

April 28, 2016 Budget Committee Meeting Minutes

City of Irrigon

Budget Committee Meeting

April 28, 2016

6:00 p.m.

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Call to Order

Mayor Sam Heath called the meeting to order at 6:03 p.m.

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Appointment of Chairperson

Luke Maynard moved to have Janet Cooley serve as chairperson. Michelle Hagen seconded the motion. Motion passed unanimously.

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Roll Call

Members Present: Mayor Sam Heath, Mayor Pro-Tem Daren Strong, Councilor Margaret Anderson, Councilor Martin Brown, Councilor Michelle Hagen, Andrew Hermanns, Janet Cooley, Luke Maynard and Roberta Hewitt

Members Absent: Councilor Ken Matlack, Alan Carnahan

A quorum was present.

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

Approval of April 29, 2015 Budget Committee Meeting Minutes

Michelle Hagen moved to approve the minutes as presented. Luke Maynard 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.

The 2017 fiscal year proposed budget is \$3,961,710 including transfers and unappropriated ending balances. It is an increase from the prior year's appropriations, primarily from the Irrigon Housing and Enhancement initiatives, and most importantly increasing the unappropriated ending fund balances and reserve funds for future strength and management.

The preliminary figures received from the Morrow County Assessor show a slight increase of .595% in City of Irrigon's assessed property values from the prior year. The city's permanent tax rate is \$3.6782 per \$1,000 assessed value. The General Obligation Bond Levy for water is \$89,063 and Sewer is \$141,820. These are representative of the General Obligation Bond taxes only and do not include any revenue bond indebtedness.

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 opened at 6:11.

No public comment was given.

The Public Hearing closed at 6:13.

Budget Review

Luke Maynard requested more information explaining the \$404,890 increase from the prior year's total budget. The increase is mainly due to carrying over \$308,600 more net working capital to begin the fiscal year and an increase of \$132,981 in the unappropriated ending fund balance.

Aaron Palmquist informed the budget committee that city council had approved an increase of 5% to staff wages based on the Portland Consumer Price Index from the past 3 years.

General Fund has a decreased beginning balance due to the fact that in the previous year the General Fund had grant money of \$72,300 being carried over from the prior year which is now no longer in the fund. The proposed budget also has an increased ending unappropriated balance to begin the next year with.

Staff is expecting more CREZ II Housing Incentive grant money to distribute to eligible individuals buying their primary homes in the Irrigon area. Since the program started, \$195,000 has been granted to home buyers.

The proposed budget for the General Fund also has \$7,000 for the redesign of the city's website. A contractor would do the work, not city staff. It was the consensus of the budget committee that this was a needed expenditure of the city.

Also noted, the sheriff contract reduced to half and nothing allocated for a police vehicle in the budget. The sheriff contract is being renegotiated and the code enforcement being removed. City staff starts enforcing city code starting July 1, 2016.

The city council fenced (committed) \$50,000 of the CREZ II Enhancement Grant for enhancing properties in addition to the Business Startup Loan Program and Irrigon Improvements in the Irrigon Improvement Reserve Fund.

The proposed State Street Fund budget increased \$59,400 largely due to inclusion of possible Small City Allotment Grant of \$50,000 and increased transfers in from the General Fund.

The resources in the proposed budget for the Water Operations and Development Fund (60) are expected to be approximately \$102,000 more in the 2016-2017 fiscal year. This is mainly due to the restructuring of the utility rates, the water bond fees were reduced \$1.57 and then the \$1.57 reduction and an additional \$0.51 was added to the water service base rate to increase needed water reserves. Then the rate for the amount over 1,336 cubic feet was increased from \$0.01526/cubic foot to \$0.02596/cubic foot, which will be used to cover increasing operation costs. The proposed transfer to the Water Reserve (62) is increased from \$5,600 to \$26,000.

City council authorized an inter fund loan from the Water Reserve (62) to the Sewer Operation and Development Fund (70) of \$130,000 for the completion of a Sewer Facility Plan, which is need to be able to make the needed sewer conversion project eligible for the Community Development Block Grant. This loan decreased the beginning working capital that will be available in the water reserve as well as the amount available for capital outlay in the 2016-2017 fiscal year. The loan will be paid back over seven years from the Sewer Debt Service Fund (78.)

Even though the water bond fee rate will be reduced in the 2016-2017 year, the amount expected to receive for water debt service will remain the same due to an increase in the number of services provided.

The Sewer Operation and Development Fund (70) is expect to have a much larger beginning available balance due to the inclusion of \$130,000 from an Interfund loan and a \$20,000 grant from Infrastructure Finance Authority (IFA) for a Sewer FaAll operating cost expected to increase. The budget for line item Engineering/Testing is increased \$13,000. The transfer to Sewer Reserve (72) is increased \$25,000.

The Capital Improvement Plan lists desired and/or required capital projects for the City of Irrigon with a plan on setting aside money to pay for the projects. Many of the projects remain unfunded at this time.

Approval of Fiscal Year 2016-2017 Budget

Margaret Anderson moved to approve the City of Irrigon's 2016-2017 Budget as presented for City Council adoption with the rate of \$3.6782 per \$1,000 assessed value and bonded debt in the amount of \$230,883.

Michelle Hagen seconded the motion. Motion passed unanimously.

Adjournment

Michelle motioned to adjourn. There being no further discussion. Meeting adjourned at 7:15 p.m.

Minutes prepared by: Amanda Ferguson