



**City of Irrigon
Budget Committee Meeting
May 7, 2020
6:00 p.m.**

1. Call to Order

Mayor Daren Strong called the meeting to order at 6:16 p.m. and led committee in the Pledge of Allegiance.

2. Appointment of Chairperson

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

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

Luke Maynard was appointed as chairperson by a majority vote.

Luke Maynard noted that he expected someone else to be chairperson next year.

3. Roll Call

Members Present: Mayor Daren Strong, Mayor Pro-Tem Margaret Anderson, Councilor Michelle Hagen, Councilor Marlina Avila, Councilor Melvin Lambert, Roberta Hewitt and Luke Maynard

Members Absent: Councilor Ken Matlack, Councilor Alan Carnahan, Terianna Tobin and Debi Stratton.

A quorum was present.

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

4. Approval of May 9, 2019 Budget Committee Meeting Minutes

Michelle Hagen moved to approve the minutes as presented. Margaret Anderson seconded the motion. Motion passed unanimously.

5. Budget Message

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

Fiscal Year 2021 budget has 12 self-balancing funds with a total appropriation of \$16,119,060 and \$662,000 reserved (unappropriated) for future expenditures. Total appropriation increased over last year's appropriation by \$329,980. This increase is for major projects (sewer conversion, Division Street, HB2017 Transportation package, Small City Allotment, and Safe Routes to Schools). The city continues to be very successful in acquiring funding for critical improvements taking place over a three-year period which is estimated between an 8-10 million in valuation.

The city has nine full time staff who work endlessly to provide the needed and expected services. This year we are budgeting a half time court clerk, should the council implement a municipal court. A meager 2.6% CPI adjustment is built into this budget in accordance with City Council policy.

Morrow County Assessor reflects a slight increase (about 2.9%) in the city's assessed property values from the 2020 year. The city's permanent tax rate is \$3.6782 per thousand. The General Obligation Bond levies are estimated at \$87,500 for water and \$118,500 for sewer.

For this next budget-year we are projecting a very moderate level of revenue increase, with almost flat expenditures in appropriations. This is in part to continuing the process of growing our fiscal strength and a result of the COVID-19 situation and working to maintain tighter fiscal parameters with the tightness of the economy.

6. Public Comment

There was not any public present to make comment nor any public written comment submitted.

7. 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 6:27 p.m.

No public comment was given.

The Public Hearing closed at 6:28 p.m.

8. Budget Review

It was the consensus of the budget committee to review the budget document page by page with comments.

Page 3: Has a table with totals for personnel service, materials & services, capital outlay, debt service, transfers and contingency by Fund.

Page 4: Chart of Appropriation by Fund Type

No comments or questions

Page 5: General Fund (10) Resources

Garbage fees on line 16 show an increase of \$11,800. This is due to that in prior years Sanitary Disposal Inc. provided garbage services in Irrigon via a franchise agreement, but in an effort to reduce costs for the people of Irrigon, the City of Irrigon became more involved and started wholesaling the service. In the prior year on line 12, \$12,600 is allocated for the Sanitary Disposal Inc and in this years proposed budget there \$0.

Page 6: General Fund (10) Requirements for Administration

Luke Maynard questioned the reason for the \$9,450 increase for the Sheriff Contract. Aaron Palmquist and Margaret Anderson explained that the Morrow County Sheriff Department increased the contract for services, stating that coverage for a mid-level deputy's salary needed to be included instead of a low level.

Michelle Hagen inquired into the reasoning for the increase in contract services. Aaron Palmquist explained that the increase was for planning services done by independent contractors.

Page 7: General Fund (10) Requirements for Municipal Court and Parks

The Irrigon City Council has not enacted the Municipal Court Ordinance, but is in the process of potentially doing so. There is a second read of the ordinance scheduled during the May 19, 2020 city council meeting.

Aaron Palmquist stated that a municipal court would allow for more accountability for traffic and code enforcement within the City of Irrigon.

Margaret Anderson brought up that the revenue from the municipal court fines would help cover the costs for the municipal court and sheriff contract.

Page 8: General Fund (10) Requirements not allocated to an organizational unit or program

Aaron Palmquist explained that this page has the requirements that are not included in General Fund Administration, Municipal Court or Parks allocations, specifically Interfund transfers, contingency, and unappropriated balance as well as the total for requirements for the previously listed organizational units or programs. The total on line 22 of \$920,900 matches the total of General Fund resources on page 5.

Page 9: 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.

The money here is accumulated until enough is set aside to complete many capital improvement projects within the city.

Page 10: 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 City of Irrigon has been very fortunate in receiving funding from the Columbia River Enterprise Zone II (CREZ). This year CREZ distributed \$818,151.06 for community enhancements in the Irrigon area.

Page 11: State Street (20) Resources

The City of Irrigon has been awarded several grants for projects within the City of Irrigon for paving, sidewalks and other pedestrian safety improvements.

Page 12: State Street Fund (20) Requirements

The goat head bounty line item decreased by \$400. Margaret Anderson asked if people were still taking advantage of the program. Aaron responded with an explanation of no they are not which is why the amount was reduced but is still available for anyone wanting to participate.

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.

Page 13: Water Operation & Development (60) Resources

Luke Maynard inquired into the potential on any new services. Aaron Palmquist informed the committee that the city attorney is currently looking into Local Improvement District (LID) options for new developments, with the potential of adding 50 new services in the near future. This would help spread the costs and lower monthly bills.

Page 14: Water Operation & Development (60) Requirements

No comments or questions

Page 15: Water Reserve (62)

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

The emergency repairs line item is for unexpected, but necessary high cost repairs that are not included in the operating budget for water.

Page 16: Water Debt Service (68)

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

Luke Maynard inquired into the possibility of refinancing loans to acquire a lower finance rate.

The city has already reviewed refinance options available and took advantage of those benefitting the City of Irrigon in 2016.

Page 17: 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 18: Sewer Operation & Development (70) Resources

No comments or questions

Page 19: Sewer Operation & Development (70) Requirements

No comments or questions

Page 20: Sewer Reserve

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

Page 21: Sewer Debt Service (78)

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

Page 22: 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 23-26

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

9. Approval of Tax Levies

Margaret Anderson moved to approve the General Fund Tax Levy rate of \$3.6782 per \$1,000 assessed value and bonded debt in the amount of \$206,000. Marlina Avila seconded the motion. Motion passed unanimously.

10. Approval of Fiscal Year 2020-2021 Budget

Margaret Anderson moved to approve the City of Irrigon's 2020-2021 Proposed Budget as presented for City Council. Michelle Hagen seconded the motion. Motion passed unanimously.

11. Adjournment

There being no further discussion. Meeting adjourned at 7:01 p.m.

Minutes prepared by: Amanda Ferguson