



**City of Irrigon
Budget Committee Meeting
May 9, 2019
6:00 p.m.**

Call to Order

Mayor Daren Strong called the meeting to order at 6:05 p.m. and led committee in the pledge of allegiance.

Appointment of Chairperson

Michelle Hagen nominated Luke Maynard as chairperson. Ken Matlack seconded the nomination.

Luke Maynard nominated Michelle Hagen as chairperson. Margaret Anderson Seconded the nomination.

Luke Maynard was appointed as chairperson by a vote of 7 to 2.

Roll Call

Members Present: Mayor Daren Strong, Mayor Pro-Tem Margaret Anderson, Councilor Ken Matlack, Councilor Joanna Lamb, Councilor Michelle Hagen, Andrew Hermanns, Roberta Hewitt, Luke Maynard, Debi Stratton and Terianna Tobin.

Members Absent: Councilor Marlina Avila, Councilor Alan Carnahan and Janet Cooley

A quorum was present.

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

Approval of May 10, 2018 Budget Committee Meeting Minutes

Michelle Hagen moved to approve the minutes as presented. Margaret Anderson 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 2019 fiscal year proposed budget had total appropriations of \$15,789,080 and \$653,700 reserved for future expenditures. The total appropriations increased over last year's appropriations by \$1,253,734. The majority of this increase is because of outside funding for major projects, such as sewer conversions, pedestrian safety improvements on Division Street and HB2017 Transportation Package items.

This past year city council has approved the filling of a fulltime position to replace a couple part-time employees that retired a few years back to improve the city's quality of service.

We continue to receive grant funds from the Columbia River Enterprise Zone (CREZ) Board that benefit the citizens in housing incentives, property enhancements, and public improvements. This is not a guaranteed

annual disbursement but one that is much appreciated when received. Funds are tracked appropriately in the Irrigon Improvement Fund (12).

Preliminary figures from Morrow County Assessor reflect a slight increase in the city's assessed property values about .8324% from the 2018 year. The city's permanent tax rate is \$3.6782 per thousand. The General Obligation Bond levies are estimated at \$85,000 for water and \$130,000 for sewer. They do not reflect 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 6:20 pm.

No public comment was given.

The Public Hearing closed at 6:22 pm.

Budget Review

It was the consensus of the budget committee to review the budget document page by page and not line by line.

Page 3: Total appropriations by Fund

City Manager Aaron Palmquist brought the committee's attention to the increase in the total appropriations, as well as the increase in unappropriated ending fund balances. This shows that the city is gaining fiscal strength.

Page 4: Chart of Appropriation by Fund Type

No comments or questions

Page 5: General Fund (10) Resources

Garbage fees will be increasing. The Public Utility Commission has allowed Finley Buttes Landfill to raise rates. This is causing Sanitary Disposal Inc. to increase the fees charged to the city. The estimated increase is approximately 8 percent effective October 1, 2019.

In consideration of the citizens within the city, the city will not raise rates until January 2, 2020. This will give advance notice for individuals and businesses to prepare. An example, landlords can only increase rent once a year and would not be able to recoup the increase until later.

Page 6: General Fund (10) Requirements

No comments or questions

Page 7: Governmental Reserve Fund (11) Resources and Requirements

This fund is established for the purpose of payment of accrued leave, building maintenance and upkeep, bicycle/footpath improvements, capital equipment expenditures and capital improvements to infrastructure.

Page 8: Irrigon Improvements (12) Resources and Requirements

This fund was established for the purpose of separately and clearly tracking resources received from outside sources used for community improvement.

The Columbia River Enterprise Zone II has disbursed grant funds to the City of Irrigon which are being used for housing, property enhancements, public improvements and business recruitment.

Page 9: State Street (20) Resources

Due to House Bill 2017 the Oregon Department of Transportation has increased the amount of the Small City Allotment grant from \$50,000 each to \$100,000 and a city can have two open grants at the same time. These grants also do not have any in-kind or matching requirement.

Page 10: State Street Fund (20) Requirements

This fund is where the House Bill 2017 funded Pedestrian Safety Improvement project is budgeted as well as the 18-21 STIP Division Street Safety Improvements Project. Even though the city will not be able to start construction until the year 2020, the city is able to start the design and planning of the project beforehand.

Page 11: Water Operation & Development (60) Resources

No comments or questions

Page 12: Water Operation & Development (60) Requirements

\$64,400 is being transferred to the Water Reserve (62) for future CIP projects.

Page 13: Water Reserve (62)

The purpose of this reserve is for capital improvements, infrastructure expenditures, purchasing equipment, and emergency repairs relating to the water system.

Page 14: Water Debt Service (68)

This fund is used for the payment of water revenue bonds.

Page 15: Water Debt Service for General Obligation Bonds (69)

This fund is used for receiving General Obligation Tax collections and payment of the water portion of the general obligation bonds.

Page 16: Sewer Operation & Development (70) Resources

The budgeted resources for this fund is \$5,552,800 due to the scheduled sewer projects resources being budgeted in this fund.

Page 17: Sewer Operation & Development (70) Requirements

The costs related to sewer operations are increasing, but the resources coming in are not. This is causing some deferred maintenance costs.

Page 18: Sewer Reserve

The purpose of this reserve is for capital improvements, infrastructure expenditures, purchasing equipment, and emergency repairs relating to the sewer system.

Page 19: Sewer Debt Service (78)

This fund is used for the payment of sewer revenue bonds.

Page 20: Sewer Debt Service for General Obligation Bonds (79)

This fund is used for receiving General Obligation Tax collections and payment of the sewer portion of the general obligation bonds.

Pages 21-24

A spreadsheet showing totals across all funds for resources and expenditures compared to the current years totals. Also shows total appropriations for all funds.

Pages 25-36: City of Irrigon Capital Improvement Plan

The city's Capital Improvement Plan (CIP) is used to document needed capital improvements and assist in the planning of resources to accomplish the improvements.

In the CIP there are several projects that are Unfunded Requirements (UFR) as can be seen throughout the plan.

Approval of Fiscal Year 2019-2020 Budget

Margaret Anderson moved to approve the City of Irrigon's 2019-2020 Proposed Budget for City Council adoption with the rate of \$3.6782 per \$1,000 assessed value, bonded debt in the amount of \$85,000 for water and \$130,000 for sewer and State Revenue Sharing. Michelle Hagen seconded the motion. Motion passed unanimously.

Adjournment

There being no further discussion. Meeting adjourned at 7:14 p.m.

Minutes prepared by: Amanda Ferguson