



**City of Irrigon
Budget Committee Meeting
April 27, 2017
6:00 p.m.**

Call to Order

Mayor Sam Heath called the meeting to order at 6:04 p.m.

Appointment of Chairperson

Mayor Sam Heath moved to elect Luke Maynard as chairperson. Ken Matlack seconded the motion.

Luke Maynard moved to elect Ken Matlack as chairperson. Margaret Anderson seconded the motion.

Votes for Luke Maynard serving as chairperson: Sam Heath and Ken Matlack

Votes for Ken Matlack serving as chairperson: Margaret Anderson, Daren Strong, Marlina Avila, Andrew Hermanns, Alan Carnahan and Luke Maynard.

Ken Matlack appointed as chairperson.

Roll Call

Members Present: Mayor Sam Heath, Mayor Pro-Tem Daren Strong, Councilor Margaret Anderson, Councilor Ken Matlack, Councilor Marlina Avila, Andrew Hermanns, Alan Carnahan and Luke Maynard.

Members Absent: Councilor Michelle Hagan, Councilor Martin Brown, Janet Cooley and Roberta Hewitt

A quorum was present.

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

Approval of April 28, 2016 Budget Committee Meeting Minutes

Margaret Anderson 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 2018 fiscal year proposed budget is \$8,035,705 including transfers and unappropriated ending fund balances. It is an increase from the prior year's appropriations, primarily from a possible sewer conversion project estimated at \$3.5 million, two new resource allocations resulting from projected contracts for a fiber franchise and cell tower for \$30,000, Sanitary Disposal Franchise renegotiating and most importantly increasing the unappropriated ending fund balances and reserve funds for future strength and management.

We have received preliminary figures from Morrow County Assessor and it reflects a slight increase in the City of Irrigon's assessed property values, even though we have heard residents property values have increased. 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 6:14 pm.

No public comment was given.

The Public Hearing closed at 6:18 pm.

Budget Review

City Manager Aaron Palmquist informed the budget committee that the budget did include a 2% wage increase for employees based on the Portland Consumer Price Index. He also explained that the unappropriated fund balance for the General Fund should be enough to cover four months of expenses until the city receives the majority of property taxes in November and December.

Aaron Palmquist also explained that the popularity for the Enhancing Properties program is increasing and that the amount budgeted in the Irrigon Improvement Fund 12 will most likely not be efficient to keep the program going through the next fiscal year. He recommended increasing the amount for the Enhancing Properties Program \$25,000 in the Irrigon Improvement Fund (12) and decreasing the line item for the Irrigon Improvements Program \$25,000 keeping the budget balanced. It was the consensus of the budget Committee to make the changes as recommended.

Andrew Hermanns requested more information regarding the \$21,200 increase for the resource line item Sanitary Disposal Franchise Fees in the General Fund. Staff explained that the Irrigon Sanitary Committee is currently working on renegotiating with Sanitary Disposal Inc. and may take over the billing of garbage services, taking it in as revenue and then paying Sanitary Disposal, Inc. for their service of picking up the garbage, which also explains the large increase in the contract services requirement for General Fund.

Luke Maynard inquired on the addition of \$700 for tourism in requirements for the General Fund. Staff informed the committee that the city is required to use 70% of the proceeds received from Transient Room Tax to promote tourism in the City of Irrigon.

Ken Matlack asked for clarification on why the \$19,000 for a police vehicle was in the budget even though actual purchase was not required until another year after the fiscal year being budgeted for. Staff explained that the city was simply setting aside money every year for that purchase.

Luke Maynard asked for the reasoning of the \$46,000 operating contingency in the General Fund. Staff explained that was for unexpected requirements during the fiscal year. Unlike an unappropriated fund balance,

that cannot be touched, the city council can approve to transfer money from the operating contingency to another line item during the fiscal year if needed.

There was also an inquiry into how the Goat Head Bounty Program was doing. Staff explained that not very many individuals have taken advantage of the program yet.

Andrew Hermanns inquired on the addition of the line item mower lease in the State Street Fund 20. Staff explained that the city's current mower was almost 20 years old and in need of being replaced. Due to the addition of the Zayo Franchise and U.S. Cellular Cell Tower Site Lease, more funds were available to transfer to the State Street Fund for a mower lease.

Luke Maynard asked the reason for the decrease from \$65,000 to \$50,000 for emergency repairs in the Water Reserve Fund 62. It was explained that the original amount for this current year's budget was \$12,000 but due to emergency repairs needed for the city's wells, the city had to transfer \$53,000 from capital outlay to this line item. The wells still are not performing adequately and may require additional work in the future. Margaret Anderson asked why regular routine maintenance for the wells was not included in the budget. Staff explained that at this time the city does not have enough information to include it.

Ken Matlack asked for an explanation for there not being an amount for some bond payments that were not scheduled to be paid off for several years. Staff explained that the city refinanced several of their loans to reduce interest rates and pay them off faster without changing the annual payment amounts. Ultimately saving the city approximately \$1.97 million.

Luke Maynard asked if the city was expecting to spend an additional \$75,000 on the Wastewater Facility Plan in addition to the \$150,000 in the current fiscal years budget or if the \$75,000 was expected to carry over. Staff explained that the Wastewater Facility Plan may not be finished in the current year and that may carry over into the next fiscal year. The \$75,000 is part of the original \$150,000 budgeted for the project.

Margaret Anderson asked if the budget worked for staff. Staff explained that the budget is tight but does allow for some setting aside for much needed capital improvement projects.

Ken Matlack requested an explanation of how the Capital Improvement Plan worked. Staff explained each project has an estimated project cost and a number assigned. Then each year a set amount is set aside for that project. The project will be completed the fiscal year after all money is set aside. Each corresponding fund also shows the money assigned to each project in that fund.

Approval of Fiscal Year 2017-2018 Budget

Margaret Anderson moved to approve the City of Irrigon's 2017-2018 Budget with the agreed upon changes 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 7:21 p.m.

Minutes prepared by: Amanda Ferguson