



## CITY OF WHEELER

**775 Nehalem Boulevard, P.O. Box 177, Wheeler, OR 97147**  
Phone (503) 368-5767 Fax (503) 368-4273  
Website: [www.ci.wheeler.or.us](http://www.ci.wheeler.or.us) Email: [citymanager@ci.wheeler.or.us](mailto:citymanager@ci.wheeler.or.us)

---

### CASE FILE: Budget Input Fiscal Year 2024-2025

## STAFF REPORT

### A. HISTORY

The City of Wheeler received budget input from Mr. Garry Gitzen on March 22, March 27, and April 6, 2024. Budget Committee Chair Mike Anderson asked City Staff for feedback regarding what issues were budget related, and which issues were policy related.

### B. BUDGET INPUT

#### March 22, 2024

- 1.) The input received indicates that “Wheeler continues pays exactly half of the costs to run the water system with Manzanita,” which is incorrect. The payments are calculated based on an Intergovernmental Agreement with Manzanita using the following formula:

“The total costs shall be divided as follows: The costs associated with the readiness to serve or standby capability of the joint system will be divided based on each City's percentage of equivalent dwelling units served by the total of the two communities. The costs in this category will be those which would be incurred even if no water was used (e.g., permits, line repair and labor). The costs associated with the actual production of water (e.g., electricity, chlorine, labor) will be divided based on the percentage of actual water usage by the respective Cities for the previous twelve (12) month period ending on the last day of February as determined by the master meters.”

The input received states that Wheeler is entitled to additional money beyond the current calculation method. This would require amending the Intergovernmental Agreement with Manzanita, which is beyond the scope of the Budget Committee.

- 2.) The input also makes the following recommendations:
  - a.) Reducing the water tap charge and usage rate by 50%. This would require updating the Water Rate Schedule that was adopted by Resolution, which is beyond the scope of the Budget Committee.



- b.) Building a water holding tank on the north end of town to bleed off the chlorine. While the Budget Committee could set aside funds for this purpose, the Wheeler Water Master Plan does not include this as a project and the City Council has not requested that the City pursue it.
  - c.) Repair the open water well above Wheeler. While the Budget Committee could set aside funds for this purpose, the Wheeler Water Master Plan does not include this as a project and the City Council has not requested that the City pursue it.
- 3.) The input also claims that Wheeler is illegally collecting a Water Debt Service Charge of \$12.71 per tap as the loan it is intended to repay has not yet been formally issued. This charge is part of the water rate schedule that was adopted by resolution, and is therefore beyond the scope of the Budget Committee to change.

March 27, 2024

- 1.) The input states that Wheeler should terminate the existing Intergovernmental Agreement with Manzanita in favor of some suggested alternatives, or “claim the water piping from the well under *emanate domain*.” This is beyond the scope of the Budget Committee.

March 27, 2024

- 1.) The input states that Wheeler needs to reduce their water rates by at least half. This would require updating the Water Rate Schedule that was adopted by Resolution, which is beyond the scope of the Budget Committee.