

CITY OF SILVERTON
BUDGET COMMITTEE MINUTES

Silverton Community Center – Council Chambers – 421 South Water St.

April 23, 2020 – 6:30 p.m. or immediately following the Urban Renewal Agency Budget Committee meeting

I. Call to Order, Roll Call and Pledge of Allegiance

Chairman Kyle Palmer called the meeting to order at 6:50 p.m. He announced the meeting is being held through Zoom in order to comply with Governor Brown’s Executive Order 20-12.

Present	Absent	
X	_____	Jim Sears
X	_____	April Newton
X	_____	Crystal Neideigh
X	_____	Kyle Palmer
X	_____	Aaron Koch
X	_____	R Walker Yeates
_____	<u>Excused</u>	Dana Smith
X	_____	Ammon Benedict
X	_____	Matt Plummer
X	_____	Greg Chase
_____	<u>Excused</u>	Laurie Carter
X	_____	Chris Childs
X	_____	Jason Freilinger
X	_____	Micole Olivas-Leyva

Staff Present:

City Manager, Christy Wurster; Finance Director, Kathleen Zaragoza; Chief of Police, Jeff Fossholm; Captain, Jim Anglemier; Community Development Director, Jason Gottgetreu; Public Works Director, Petra Schuetz; Water Quality Division Supervisor, Steve Starner; Assistant Finance Director, Sheena Kroker; Maintenance Division Supervisor, Travis Sperle; Assistant to the City Manager/HR Coordinator, Elizabeth Gray; and Assistant to the City Manager/City Clerk, Angela Speier

Election of Officers

Member Freilinger made a motion to elect Kyle Palmer as Chair and Jason Freilinger as Vice Chair. Member Plummer seconded the motion. There was no discussion and the motion passed unanimously (12-0).

II. Approval of minutes from the meeting held on May 21, 2019

Member Freilinger made a motion to approve the minutes from the meeting held on May 21, 2019. Member Sears seconded the motion. There was no discussion and the motion passed unanimously (12-0).

III. Presentation of the Budget Message

Budget Officer/City Manager Christy Wurster presented the budget message for Fiscal Year (FY) 2020-2021. She explained the City is fortunate to be financially stable in these uncertain times. The total budget for FY 2020-2021 is \$64,006,341 which represents a 14.45% increase over the current budget. This is primarily attributable to capital improvement projects, such as the McClaine Street improvement project,

the Civic Center Building design, the Silver Creek Raw Water Transmission Pipeline, and sewer improvements.

The City continues to have a stable demand for new home construction and this budget projects 50 new homes to be built during the upcoming fiscal year. There is also a slight increase in commercial construction. City Council has determined new goals for FY 2020-2021 which have been addressed within this budget.

City Manager Wurster said Chief Jeff Fossholm announced his retirement after nearly 33 years of service to the City of Silverton. Captain Jim Anglemier will be promoted to Chief of Police and Sergeant Josh Boatner will be promoted to Captain beginning June 1, 2020. The budget includes a 2.8 percent cost of living allowance beginning July 1, 2020 for all departments except the bargaining units.

The City is anticipating reduced revenue in the proprietary funds (water and sewer), because one of the industrial customers has announced they will be closing their Silverton plant. City Manager Wurster highlighted a number of the capital improvement projects included in the budget and thanked the Budget Committee for their guidance, support and willingness to serve the Silverton community through the budget process. She also thanked staff for their work on the budget and announced the City has received notification from the Government Finance Officers Association that Silverton received a Distinguished Budget Award.

Member Benedict made a motion to adjourn the budget meetings at 9:00 p.m. Member Olivas-Leyva seconded the motion. Chairman Palmer clarified the committee can finish the fund they are discussing before adjourning. There was no further discussion and the motion passed unanimously (12-0).

Member Freilinger made a motion to review the budget by fund as advised by the finance staff. Member Benedict seconded the motion. There was no discussion and the motion passed unanimously (12-0).

IV. Public Comment on the Proposed Fiscal Year 2020-2021 Budget

There was no public comment on the proposed budget.

V. Public Hearing

5.1 Public Hearing on Election to Receive State Revenue Sharing

Chairman Palmer opened the public hearing at 7:13 p.m. to receive public comment on the election to receive State Revenue Sharing. No members of the committee wished to abstain or declare a conflict of interest. There was no public testimony on the election to receive State Revenue Sharing.

Member Freilinger made a motion to close the public hearing. Member Neideigh seconded the motion. There was no discussion and the motion passed unanimously (12-0). Chairman Palmer closed the public hearing at 7:15 p.m.

Member Sears made a motion to receive State Revenue Sharing Funds for general purposes. Member Freilinger seconded the motion. There was no discussion and the motion passed unanimously (12-0).

VI. Review/discussion of the Budget; beginning with the General Fund

Finance Director Zaragoza referred members to an email sent early today regarding minor adjustments to the proposed budget. Three of those changes impact the General Fund. Staff is recommending transferring \$35,000 from contingency and placing \$10,000 into Capital – Replacement for SCAN-TV equipment and \$25,000 into Community Support to support the formation of a parks and recreation district. Member Benedict expressed his concern with moving money from contingency when that fund is already lower than the recommended threshold of 15 percent and feels the City should be saving where it can due to the unknowns associated with the COVID-19 emergency.

The Committee began reviewing the budget and asked clarifying questions as they progressed through the document.

On page 27 the Committee discussed the recommended changes by staff to the General Fund and Member Benedict's concerns with the transfer. Member Freilinger made a motion to reduce line item 010-011-90001 (General Fund-Contingency) by \$35,000 in order to credit line item 010-011-81003 (General Fund-Capital-Replacement) by \$10,000 and credit line item 010-012-62573 (General Fund-Community Support) by \$25,000. Member Koch seconded the motion. There was no further discussion and the motion passed unanimously (12-0).

Member Benedict raised a concern regarding the large transfer amounts from the General Fund into the Civic Building Fund. He said the total money allocated over the last few years, including the transfers this year, is \$6.6 million to the Civic Building. He urged a transparent process that includes the taxpayers. Member Freilinger explained the City has the ability to finance the building and pay for it through the General Fund without having to go to the voters. He said the City is saving money each year to construct the Civic Building. This means the City will not have to raise property taxes through a bond and potentially compete with school needs down the road. He said it is cost effective to design both the Police Facility and the City Hall in order to capitalize on shared facilities. At this time it is not known how much the construction is going to cost, so the Police Facility might be the only thing built. He is concerned with the scope of the project and balancing what the City can afford.

Director Zaragoza said the City is taking a conservative approach that is ultimately the best for taxpayers and ratepayers. There is an economy of scale to doing the design for the entire building in order to see the layout of the site. She explained what the budget transfers have been used to pay for and what they will be used for moving forward. Members discussed the budgeting approach the City is taking with funding the Civic Building and the public participation that will occur during the design process. City Manager Wurster explained the timeline for the architectural design.

On page 28 Member Freilinger discussed the expenditures in the Community Programs line item. He made a motion to remove \$2,900 from line item 010-012-62574, including \$2,500 for the Silverton Days Fireworks, \$100 from parade support, and \$300 from various Council approved requests, and place that money into contingency. Member Plummer seconded the motion. Member Newton suggested keeping the money in the same fund and moving the \$2,900 to the Utility Ratepayer Relief Program. Members Freilinger and Plummer were agreeable to that change. Members discussed the timing of the parades and decided to leave \$200 in parade support. Member Freilinger amended his motion to move \$2,800, including \$2,500 from the Silverton Day's Fireworks and \$300 from various Council approved requests, to the Utility Ratepayer Relief Program. Member Plummer was agreeable to the change. Member Newton seconded the motion. There was no further discussion and the motion passed unanimously (12-0).

Members discussed the capital projects included in the Pool Operations Levy. Staff explained the money in this fund has to be used for pool operations. Director Zaragoza indicated the expenditures for this fund were accidentally not included in the budget and will be emailed to the Committee (see attachment 1).

Members discussed the Street Maintenance Fund and the safe routes to school money. Finance Director Zaragoza explained this fund includes some carryover from last year in order to accumulate additional funds for sidewalk projects. Discussion ensued about current and future sidewalk projects. Director Gottgetreu said the City and School District will be applying for a Safe Routes to School grant through the State of Oregon for the Jefferson and James Street area. Chairman Palmer explained sidewalk connectivity in that area is a priority for the City Council.

On page 92 and 93 Director Zaragoza explained the CDBG Housing Rehab Fund could be modified by City Council to allow commercial loans for business stability due to COVID-19. The City has budgeted \$100,000 for commercial improvement loans and if modified those funds could be used to help businesses during the current pandemic. Members discussed the idea of using these funds for business relief. Member Newton made a motion to move \$50,000 from line item 080-080-90001 (Contingency) to

line item 080-081-62900 (Commercial Improvement Loans). Member Benedict seconded the motion. Members discussed the need to help businesses at this time and the motion passed unanimously (12-0).

VII. Adjournment

Chairman Palmer said the next meeting of the Budget Committee will take place Tuesday, April 28 at 6:00 p.m. Member Freilinger made a motion to adjourn the meeting. Member Koch seconded the motion. There was no discussion and the motion passed unanimously (12-0). Chairman Palmer adjourned the meeting at 9:04 p.m.

Respectfully submitted,

/s/Angela Speier
Assistant to the City Manager/City Clerk

Attachment 1

CITY OF SILVERTON

REVENUES FISCAL YEAR 2020-2021

		2017-2018 FISCAL ACTUAL	2018-2019 FISCAL ACTUAL	2019-2020 FISCAL BUDGET	2019-2020 ESTIMATED YTD	2020-2021 CITY MNGR PROPOSED
<u>POOL OPERATIONS LEVY</u>						
<u>PROPERTY TAXES</u>						
016-000-40001	PROPERTY TAXES CURRENT	264,179	262,848	255,750	256,885	255,750
016-000-40002	PROPERTY TAXES DELINQUENT	1,967	7,526	4,000	3,500	2,800
	TOTAL PROPERTY TAXES	266,145	270,374	259,750	260,385	258,550
<u>INTERGOVERNMENTAL</u>						
016-000-43021	GRANT PROCEEDS	0	0	75,000	0	75,000
	TOTAL INTERGOVERNMENTAL	0	0	75,000	0	75,000
<u>MISCELLANEOUS REVENUE</u>						
016-000-45002	INTEREST EARNED	9,433	17,068	8,000	13,750	4,250
	TOTAL MISCELLANEOUS REVENUE	9,433	17,068	8,000	13,750	4,250
<u>BEGINNING FUND BALANCE</u>						
016-000-49090	BEGINNING FUND BALANCE	417,727	561,403	633,008	660,307	718,842
	TOTAL BEGINNING FUND BALANCE	417,727	561,403	633,008	660,307	718,842
	TOTAL FUND REVENUE	693,305	848,845	975,758	934,442	1,056,642

CITY OF SILVERTON

EXPENDITURES FISCAL YEAR 2020-2021

		2017-2018 FISCAL ACTUAL	2018-2019 FISCAL ACTUAL	2019-2020 FISCAL BUDGET	2019-2020 ESTIMATED YTD	2020-2021 CITY MNGR PROPOSED
<u>POOL OPERATIONS LEVY</u>						
<u>POOL OPERATIONS</u>						
<u>MATERIALS AND SERVICES:</u>						
016-210-61004	COMMUNICATION EXPENSE	533	492	500	500	500
016-210-61005	POSTAGE & FREIGHT	284	190	300	300	300
016-210-61006	GAS/ ELECTRIC EXPENSE	65,497	69,408	75,000	70,000	75,500
016-210-61008	BUILDING & GROUNDS MAINTENANCE	1,289	13,091	9,000	9,000	30,000
016-210-61009	PERMIT FEES	473	403	1,000	1,000	1,000
016-210-61015	TRAVEL, TRAINING & MEETINGS	325	325	500	200	500
016-210-61022	EQUIPMENT MAINTENANCE	2,220	5,888	10,000	10,000	10,000
016-210-61032	JANITORIAL SUPPLIES	1,607	1,543	1,700	1,700	1,700
016-210-61042	SAFETY EQP/ PROT CLTHNG	218	112	600	600	600
016-210-61045	EQUIPMENT RENTAL	1,322	2,160	1,800	1,800	2,500
016-210-61047	POOL CHEMICALS	2,312	12,060	9,500	9,500	9,500
016-210-61059	CONTRACTED SERVICES	55,793	68,055	105,000	40,000	100,000
016-210-71000	MINOR EQUIPMENT	29	221	1,000	1,000	1,000
	TOTAL MATERIALS & SERVICES	131,902	173,948	215,900	145,600	233,100
<u>CAPITAL OUTLAY:</u>						
016-210-81003	CAPITAL - REPLACEMENT	0	14,590	268,000	70,000	266,000
	TOTAL CAPITAL OUTLAY	0	14,590	268,000	70,000	266,000
<u>CONTINGENCY & RESERVES:</u>						
016-210-90001	CONTINGENCY	0	0	280,858	0	323,542
016-210-91215	RESERVE- POOL CAPITAL IMPRVMT	0	0	211,000	0	234,000
	TOTAL CONTINGENCY & RESERVES	0	0	491,858	0	557,542
	TOTAL POOL OPERATIONS	131,902	188,538	975,758	215,600	1,056,642
	TOTAL FUND EXPENDITURES	131,902	188,538	975,758	215,600	1,056,642