

CITY OF SILVERTON
BUDGET COMMITTEE MEETING
Tuesday, May 7, 2024 – 7:00 p.m.

(or immediately following the Silverton Urban Renewal Agency Budget Committee Meeting, whichever is later)

Council Chambers – 421 South Water Street and Zoom

Americans with Disabilities Act – The City of Silverton intends to comply with the A.D.A. The meeting location is accessible to individuals needing special accommodations such as a sign language interpreter, headphones, or other special accommodations for the hearing impaired. To participate, please contact the City at 503-873-5321 at least 48 hours prior to the meeting.

A copy of the preliminary budget is available for review on the City website: www.silverton.or.us and at City Hall, Finance Department, 306 S Water St, Silverton OR 97381.

A copy of the full packet is available on the City's website at www.silverton.or.us/agendacenter. In accordance with House Bill 2560 and City of Silverton Resolution 22-06, the meeting will be held in a hybrid format: in person, and electronically using the Zoom web conference platform. Please submit written comments to finance@silverton.or.us by 3:00 p.m. on Tuesday, May 7, 2024. Comments received will be shared with the Budget Committee before the meeting and included with the public comments for the record. If you wish to participate through the Zoom web conference platform, see meeting information below.

Zoom meeting link:

<https://us02web.zoom.us/j/89631899841?pwd=UIM0NEFRdGpQOHNXSEJLSUVhZkRtUT09>

Webinar ID: 896 3189 9841

Passcode: 583277

Dial-In: 1 (253) 205-0468

AGENDA

I. OPENING CEREMONIES – Call to Order, Roll Call, and Election of Officers

1.1 – Chair

1.2 – Vice Chair

II. APPROVAL OF MINUTES

2.1 – Approval of minutes from the April 27, 2023 Budget Committee Meeting and December 18, 2023 Budget Meeting Review.

III. PRESENTATION OF THE BUDGET MESSAGE FOR FISCAL YEAR 2024-2025 BUDGET

IV. PUBLIC COMMENT ON THE PROPOSED BUDGET

V. PUBLIC HEARING

5.1 – Public Hearing on Election to Receive State Shared Revenue

1. Open Public Hearing

2. Accept public comment on possible uses of State Shared Revenue

3. Close Public Hearing

Motion: I move to receive State Shared Revenue for general purposes.

VI. REVIEW AND DISCUSSION OF THE BUDGET

6.1 – Review of the Building Capital Improvement Reserve Fund (page 135).

Example Motion: I move to continue the Building Capital Improvement Reserve Fund for another 10 years.

Example Motion: I move to discontinue the Building Capital Improvement Reserve Fund.

VII. RECOMMENDATION TO APPROVE THE CITY OF SILVERTON BUDGET FOR FISCAL YEAR 2024-2025

***Motion:** I move to approve the Budget of The City of Silverton for Fiscal Year 2024-2025 in the amount of \$74,833,392 and levy taxes at the permanent rate of \$3.6678 per \$1,000 of assessed valuation, and levy \$275,000 for the Pool Operating Levy.*

VIII. ADJOURNMENT

CITY OF SILVERTON
BUDGET COMMITTEE MINUTES

Council Chambers-421 S Water Street and Zoom Web Conference Platform

April 27, 2023 – 6:00 p.m.

I. OPENING CEREMONIES – Call to Order, Pledge of Allegiance and Roll Call

Chair Palmer called the meeting to order at 6:00 p.m. He announced the meeting is being held through a hybrid format consistent with House Bill (HB) 2560 and City of Silverton Resolution 22-06.

Present	Absent	
X		Jason Freilinger
X	Zoom	Chris Childs
X		Elvi Cuellar Sutton
X		Hilary Dumitrescu
X		Matt Gaitan
X		Eric Hammond
X		Morry Jones-Vice Chair
X		Ciara Jung
X		Jess Miller
X		April Newton
X	Zoom	Patricia O'Sullivan
X		Kyle Palmer-Chair
X		Margaret Thompson
X		Marie Traeger

Staff Present:

City Manager, Ron Chandler; Deputy City Manager/Finance Director, Kathleen Zaragoza; Public Works Director, Travis Sperle; Water Quality Division Supervisor, Brad Jensen; Maintenance Division Supervisor, Mike Dahlberg and Assistant Finance Director, Sheena Lucht.

Staff Present via Zoom:

Community Development Director, Jason Gottgetreu

II. Approval of minutes from the meeting held on April 25, 2023.

Member Miller made a motion to approve the minutes from the meeting held on April 25, 2023. Member Cuellar Sutton seconded the motion. There was no discussion and the motion passed unanimously (14-0).

III. Continue review and discussion of the 2023-2024 fiscal year budget from the April 25, 2023 Budget Committee meeting beginning on page 102.

Page 101: Enterprise Funds

Chair Palmer asked Director Zaragoza to described what Enterprise Funds are for Municipal Government.

Page 102-103: Sewer Fund

Member Morry asked about the Commercial and Residential Sewer Revenue. Director Zaragoza explained this was the first year that the revenue streams were divided out between each category.

Page 110-111: Sewer-Debt Services

Chair Palmer asked about refinancing the sewer debt. Director Zaragoza explained the sewer debt was refinanced last year for a reduced interest rate during the same time the City entered into the Civic Building debt.

Page 114-115: Sewer Reimbursement SDC Fund

Member Hammond asked what the difference is between the improvement and reimbursement SDC funds. Director Zaragoza explained that improvement SDCs are used for capacity increasing typically to bring on something new that has not been in existence and reimbursement SDCs to recover costs associated with capital improvements already constructed.

Page 120-121: Water-Administration

Member Hammond asked about the increase in the Contracted Service line item. Director Sperle explained that the amount includes a rate study, GIS/Autocad mapping services and an Aquifer Storage and Recovery (ASR) study.

Page 136-137: WWTP Digester Project Fund

Chair Palmer asked staff to give an overview of this project. Water Quality Supervisor Jensen explained this is for the construction and completion of the screw press to transfer the biosolids from a liquid form to a solid form for disposal.

Page 140-141: Second Street Improvement Project Fund

Director Sperle announced that the RFP is out for this project.

Page 142-143: Downtown Improvement Project Fund

Director Zaragoza explained this new fund is to start gathering dollars to be used for a design for this project, the \$300,000 budgeted is from the Silverton Urban Renewal Agency.

Page 152-153: Fleet Replacement Fund

Chair Palmer asked if there are still no vehicles being budgeted to be replaced. Director Zaragoza explained that staff decided to hold off on the purchase of any new vehicles to save funds for the additional cost of vehicles and parts.

Page 156-157: Extended Leave Fund

Director Zaragoza explained this fund is closing since it has not been used in awhile and having healthy contingencies in each fund so if funds are needed a transfer resolution could be done.

Member Freilinger made a motion to approve the Budget of The City of Silverton for Fiscal Year 2023-2024 in the amount of \$74,514,761 as modified by the Budget Committee, levy taxes at the permanent rate of \$3.6678 per \$1,000 of assessed valuation and levy \$275,000 for the Pool Operating Levy. Member Cuellar Sutton seconded the motion. There was no discussion and the motion passed unanimously (14-0).

V. Adjournment

Member Cuellar Sutton made a motion to adjourn the meeting and Chair Palmer adjourned the meeting at 6:30 p.m.

Respectfully submitted,

/s/Sheena Lucht
Assistant Finance Director

CITY OF SILVERTON
BUDGET COMMITTEE MINUTES

Council Chambers-421 S Water Street and Zoom Web Conference Platform

December 18, 2023 – 6:30 p.m.

I. OPENING CEREMONIES – Call to Order, Pledge of Allegiance, and Roll Call

Chair Palmer called the meeting to order at 6:32 p.m. He announced the meeting is being held through a hybrid format consistent with House Bill (HB) 2560 and City of Silverton Resolution 22-06.

Present	Absent	
X		Jason Freilinger
	Excused	Chris Childs
	Excused	Elvi Cuellar Sutton
X		Hilary Dumitrescu
X		Matt Gaitan
X		Eric Hammond
X		Morry Jones-Vice Chair
	Excused	Ciara Jung
X		Jess Miller
X		April Newton
X		Patricia O'Sullivan
X		Kyle Palmer-Chair
X		Margaret Thompson
X		Marie Traeger

Staff Present:

City Manager, Cory Misley; Deputy City Manager/Finance Director, Kathleen Zaragoza; Chief of Police, Jim Anglemier; Community Development Director, Jason Gottgetreu; Public Works Director, Travis Sperle; Water Quality Division Supervisor, Brad Jensen; Assistant Finance Director, Sheena Lucht, and Assistant to the City Manager/Human Resources Coordinator, Tammy Shaver.

II. Review of the Fiscal Year 2023 – 2024 Budget as of November 2023

Deputy City Manager/Finance Director Kathleen Zaragoza welcomed everyone to the first Budget Committee meeting of the year, she went on to say that tonight would be a discussion about the current budget for fiscal year 2023-2024 only. Zaragoza said this update would be focused on primary operating funds.

General Fund. Currently property taxes are at eighty-one percent (81%) collected, which is typical. She explained the property taxes are levied in July and paid in November which means most of the property taxes are received early November. Zaragoza stated the City would be getting another significant infusion of funds from property taxes in April or May (2024) from those who are paying their tax bills in thirds.

Zaragoza told everyone that everything else is tracking well.

Franchise Fees. These fees are a little down because one of the franchisees, Portland General Electric (PGE), pays theirs on an annual basis which means the City doesn't get those revenues until about February.

1
2 Zaragoza drew attention to the beginning fund balance which is over what was budgeted. She said this
3 was a very good sign because it shows the City is controlling costs and has a larger beginning fund
4 balance than anticipated.
5

6 Zaragoza refreshed everyone's memories about the different categories, property taxes are levied 3.667
7 for assessed value, the rates can only go up three percent (3%) on the assessed value of a home, so
8 they cannot raise too much unless there is new construction taking place within the City of Silverton or
9 improvements to structures which exceed the assessed value. Next, she talked about franchise fees, and
10 she reminded them there is one franchisee who pays on an annual basis a portion, and the rest are
11 quarterly.
12

13 Fees and Permits. Those are basically parking fees and certain permits. They are charges based on the
14 cost of a service provided by the City. The fees are the City's attempt to recoup the cost for the provided
15 service.
16

17 Intergovernmental Revenues. Zaragoza explained these are revenues coming to the City from another
18 governmental agency.
19

20 Fines and Forfeitures. Traffic Court, Municipal Court, and citations. The City has some funds coming in
21 from the County for citations the City doesn't handle. A portion of that money comes back to the City.
22

23 Miscellaneous. The largest item is the interest earnings. Currently, the City's interest earnings are about
24 five percent (5%), which is good, with the local government investment pool and it is purely liquid.
25

26 Zaragoza said all funding sources are tracking.
27

28 Zaragoza asked if there were any questions. Chair Palmer asked if the budget numbers were year-to-
29 date or full year numbers. Zaragoza clarified they are the full numbers and the year-to-date was as of
30 November 30, 2023. She then thanked Chair Palmer for reminding her to state these are only through
31 the end of November, which means it is about forty-two percent (42%) of the budget.
32

33 Expenditures. These are shown by program or department. The non-departmental is the non-classified
34 area. It is materials and services, within that area, insurance for property liability and vehicles, legal
35 expenses, and unemployment are being paid. Those are the large expenditures coming out of this
36 program. Zaragoza went on to say, it looks like it is budgeted to be very large but that is due to the
37 reserve and contingencies being held within the program.
38

39 Currently, only five thousand three hundred and forty-eight (\$5,348) has been used from the contingency
40 for a landscaping change which took place for the Civic Center City building.
41

42 City Council. This fund is only about twenty percent (20%) expended. The largest portion is for training
43 which may take place with the League of Oregon Cities, in early 2024.
44

45 City Manager. This fund is at thirty-three percent (33%), this is due to the change in City Managers.
46 Zaragoza said she stepped in, and we hired our new City Manager.
47

48 Finance and Court. This program is showing less than normal as Zaragoza stepped into the City
49 Manager role for 5 months.
50

51 Police and Community Enforcement. This program is at thirty-five percent (35%), which is good as it is
52 below forty-two percent (42%). They have purchased some of their capital items so there is still some
53 capital left.
54

55 Community Development. This is the City's planning department. They are on track at thirty seven
56 percent (37%).

1
2 Facilities Maintenance. These are the City buildings. There have been some expenditures relating to
3 transitional housing. There is a portion of it which is grant funded, so this is expected.
4

5 Parks and Recreation. This is at thirty-one percent (31%) within the general fund. There are more funds
6 which are park and rec related. There is the park fee fund which is the portion of money received from
7 the fee on the utility bill. It too is under.
8

9 Computer Services. This is for network services and software for the City. Individual computers are paid
10 for by each department. This just covers the networking and servers.
11

12 Zaragoza reiterated it is a good sign the City has only needed to use five thousand three hundred and
13 forty-eight dollars (\$5,348) from contingency, it means we are staying within our budget.
14

15 Zaragoza asked if anyone had any questions. There was a question as Member O'Sullivan wanted to
16 know about the money put aside for the development of, for example, pickle ball, in the parks. Has the
17 money been put aside in the parks budget or is it in the non-departmental. Zaragoza responded the
18 parks and recreation, as previously mentioned, can be funded by all sources, so the intent is not for the
19 money to come out of the general fund per se, it will be discussed but it may come out of the Park SDC
20 fund.
21

22 Member O'Sullivan said since it is not shown here could they receive a breakdown of what is in the Parks
23 and Recreation budget. Zaragoza said it is all online, but she will provide a breakdown.
24

25 Member O'Sullivan asked what happens to reserve funds which are not spent. Zaragoza explained the
26 necessity of reserve funds and said what isn't spent will roll back into the general fund and the cycle
27 begins again. Member O'Sullivan clarified the City always wants extra built in. Zaragoza replied, yes we
28 do not want departments to think they have to spend every dime, or they will not get their budget
29 approved the following year.
30

31 Zaragoza asked if there were any other questions. When there weren't, Zaragoza said she believes the
32 City of Silverton is very fortunate because it is in a healthy financial situation. Staff have done a good job
33 staying within budget and working well together with the City Manager, Council, and Budget Committee.
34 Everyone has remained reasonable about expectations. She went on to say, the City is doing what it
35 needs to be fiscally prudent.
36

37 Member O'Sullivan said she had another question. She referenced last April/May when the Budget
38 Committee met, they spoke briefly about a maintenance fund which the City does not currently have.
39 Member O'Sullivan wanted to know if it has been on the agenda to discuss if the City should have this
40 fund and have there been discussions to determine exactly what the City owns, what rent is being paid,
41 what is the cost of maintenance, and what is coming up that may require significant service or repairs.
42

43 City Manager Cory Misley responded, more will be heard about the topic in the proposed budget for fiscal
44 year 2024-2025. He went on to say staff and Council have more work to do as it relates to this. The City
45 has an inventory and knows associated costs and lease agreements. The data needs to be organized.
46 Misley said it is not uncommon for communities to support and subsidize community efforts in the spirit of
47 community benefit, however, Misley said we need to look at this and how it may impact other services or
48 needs. The expectation is to spend some time the first quarter of 2024 to get a clearer understanding.
49 Misley let the Budget Committee know the City Council Work Session following this meeting was about
50 the Community Center lease. More to come on this topic.
51

52 Member O'Sullivan said one of the buildings with a lessee paying a dollar rent wasn't being used by the
53 community, it was being used by a separate group of people. She believes they opened it up a bit but
54 there should be some criteria.
55

1 Operating Funds. Building Operations. This is a special revenue fund which means the revenues
2 collected must be used for specific purposes. This one is about permits for new houses, improving
3 houses, and changing plumbing. Those fees are paid in. Electrical permits are delineated because the
4 City's inspectors do not inspect electrical. The City contracts out electrical inspections. Eighty percent
5 (80%) of the electrical revenue is paid out to the County to handle the inspections.

6
7 The actual beginning fund balance came in greater than was anticipated. All revenues are at or above
8 forty-two percent (42%).

9
10 Zaragoza discussed the time of year or season impacting permit sales. Jason Gottgetreu, Community
11 Development Director, responded to Zaragoza about there being a busier time for permit sales than
12 winters. Gottgetreu stated, permits are also dependent on lot inventory. He said there are two
13 subdivisions which are either finished or nearly finished. Zaragoza said the fees are collected and the
14 expenditures are heard after the fact. Zaragoza continued; this is another one which requires healthy
15 reserves. She provided an example, if a business has paid in large permit fees and the inspection
16 service is going to continue throughout the year, or many months, you have to make certain you have
17 sufficient funds to be able to cover the employees to handle the service or if you contract out a piece of
18 that you have to have the funds to pay the contracted service provider.

19
20 Zaragoza asked if there were any questions on the revenue portion. There were no questions.

21
22 Expenditures.

23 Personnel Services. This fund is tracking at forty-one percent (41%) which as previously stated, forty-two
24 percent (42%) of the budget has passed.

25 Materials and Services. This is only at twenty-three percent (23%).

26 Contingency and Reserves. This one has not been accessed.

27
28 Zaragoza asked if there were any questions. There were no questions.

29
30 Revenues.

31 Street Fund. This is also another special revenue fund. On the expenditure side, this is broken down
32 between administration and maintenance.

33 Motor Vehicle Fuel Tax. These fees are the City's tax for fuel/gasoline sold within the City limits. It is at
34 thirty-four percent (34%) and comes in monthly.

35 Fees and Permits. These are for sidewalk and driveway inspections. This is at seventy-five percent
36 (75%).

37 Intergovernmental Revenue. This is the state highway apportionment tax. Currently at thirty-four percent
38 (34%) and comes in monthly also. This lags a bit so it might only be reflective of through October
39 because of the delay.

40
41 The beginning fund balance has a positive number and is greater than what was budgeted.

42
43 Zaragoza asked if there were any questions. There were no questions.

44
45 Expenditures.

46 Zaragoza said she had broken this down between administration and maintenance and then transfers out
47 of contingencies and reserves.

48 Administration and Maintenance. Zaragoza pointed out both are well below the forty-two percent (42%),
49 which is positive.

50 Transfers Out. This may be slightly above because the debt service must be moved out earlier.

51 Contingency. There is a good amount of contingency which has not been touched yet this year.

52
53 Zaragoza mentioned within the Transfers Out there is nine hundred forty-one thousand, five hundred and
54 nineteen dollars (\$941,519) budgeted, a portion of that transfer out is six hundred eighty thousand dollars
55 (\$680,000) to the Street CIP fund, which is moving some of the money out of the operating fund into a
56 more capital related fund.

1
2 Zaragoza asked if there were any questions. There were no questions.
3

4 Sewer Fund. This is an enterprise fund, which means it operates very similar to a business except the
5 City does not try to make a profit from it.

6 Revenues. Most revenues are from sewer service charges. Sewer service charges are normal throughout
7 the year. Residential averaging is done once a year, the first bill usually comes out in May with the new
8 average rate. Commercial and industrial customers are charged based on their actual water usage. This
9 is at forty-eight percent (48%).

10 Fees and Permits. Again, this is for inspection fees.

11 Intergovernmental Revenue. There's nothing there right now. It was expected these would come through
12 the Energy Trust of Oregon money. So far, this project has not been completed so nothing has been
13 submitted into that fund.

14 Beginning Fund Balance. Six hundred eighty thousand dollars (\$680,000) greater than budgeted. This is
15 another positive.
16

17 Zaragoza asked if there were any questions.
18

19 Member Traeger had a question regarding an example of their Cross Fit sewer connection to the main
20 line needing repair on the City's side. Traeger wanted to know what fund the repair would come from and
21 if multiple locations had issues, then it would seem there wouldn't be a surplus or adequate funds to
22 repair those things. Zaragoza clarified the repair needed was on the sewer connection from the City
23 sewer line to the business's sewer line. The issue was on the City's side. Zaragoza said Public Works
24 would be repairing this and the funds would come out of maintenance. If it was larger than anticipated,
25 likely Council would be asked for a transfer resolution. If it can be absorbed by the current budget, then it
26 would be handled that way. If not, a transfer resolution would be requested.
27

28 Manager Misley assured everyone the City is keeping up with all of this and it is being monitored.
29

30 Member Gaitan asked a question of Zaragoza, he wanted to know on the transfers in, almost a million
31 dollars was budgeted, in the Sewer Fund. Zaragoza responded, it was anticipated to close the Sewer
32 Debt Reserve Fund and move it back to the fund as a reserve line item so there wasn't an additional fund
33 being maintained. There were two debts in this, both were bonds. While they were bonds, a special fund
34 was required but now that there are no longer bonds, it was budgeted to put the funds back in the Sewer
35 Fund as a reserve line item.
36

37 Expenditures.

38 Zaragoza pointed out there are three sections within the sewer fund for expenditures. There is
39 Administrative, which is the staff located at City Hall, Operations which is staff located at the plants, and
40 Maintenance which is staff located at the shops. Each has its respective area of responsibility and
41 associated costs. This helps allow whoever's in charge of the area or program to better control their
42 budget and spending.

43 Transfers out. Zaragoza pointed out there is five hundred thousand dollars (\$500,000) in this transfer to
44 the Digester Project.

45 Contingency and Reserves. Per Zaragoza there is a nice contingency reserve and part of it is reserved
46 for debt. The City always tries to keep one year's worth of payments as a reserve.
47

48 Zaragoza called for any questions. There were no questions.
49

50 Water Fund.

51 Revenues. This fund is unique regarding how the revenues come in. A portion of them will come in
52 heavily in July, August, and September and then there will be a lull in the winter months because people
53 do not water as much. Water consumption and revenues can be season/time of year influenced.

54 Fees and Permits. This can include the installation of new water meters.

55 Intergovernmental Revenue. This one has not received anything. The project is still in progress.

56 Miscellaneous. This is still almost one hundred percent (100%) of what was collected.

1 Beginning Fund Balance. This is over one hundred percent (100%).

2
3 Zaragoza asked if there were any questions on the water fund revenues. There were no questions.

4
5 Expenditures. This is set up nearly the same as the sewer fund. There is administration, operations, and
6 maintenance.

7 Transfers Out. There are some transfers out of the Water Fund. There is one million seven being
8 transferred to the water CIP to help with a water capital project. Budgeting a million seven does not mean
9 the whole million seven must be moved.

10 Contingency and Reserves. This was accessed for about twenty thousand (\$20,000) for the water line
11 change. The line was upsized on Water Street.

12 Operations. There are still a few capital items which are expensive. Even with some large items
13 outstanding, it is still under forty-two percent (42%).

14
15 Zaragoza then spoke about projects.

16 Screw Press Project. Currently at four percent (4%).

17 Civic Building, Forty-one percent (41%).

18 Second Street Improvement. Thirty-eight percent (38%).

19 Silver Creek Raw Water Line, Eleven percent (11%).

20 Water Main extension to Transitional Housing. This is in progress.

21
22 Member Hammond asked about Transitional Housing and if it were the one funded through Sheltering
23 Silverton. Zaragoza talked about the grants and the changes which have been made.

24
25 Chair Palmer then told Zaragoza her department and staff overall, and Sheena,
26 who was running the department for quite a while, did a great job. The report is great.

27 28 **V. Adjournment**

29
30 Member Jones made a motion to adjourn the meeting. Member Newton seconded. All in favor. Chair
31 Palmer adjourned the meeting at 7:17 p.m.

32
33
34
35 Respectfully submitted,

36
37
38 /s/Tammy Shaver

39 Assistant to the City Manager/HR Coordinator