) Mechanic (split)

**Some split positions are shared positions between the department and other city department(s).

DUTIES:

Prepare and treat drinking water for the customers of the city's water system.

Prepare and perform routine maintenance on the water treatment plan.

Construct, build and improve the water distribution system throughout the city.

Plan and prepare for the needs of the system through fiscally responsible practices.

Good stewards of the city's water system and its customers.

Document and prepare billing for customers on water consumption.

Water Department Goals



SHORT TERM GOALS (1-2) YEARS

- Implement a safety program.
- Develop and implement strategic plan which measures and holds accountable local government to its people.
- Continue to modernize water treatment plant with automated valve replacement and air scour for backwash system.
- Pilot calcium removal system for Dakota well and begin planning and design of full-scale treatment.
- Begin planning and design of Myrtle Creek intake improvements.
- Increased training for new staff.

Water Department Goals

LONG TERM GOALS (3-5) YEARS

- Implement a strategic plan
- Update current water system master plan.
- Begin planning for additional filtration capacity at the water treatment plant.
- Increased focus on water main replacement, specifically aging steel mains.

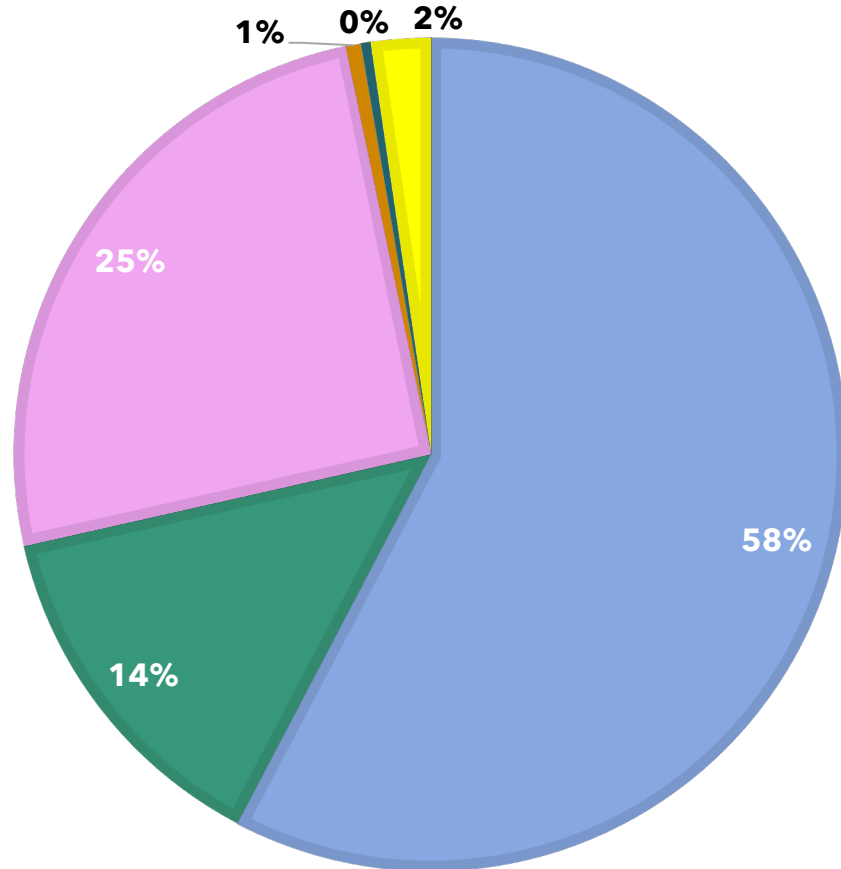


Enterprise Account- Water Department



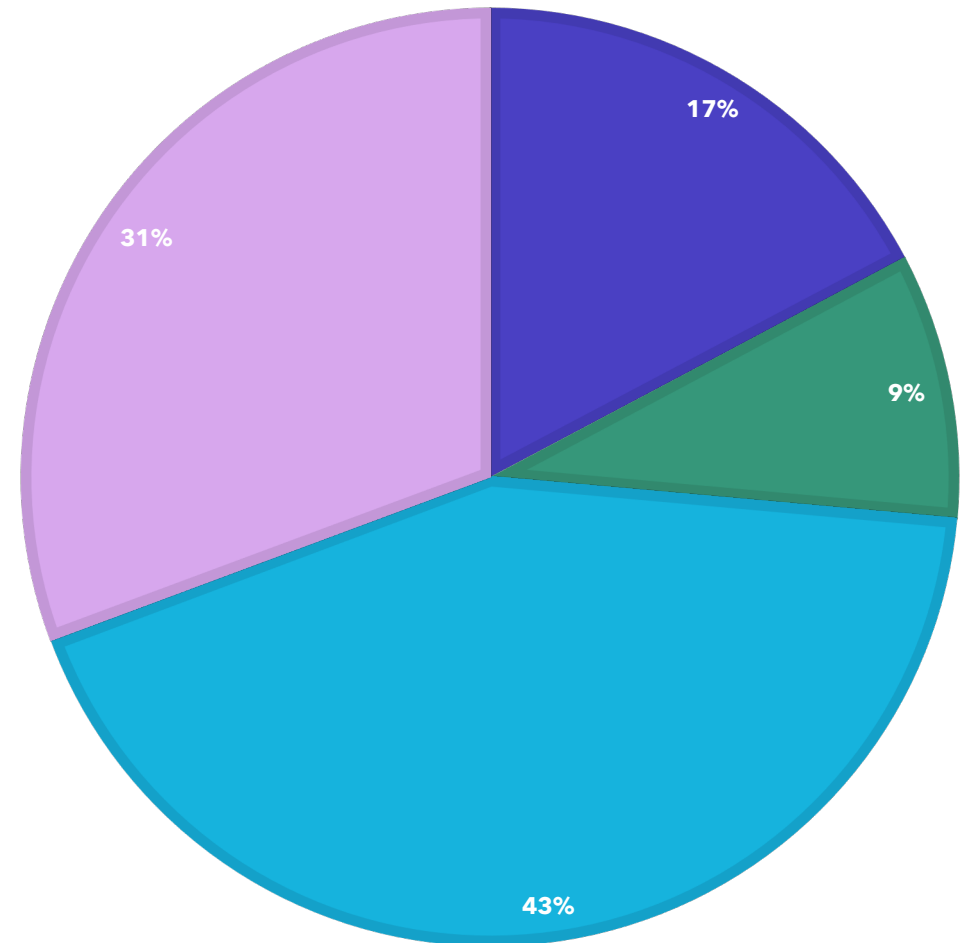
FY24 WATER ANTICIPATED REVENUES

- Residential Sales
- Large Commercial
- Small Commercial
- Inter Departmental
- Industrial Sales
- All Other Sales/Revenue



FY24 WATER ANTICIPATED EXPENSES

- WAGES
- FRINGE
- OPERATION AND MAINTENANCE
- CAPITAL



Enterprise Account- Water Department Reserve



The City Water Department reserve fund is also driven by some of the same metrics used in the Electric Department. The minimum reserve amount is set by using the following allocation amounts:

1. 90-day operating and maintenance costs
2. Emergency capital funds
3. FY2025 Capital planning fund
4. Bond Covenant/fund restricted amount.

Based on this, the minimum reserve amount for the Water Department is \$1,178,212.

Water Fund				
	2024 Expenses	Expenses/Day	90-Day Expenses	Total
Operating	\$ 1,513,582	\$ 4,147	\$ 373,212	\$ 373,212
Emergency	\$ 340,000			\$ 340,000
Capital Planning	\$ 340,000	FY2025		\$ 340,000
Bond/Restricted	\$ 125,000			\$ 125,000
Total				\$ 1,178,212

Enterprise Account- Water Department Cash Vs. Reserve

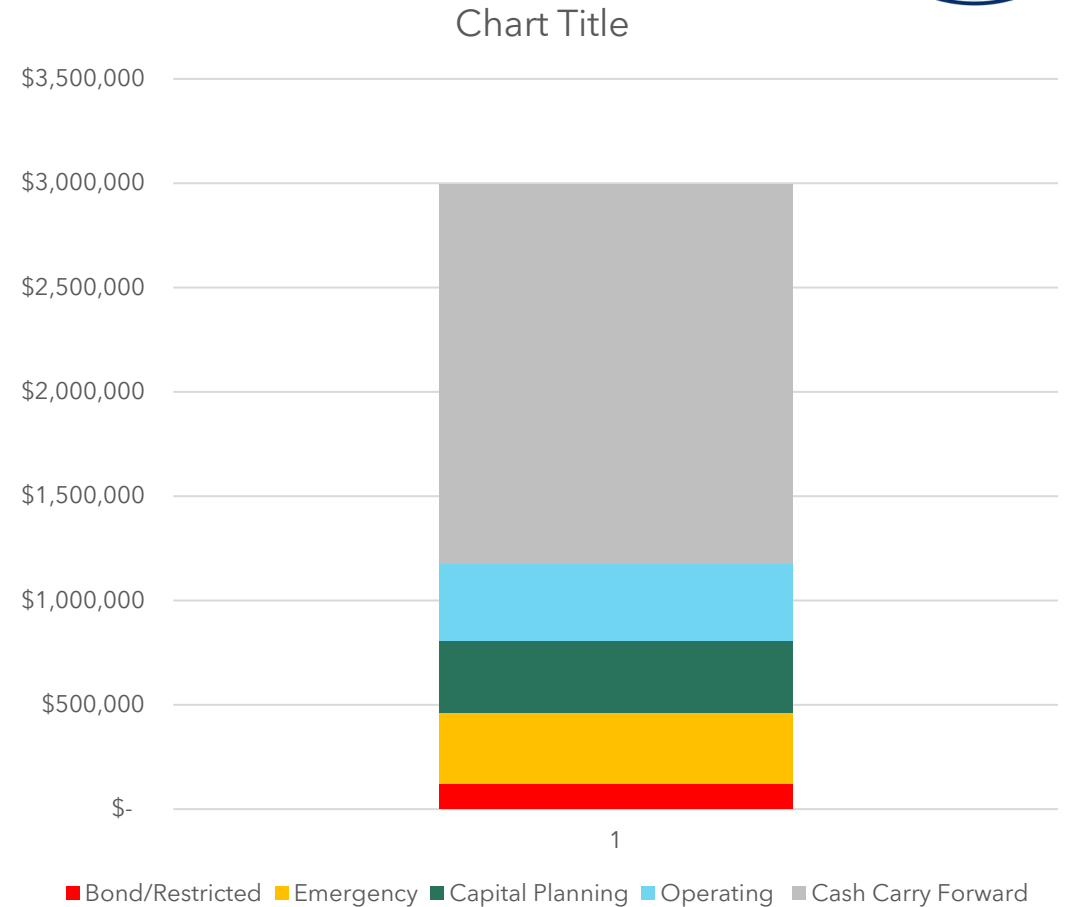


The City budgets its reserve money each FY for allowing the city to bridge gaps between emergencies, emergent issues and actual costs greater than budgeted. Cash at a minimum should be equal to your reserve account, unless otherwise approved by council.

The FY24 Cash vs. Reserve Account shows that our cash position is greater than our need for the reserve account. With the difference staff is suggesting that we invest fund our current FY Capital at 540,000.

By using these funds in this way, reduces the need for future loans or asking for additional rates increases, outside the projected 5%, to account for large unknown or unplanned expenses.

The following capital plan is attached to show how the 5-year planning effort will invest these funds.



	Cash vs. Reserve
Cash Carryforward	\$1,817,483.00
Reserve	\$1,178,211.97
Difference	\$639,271.03

Enterprise Account- Water Department 5-year Capital Plan



Water Department - Proposed Capital Investments

	2023	2024	2025	2026	2027
<u>Rolling Stock</u>					
Work Pick-ups (note 1)		\$40,000.00		\$40,000.00	
Vactor Truck (note 2)		\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00
<u>Distribution - Main Replacement</u>					
Canyon Street		\$60,000.00			
Apple Alley			\$60,000.00		
Chinook Street				\$75,000.00	
Boundary Street					\$75,000.00
Grant Street					
<u>Tanks</u>					
Northside Tank Repairs	\$25,000.00				
Steel Tank Replacement					
<u>Water Treatment Plant / Source Water Improvements</u>					
WTP - Air Scour System		\$100,000.00			
Myrtle Creek - Intake Repairs		\$250,000.00			
Hoover Booster Station - Relocation/Improvements					
Dakota Well - Calcium Removal		\$10,000.00	\$200,000.00	\$200,000.00	
WTP - Capacity Expansion					\$600,000.00
<u>Buildings/Storage</u>					
Anticipated Total Capital Investment by Year	\$25,000.00	\$540,000.00	\$340,000.00	\$395,000.00	\$755,000.00

Notes:

1. This item assumed to be 3/4 ton P/U, with fabricated boxes, tool storage, cranes. 50/50 split between water and sewer
2. This items assumes an initial cost of \$800,000 , split 50/50 with Sewer, 5yr lease. The Council may choose to fund directly from cash,

Enterprise Account- Water Department Summary



The following is a summary of the Water Department budget for FY2024. Major updates to the budget includes wage increase that were provided back in April of this year. Additionally increase cost of Health Care and operation increases and our capital planning which includes those items on the capital planning slide previously shown.

For FY24 the capital plan is broken into the following allocations:

Vactor and Truck purchase \$130,000.00; Myrtle Creek Intake repairs: \$250,000; \$100,000 to install Air scour system at treatment plant; \$10,000 for preliminary engineering for Calcium removal at well site; \$60,000 Canyon Street Main replacement; \$40,000 for vehicle replacement.

TYPE	2021 Actuals	2022 Actuals	2023 BUDGET	2024 BUDGET
WAGES	\$ 217,815.55	\$ 312,104.26	\$ 265,598.00	\$ 376,800
FRINGE	\$ 204,287.21	\$ 186,094.49	\$ 159,235.00	\$ 200,036
OPERATION AND MAINTENANCE	\$ 610,661.88	\$ 818,293.86	\$ 1,697,015.00	\$ 2,114,956
CAPITAL	\$ -	\$ -	\$ 164,130.00	\$ 670,000
Total	\$ 1,032,764.64	\$ 1,316,492.61	\$ 2,285,978.00	\$ 3,361,793

Water Department	2021 Actuals	2022 Actuals	2023 Budget	2024 Budget
Revenue	\$1,436,032.00	\$1,491,683.16	\$1,484,914.00	\$1,544,310.56
Cash Carry Forward				\$1,817,483.00
Expenses	\$1,032,764.64	\$1,316,492.61	\$2,285,978.00	\$2,183,581.90
Contingency / Reserve				\$1,178,211.97



Sewer Department



Enterprise Account- Sewer Department



The City Sewer Department comprises of a sewage collection system, sewer lift stations and sewage treatment lagoons. The collection system is made up of underground pipes that collect raw sewage from households and businesses, then (depending on the location) it is pumped through sewer lift stations to the city's sewer lagoon system located north of the Kootenai River, off North River Drive. All the sewer collected south of the Kootenai River is pumped across a sewer main that bridges the Kootenai River (see opening slide). The city recently replaced the single sewer main with two sewer mains in 2020. All sewage collected north of Kootenai River flows to Lift Station #1, located just east of the sewer lagoons and is then pumped to the sewer lagoons.

Once the sewer is treated through the sewer lagoons, the treated water is then released into the Kootenai River. The Idaho Department of Environmental Quality has strict regulations for how the city both treats and releases the water back into the Kootenai River.

Current operational challenges are due largely in part to three factors, limitations of growth within the sewer lagoons, chemical treatment of sewer, and contaminants that enter the collection system causing plugging to occur. In response to the latter, the city is working with an outside Engineering firm to design and install a new Headworks system at the entry to the sewer lagoon site. The headworks project will allow for most of the contaminants to be caught before entering the lagoons.

Regarding the expansion of the sewer lagoons, unless rapid growth occurs, the city has capacity to handle growth at the sewer lagoons but long-range plans as well as the potential changes in IDEQ requirements could cause the city to completely change how it manages and processes waste through the sewer system. However, currently the city is prepared and planning on incremental growth within its sewer system.

Overall, the Sewer fund is healthy, with a strong reserve account and 5-year capital plan prepared. However, the above ground and underground infrastructure needs constant attention and repairs. Older and more vulnerable pipes are consistently breaking or become damaged due to construction, old age or clogging, and the city must repair or replace them. Additionally, the City's plan is to complete the headworks project as well as rebuild or replace all 9 sewer lift stations over the course of the next 5-7 years. This current fiscal year, the city replaced lift station #2 and next fiscal year, lift station #5 is planned for replacement.

Given these plans, the city intends to do its best to save for these investment to provide rate stability and predictable capital planning.

Sewer Dept.



STAFFING:

- (1) Engineer (split)
- (1) Superintendent (split with Water)
- (4) Sewer Dept. Staff Members (split with Water)
- (3) Account support clerks (split)
- (1) Mechanic (split)

**Some split positions are shared positions between the department and other city department(s).

DUTIES:

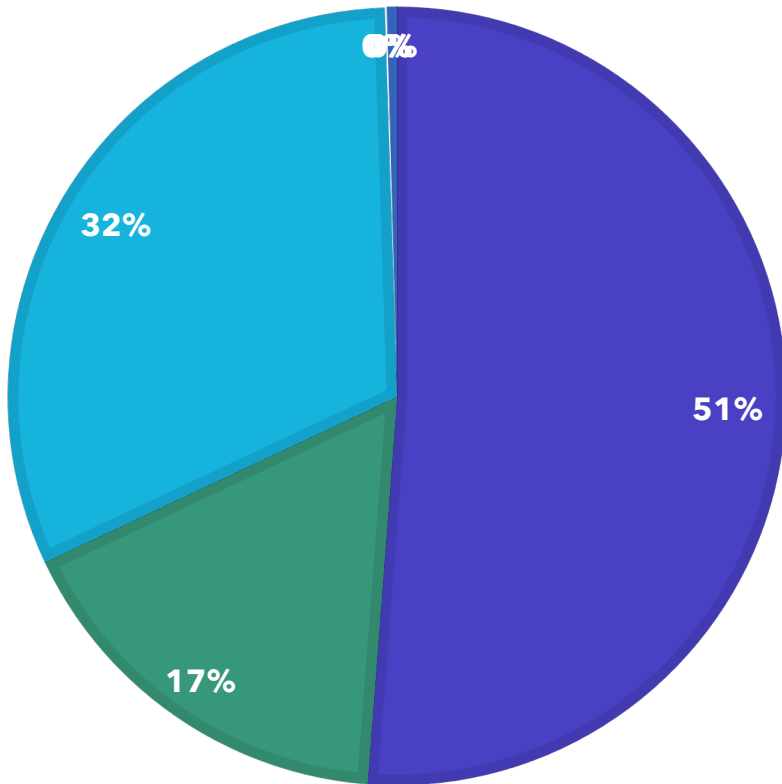
- Collect and treat sewer from households and business across the city system.
- Treat and release water back into the Kootenai river.
- Compliance test and meet stringent environmental quality standards.
- Improve and enhance city treatment systems to reduce costs overall and pass along savings to the customer.
- Uphold sewer compliance with customers to reduce hard to treat materials from entering the sewer collection system.

Enterprise Account- Water Department



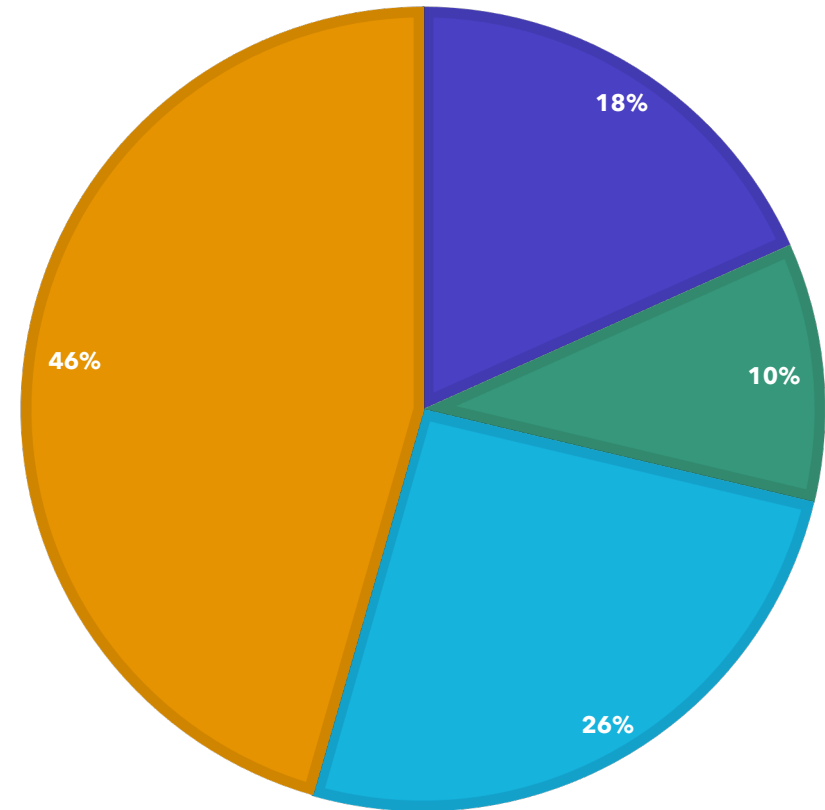
FY 24 SEWER REVENUES

- Residential Sales
- Large Commercial Sales
- Small Commercial Sales
- Inter- Departmental Sales
- Industrial Sales
- Other Sales



FY 24 SEWER EXPENSES

- WAGES
- FRINGE
- OPERATION AND MAINTENANCE
- CAPITAL



Sewer Department Goals



SHORT TERM GOALS (1-2) YEARS

- Implement Safety Program.
- Develop and implement strategic plan which measures and holds accountable local government to its people.
- Plan, design, and procure grant funding for Lift Station #5 replacement in 2025 or 2026.
- Replace a section of sewer main each year, as capital funding allows.
- Maintain financial reserves as established.
- Install bar screen system and re-route sewer bridge main to lagoons.
- Increased training during this period because of new staff.

Sewer Department Goals



LONG TERM GOALS (3-5) YEARS

- Implement a strategic plan
- Facilitate aggressive sewer main replacement program.
- Continue to install generators at each lift station until complete.
- Continue replacement of lift stations as recommended in the city's wastewater master plan.
- Update current wastewater master plan.
- Continue to increase quality and consistency of treatment at the lagoons in concert with consultant recommendations and DEQ requirements.

Enterprise Account- Sewer Department Reserve



The City Sewer Department reserve fund is also driven by some of the same metrics used in the Electric and Water Department. The minimum reserve amount is set by using the following allocation amounts:

1. 90-day operating and maintenance costs
2. Emergency capital funds
3. FY2025 Capital planning fund
4. Bond Covenant/fund restricted amount.

Currently there is not bond restriction within the Sewer Department, so there is no inclusion of this within the Department Reserve. That said, the minimum reserve amount for the Sewer Department is \$1,855,727.

<u>Sewer Fund</u>	2024 Expenses	Expenses/Day	90-Day Expenses	Total
Operating	\$ 956,002	\$ 2,619	\$ 235,727	\$ 235,727
Emergency	\$ 850,000			\$ 850,000
Capital Planning	\$ 800,000			\$ 800,000
Bond/Restricted	\$ -			\$ -
Total				\$ 1,885,727

Enterprise Account- Sewer Department Cash Vs. Reserve



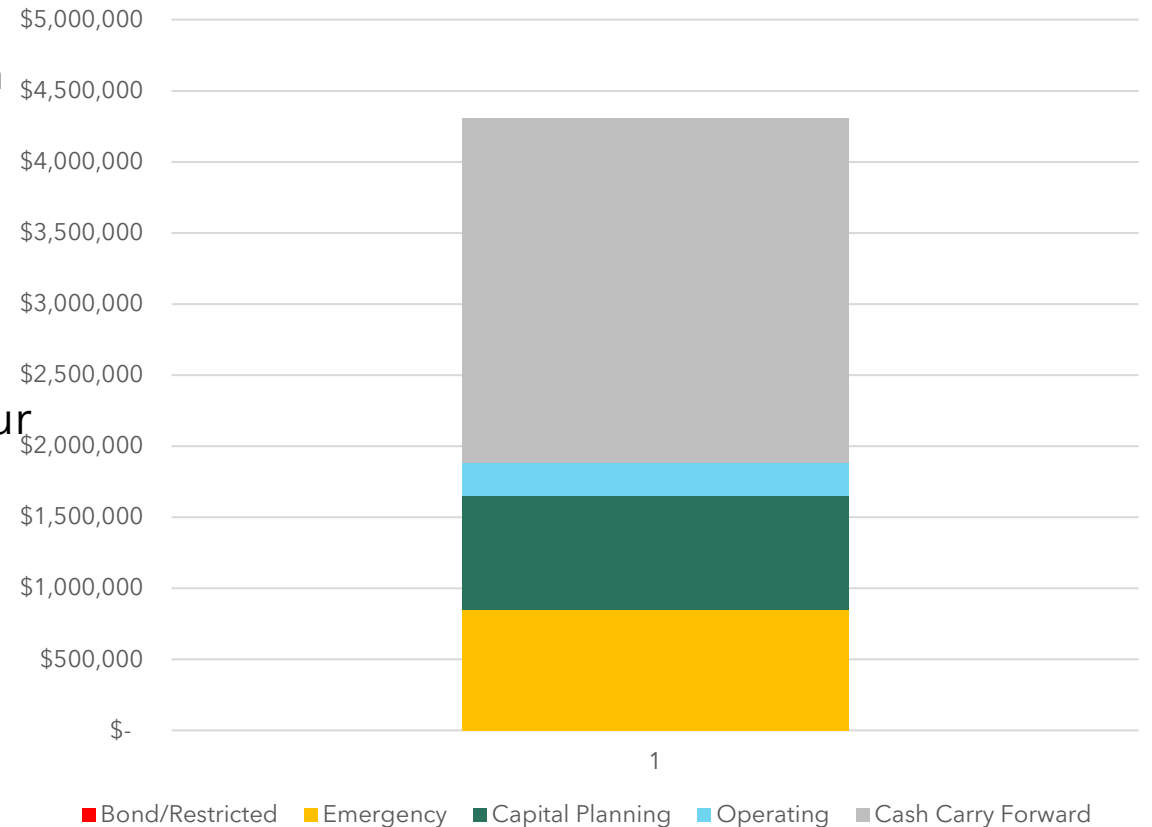
The City budgets its reserve money each FY for allowing the city to bridge gaps between emergencies, emergent issues and actual costs greater than budgeted. Cash at a minimum should be equal to your reserve account, unless otherwise approved by council.

The FY24 Cash vs. Reserve Account shows that our cash position is greater than our need for the reserve account. With the difference staff is suggesting that we invest fund our current FY Capital at \$310,000.

By using these funds in this way, it reduces the need for future loans or asking for additional rates increases, outside the projected 5%, to account for large unknown or unplanned expenses.

The following capital plan is attached to show how the 5-year planning effort will invest these funds.

Sewer Reserve Summary



Sewer Cash vs. Reserve	
Cash Carryforward	\$2,426,371.00
Reserve	\$1,885,726.58
Difference	\$540,644.42

Enterprise Account- Sewer Department 5-year Capital Plan



Sewer Department - Proposed Capital Investments

	2023	2024	2025	2026	2027
Rolling Stock					
Work Pick-ups (note 1)	\$ 40,000	\$ -	\$ 40,000		
Vactor Truck (note 2)	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	
Collections					
Main Replacement	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	
Lift Stations					
Lift Station #5 (note 3)	\$ 25,000	\$ 150,000	\$ 700,000		
Lift Station #3 (note 4)				\$ 350,000	
Lift Station #2					
Lift Station #4					
Lift Station #6					
Lagoons					
Bar Screen	\$ 25,000				
Piping Re-route - Sewer Bridge to Lagoon		\$ 60,000			
Buildings/Storage					
Anticipated Total Capital Investment by Year	\$ 50,000	\$ 310,000	\$ 800,000	\$ 450,000	\$ 100,000

Notes:

1. This item assumed to be 3/4 ton P/U, with fabricated boxes, tool storage, cranes.

50/50 split between water and sewer

2. This items assumes an initial cost of \$800,000 , split 50/50 with Water, 5yr lease. The Council may opt to purchase directly from cash if they choose

3. This item assumes that the city will receive a \$500,000 ICDBG. \$25,000 in 2023 for PER, \$150,000 for design in 2024, \$500,000 for city portion of construction.

4. This station may need to be pushed out to 2026 or 2027, depending on cash reserves.

Enterprise Account- Sewer Department Summary



The following is a summary of the Sewer Department budget for FY2024. Major updates to the budget includes wage increase that were provided back in April of this year. Additionally increase cost of Health Care and operation increases and our capital planning which includes those items on the capital planning slide previously shown and summarized below.

The FY24 capital plan includes: \$60,000 for completion of the headworks system at the lagoon site; \$150,000 for the completion of move of lift station #5; \$100,000 for main repairs or replacement; \$450,000 for a Vactor truck purchase; \$40,000 for a vehicle purchase.

Sewer Department	2021 Actuals	2022 Actuals	2023 Budget	2024 Budget
	Un-audited	Un-audited		
Revenue	\$ 1,234,882.65	\$ 978,601.00	\$ 1,055,729.00	\$ 1,095,358.16
Cash Carry Forward				\$ 2,426,371.00
Expenses	\$ 686,939.49	\$ 707,108.72	\$ 1,954,629.00	\$ 1,636,002.22
Contingency / Reserve				\$ 1,885,726.58

TYPE	2021 Actuals	2022 Actuals	2023 BUDGET	2024 BUDGET
WAGES	\$ 153,105.52	\$ 234,288.49	\$ 128,404.00	\$ 321,317
FRINGE	\$ 119,844.52	\$ 148,341.44	\$ 102,766.00	\$ 182,863
OPERATION AND MAINTENANCE	\$ 413,989.45	\$ 324,478.79	\$ 1,233,459.00	\$ 2,217,549
CAPITAL	\$ -	\$ -	\$ 490,000.00	\$ 800,000
	\$ 1,868,898.49	\$ 1,889,067.72	\$ 1,954,629.00	\$ 3,521,729



Solid Waste Management



Enterprise Account- Solid Waste Management



The City contracts its waste management to Frederickson's Waste Management Company for residential general and recycled waste. Rates are negotiated each year, and this year Frederickson's has requested a 3.5% rate increase to the city. Any rate changes will be reflected on a new fee schedule adopted by Council.

The garbage fund is essentially an in and an out. A small, \pm \$20,000-dollar reserve has been created to help offset any unforeseen costs occurrence throughout the year.

If the increase is approved by council, rates would increase \pm \$0.44. Garbage would be \$9.21; Recycling would be \$3.78 and the monthly total to \$12.99 per month.



Enterprise Account- Solid Waste Management



ACCOUNT	TYPE	GARBAGE			
		2021 ACTUALS UN-AUDITED	2022 ACTUALS UN-AUDITED	2023 BUDGET	2024 BUDGET
GARBAGE INCOME					
	Residential Sales	\$ 139,709.78	\$ 141,422.22	\$ 139,000.00	\$ 145,950.00
	Interest Income	\$ 2.59	\$ 34.47	\$ -	\$ 10.00
	Carry forward				\$ 21,349.00
Subtotal		\$ 139,709.78	\$ 141,422.22	\$ 139,000.00	\$ 167,309.00
GARBAGE EXPENSES					
	Bad Debt expense	\$ 42.58	\$ -		\$ 199.00
Subtotal		\$ 42.58	\$ -	\$ -	\$ 199.00
Collections					
O&M	Purchased services	\$ 137,897.76	\$ 114,534.71	\$ 141,500.00	\$ 146,500.00
Subtotal		\$ 137,897.76	\$ 114,534.71	\$ 141,500.00	\$ 146,500.00
Customer Accounting					
	Purchased services	\$ 397.52	\$ -	\$ -	\$ 500.00
Subtotal		\$ 397.52	\$ -	\$ -	\$ 500.00
General Administrative					
	Purchase Services	\$ -	\$ -	\$ -	\$ 100.00
OPERATION AND MAINTENANCE	Bank Charges	\$ 5.07	\$ 3.12	\$ 38.00	\$ 10.00
	Contingency and other	\$ -	\$ -	\$ 20,000.00	\$ 20,000.00
Subtotal		\$ 5.07	\$ 3.12	\$ 20,038.00	\$ 20,110.00
Grand Total		\$ 138,342.93	\$ 114,537.83	\$ 161,538.00	\$167,309.00



Overall Summary

Budget



FY24 Budget Summary - General Fund



Fiscal Year 2024 Proposed Budget

City of Bonners Ferry

General Fund

Expenses		Revenues	
General Government \$	365,755	General Tax Levy	723,323
Police Department & Police Grants \$	911,294	General Property Tax Replacement	19,802
Animal Control \$	12,379	1% Non-Property Tax Fund	820,000
Fire Department \$	266,861	State and Local Share	578,735
Parks & Visitor Center \$	90,165	Licenses and Fines	53,960
Swimming Pool \$	87,436	Grants and Federal Funding	138,500
Golf Course \$	160,797	Charges for Service	28,700
Streets and Street Grants \$	720,044	Agency Support	150,500
South Hill Slough / Dike Maintenance \$	20,199	Recreation (Golf/Pool)	211,500
DARE / School Reourse Officer \$	69,637	Lease, Franchise	52,236
Economic Development Coordinator \$	75,442	Other	118
General Fund Captial \$	298,700	Interest	31,335
Expense Subtotal	3,078,709	Revenue Subtotal	2,808,709
Contingency	530,000	Fund Balance Carryover- Estimated	800,000
Expense Total	3,608,709	Revenue Total	3,608,709

FY24 Budget Summary - Enterprise Funds



		Electric Fund	
	Expenses		Revenues
Electric Fund Expenses	7,384,358	Electric Fund Revenues	6,664,016
Contingency	2,723,442	Cash Carryover (estimated)	3,443,784
Total Expenses	10,107,800	Total Revenues	10,107,800
		Water Fund	
	Expenses		Revenues
Water Fund Expenses	2,183,581	Water Fund Revenues	1,544,310
Contingency	1,178,212	Cash Carryover (estimated)	1,817,483
Total Expenses	3,361,793	Total Revenues	3,361,793
		Sewer Fund	
	Expenses		Revenues
Sewer Fund Expenses	1,636,002	Sewer Fund Revenues	1,095,358
Contingency	1,885,727	Cash Carryover (estimated)	2,426,371
Total Expenses	3,521,729	Total Revenues	3,521,729
		Garbage Fund	
	Expenses		Revenue
Garbage Fund Expenses	147,309	Garbage Fund Revenues	145,950
Contingency	20,000	Cash Carryover (estimated)	21,359
Total Expenses	167,309	Total	167,309
Grand Total of Utility E&R		\$17,158,631	\$17,158,631

FY24 Budget Summary - Overall



Thank you for taking the time to read the FY24 Budget Presentation. It is the hope of the Council and the staff that this production enlightens and encourages understanding of the many city systems and processes that keep the city running day-by-day and year-by-year.

City Council has set the budget hearing date for September 5, 2023, and at this budget hearing the public is invited to participate and is encouraged to comment on the adoption of the FY budget. As required by Idaho Code, the draft budget was published in the Bonners Ferry Herald on August 24th and 31st, respectively.

The Council encourage members of the public to attend the hearing and provide their comments, should they have them.

Many Regards, ~ City Management