

April 29, 2015 Budget Committee Meeting Minutes

City of Irrigon

Budget Committee Meeting

April 29, 2015

5:30 p.m.

Call to Order

Mayor Sam Heath called the meeting to order at 5:32 p.m.

Appointment of Chairperson

Mayor Sam Heath moved to have Janet Cooley serve as chairperson. Margaret Anderson seconded the motion. Motion passed unanimously.

Roll Call

Members Present: Mayor Sam Heath, Mayor Pro-Tem Christine Sorenson, Councilor Ken Matlack, Councilor Margaret Anderson, Councilor Martin Brown, Andrew Hermanns, Janet Cooley, Luke Maynard and Roberta Hewitt

Members Absent: Councilor Michelle Hagen, Councilor Daren Strong, Alan Carnahan

A quorum was present.

Staff Present: Finance Officer Amanda Slawson and City Manager Aaron Palmquist

Approval of May 13, 2014, Budget Committee Meeting Minutes

Luke Maynard moved to approve the minutes as presented. Ken Matlack seconded the motion. Motion passed unanimously.

Budget Message

Aaron Palmquist delivered the budget message to the budget committee, explaining the budget in its basic form and any significant changes.

As was recommended by a third party CPA to streamline city reserve funds, staff consolidated the number of governmental and proprietary funds used for budgetary and financial reporting purposes. This recommendation was implemented by combing the governmental reserve funds into one fund titled Governmental Reserve (11), all water reserve funds into one fund titled Water Reserve (62) and all sewer reserve funds into one fund titled Sewer Reserve (72). Additionally, a new reserve fund, Irrigon Improvements (12), was added to separately and clearly track resources received from outside sources used for community improvement, creating 12 funds instead of the 19 as in the prior year.

The 2016 fiscal year proposed budget is \$3,553,820 including transfers and unappropriated ending balances. Its a slight increase **from the prior year's appropriations, primarily from the Irrigon Housing and Enhancement initiatives**, eligibility for a Community Development Block Grant and most importantly streamlining city utility services.

The preliminary figures received from the **Morrow County Assessor shows a reduction in the City of Irrigon's** assessed property values. This will result in fewer taxes being collected. **The city's permanent tax rate is \$3.6782 per \$1,000 assessed value.**

Public Comment

There was not any public present to make comment.

Public Hearing on State Revenue Sharing

State Revenue Sharing is a distribution from the Oregon Liquor Control Commission (OLCC) that is authorized under ORS 221.770. A public hearing must be held in front of the budget committee to receive comment on possible uses of the distributions and then another public hearing must be held with the city council on proposed uses of the distribution in relation to the entire budget. The city council will then need to elect to receive the distribution by resolution or ordinance.

The Public Hearing was opened at 5:40.

No public comment was given.

The Public Hearing was closed at 5:42.

Budget Review

Luke Maynard requested more information explaining the \$346,108 increase from the prior year's total budget. The increase is mainly due to carrying over more net working capital to begin the fiscal year and potential grants for housing initiatives and a sewer facility plan.

It was requested that in the future, the table on page 4 showing total appropriations by fund for each **category also show the prior year's appropriations, percent increase or decrease and notes stating the reason for any significant changes.**

Aaron Palmquist recommended to the budget committee to make a change to the General Fund Requirements on page 7, lines 36 and 37. The change requested was to reduce the unappropriated ending fund balance by \$10,000 and add a \$10,000 operating contingency. An unappropriated ending fund balance is to provide a local government with a working capital balance with which to begin the fiscal year following the one for which this budget is being prepared and no expenditures are to be made from an unappropriated ending fund balance. The only exception to this is in an emergency situation arising during the year by involuntary conversion (theft, vandalism, accident, etc.), civil disturbance or natural disaster but an operating contingency can be transferred to another appropriation category to be expended by a resolution or ordinance or a supplemental budget.

Sam Heath moved to reduce the General Fund unappropriated ending fund balance \$10,000 to \$31,000 and put the \$10,000 in operating contingency. Ken Matlack seconded the motion. Motion passed unanimously.

Aaron Palmquist let it be known that the budget did not include any raises or COLA increases to staff wages for the second year in a row. He is planning on bringing other possible/non-financial ways to compensate and recognize staff to the July council meeting for review.

The State Street Fund budget decreased, the city will not be receiving the Small City Allotment (SCA) grant this year but is hoping to be a recipient of community enhancement grants. A paving project on California Avenue was submitted for the SCA grant but was not selected. At this time, the city will not be doing any more sidewalk projects, but will be focusing more attention on street paving projects.

As stated earlier the budget document presented includes the consolidation of reserve funds. The Vacation and Sick Leave Fund, Building Maintenance Fund, Street Equipment Reserve, Bicycle and Foot Path Reserve and Park Systems Improvement Fund were all consolidated into one fund titled Governmental Reserve. Martin Brown requested clarification of how amounts previously committed for Vacation/Sick leave, building maintenance, street equipment, bicycle/foot paths, and parks be kept separated within the one fund. Staff explained that in the general ledger a separate cash account for each commitment would keep track of how much cash was committed for each purpose.

The Irrigon Improvement Fund(12) was added for the accounting of resources coming in for doing improvements within the city and expending such money. The grant money received from the Columbia River Enterprise Zone II will be transferred into this fund. Then used for Irrigon Improvements and possibly business startup loans.

There are no grant resources expected for the Water System in the year being budgeted.

The city is eligible for a Community Development Block Grant for developing a sewer facility plan for use in future sewer construction projects.

Approval of Fiscal Year 2015-2016 Budget

Margaret Anderson moved to approve the City of Irrigon's 2015-2016 Budget as presented and modified for City Council adoption with the rate of \$3.6782 per \$1,000 assessed value and bonded debt in the amount of \$230,883. Sam Heath seconded the motion. Motion passed unanimously.

Adjournment

There being no further discussion. Meeting adjourned at 7:05 p.m.

Minutes prepared by: Amanda Slawson