

**CITY OF SILVERTON
BUDGET COMMITTEE MINUTES**

Silverton Community Center – Council Chambers – 421 South Water St.

MAY 16, 2019 – 6:30 p.m.

I. Call to Order, Roll Call and Pledge of Allegiance

Chairman Kyle Palmer called the meeting to order at 6:30 p.m.

Present	Absent	
X	_____	Jim Sears
X	_____	April Newton
X	_____	Crystal Neideigh
X	_____	Kyle Palmer
	Excused	Aaron Koch
X	_____	R Walker Yeates
X	_____	Dana Smith
X	_____	Ammon Benedict
X	_____	Matt Plummer
X	_____	Rick Bittner
X	_____	Laurie Carter
	Excused	Chris Childs
X	_____	Jason Freilinger
X	_____	Micole Olivas-Leyva

Staff Present:

City Manager, Christy Wurster; Finance Director, Kathleen Zaragoza; Chief of Police, Jeff Fossholm; Community Development Director, Jason Gottgetreu; Water Quality Division Supervisor, Steve Starner; Account Clerk II, Sheena Kroker; Maintenance Division Supervisor, Travis Sperle; Assistant to the City Manager/HR Coordinator, Elizabeth Gray; and Assistant to the City Manager/City Clerk, Angela Speier

Election of Officers

Member Carter made a motion to elect Kyle Palmer as Chair and April Newton as Vice Chair. The motion was seconded by Member Freilinger. There were no other nominations or discussion and the motion passed unanimously (12-0).

II. Approval of minutes from the meeting held on May 17, 2018

Member Freilinger made a motion to approve the minutes from the meeting held on May 17, 2018 as presented. Member Carter seconded the motion. There was no discussion and the motion passed unanimously (10-0) with Members Neideigh and Yeates abstaining.

III. Presentation of the Budget Message

City Manager Christy Wurster presented the budget message for fiscal year 2019-2020. The total proposed budget is \$54,584,305 (an increase of \$10 million over the last fiscal year budget) due to a number of large capital projects planned such as the McClaine Street project, the Silver Creek Water Line, and sewer improvements associated with the screw press. She reviewed additional factors that were considered when developing the budget, such as new home builds, additional FTE, a three percent cost of living increase, PERS, and insurance rates. She highlighted the general fund reserve fund, contingency funds and made reference to the contingency and reserve page highlighting more detail of

the major funds. She thanked the Budget Committee and staff for their time and input in the budget process for FY 2019-2020.

Member Sears made a motion to adjourn the meeting at 9:00 p.m. or before reviewing another fund. Member Freilinger seconded the motion. There was no discussion and the motion passed unanimously (12-0).

Member Carter made a motion to review the budget using a page by page method. Member Smith seconded the motion. There was no discussion and the motion passed unanimously (12-0).

IV. Public Comment on the Proposed Fiscal Year 2019-2020 Budget

There was no public comment on the proposed budget.

V. Public Hearing

5.1 Public Hearing on Election to Receive State Revenue Sharing

Chairman Palmer opened the public hearing at 6:48 p.m. to receive public comment on the election to receive State Revenue Sharing. There was no public testimony on the election to receive State Revenue Sharing for general purposes.

Member Freilinger made a motion to close the public hearing. Member Sears second the motion. There was no discussion and the motion passed unanimously (12-0). Chairman Palmer closed the public hearing at 6:49 p.m.

Member Freilinger made a motion to receive State Revenue Sharing Funds for general purposes. Member Sears seconded the motion. There was no discussion and motion passed unanimously (12-0).

VI. Review/discussion of the Budget; beginning with the General Fund

The Committee began reviewing the budget page by page and asked clarification questions as they progressed through the budget.

On page 23 Member Benedict asked if the City has a specific fund for facilities replacement where citizens could see exactly what is being spent for a new building that would be tied to a building life cycle. Director Zaragoza explained that there is a reserve fund for building improvements, but not specifically for city buildings such as the Public Works Shops or the Wastewater Treatment Plant. City Manager Wurster explained that the building capital improvement reserve fund accumulates funds for capital improvement projects. Director Zaragoza said after the Civic Center is built the City could look at adding reserve funds for the replacement of other facilities such as the shops.

On page 27 member Yeates asked how the interest earned is invested. Director Zaragoza explained the interest is invested in the Local Government Pool and currently earns 2.75 percent. The Committee discussed the Oregon Garden debt repayment line item and when the City will receive additional money.

On page 29 Director Zaragoza explained that non-departmental represents expenses that are incurred citywide not by just one department, such as legal services. She also pointed out that staff has recommended a reduction to the contingency amount by \$3,000.

On page 32 City Manager Wurster noted that staff will correct the FTE change to the Assistant to the City Manager/City Clerk in the narrative to reflect a .90 percent allocation in the City Manager Department with the other .10 percent coming from the Community Development Department.

Chief of Police Jeff Fossholm distributed additional information about what services are included in the contracted services line item 010-050-61059 for the Police Department. Chief Fossholm explained that he

learned today that the City is a finalist for a live scan grant which would allow the City to purchase an infrared fingerprint scanner. It is connected to the state system and also includes mug shots. The cost for this piece of equipment is \$30,000; the grant is for 90 percent of the cost, so the City share would only be \$3,000. This will need to be reflected in the budget.

Member Freilinger made a motion to receive the grant for the new police fingerprint equipment and increase the capital new by \$30,000, decrease the contingency by \$3,000, and increase the police equipment grant by \$27,000. Member Carter seconded the motion. There was no discussion and the motion passed unanimously (12-0).

On page 47 Member Yeates asked for additional information about line item 010-190-62600 regarding the Pettit property. Staff explained that property taxes will need to be paid since the City is currently renting the property. The line item also includes funds for unforeseen expenses related to two wells on the property and the house. The tenant is responsible for the lawn maintenance and pays \$1,500 per month. The plan is to continue renting the house until City Council decides what to do with the property.

On page 59 Member Yeates inquired about the STIF Grant. Director Gottgetreu explained it is a new funding source that was passed through House Bill 2017 and it will help fund new and expanded services. The City will be conducting a study to figure out what the new transit services will be.

Water Quality Division Supervisor, Steve Starnier directed the Committee to page 62 and explained that the narrative for account #81003 needs to include \$4,000 for the replacement of the recirculation pump and \$3,000 for a VFD motor control which supports the motor of the pump. He directed the Committee to page 65 where that change would increase the capital replacement line item 016-210-81003 by \$7,000 and decrease the contingency line item 016-210-90001 by \$7,000. Member Sears asked about the \$75,000 grant from the Energy Trust and projects listed in the narrative, because it doesn't seem to reflect the Council discussion related to the pool projects. Mr. Starnier explained that Council approved the double layer canvas and the other projects listed are on hold until the slope stability study is completed. Staff will follow-up with Energy Trust on the potential grant amount. If Council decides to move forward with projects listed in the narrative after the slope stability study there are sufficient funds to do so in the pool levy.

Member Carter made a motion to add \$4,000 for the replacement pump and \$3,000 for the frequency drive in the capital replacement line item 016-210-81003 and decrease the contingency line item 016-210-90001 by \$7,000. Member Freilinger seconded the motion. There was no discussion and the motion passed unanimously (12-0).

The Committee discussed the YMCA management contract and potential changes to a new contract in the future. City Manager Wurster explained some of the longer term analysis taking place including a slope stability study and the possible formation of a Parks and Recreation District which will be factored into a long term plan for the pool.

The Budget Committee took a break at 8:05 p.m. and returned to their regular meeting at 8:13 p.m.

On page 67 Member Smith asked if the City is collecting transient occupancy tax (TOT) from Air B&B's and VRBOs. Director Zaragoza explained that some are paying, but she is working with the League of Oregon Cities to get Air B&B to pay the TOT directly to the City. Staff explained how the Oregon Garden Foundation line item 017-017-61060 is really a pass through account. The City receives TOT money from the Oregon Garden Resort and then 60 percent of that money is passed through to the Oregon Garden Foundation which is used to pay the outstanding debt that is owed on the property.

Director Zaragoza indicated a staff recommended change on page 73. Staff is recommending reducing the safe routes to school line item 020-020-81030 by \$50,000 and increasing the sidewalk construction/repair line item 020-020-81031 by \$50,000. This will give City Council greater flexibility when deciding locations for additional sidewalks and/or repairs to existing sidewalks.

Member Carter made a motion to move \$50,000 out of the safe routes to school #81030 to #81031 sidewalk construction/repair. Member Smith seconded the motion. Member Freilinger asked why this is necessary. City Manager Wurster explained Council directed staff to add a line item for safe routes to school, but the amount was not defined. This change would allow for greater flexibility when determining the location for a sidewalk project. The definition of a safe route to school project is that it must be within ½ mile or one mile to a school, but there could be a project that needs to be done a little further away than that. Staff applied for a safe routes to school grant last year, but was unsuccessful. Staff will apply during the next grant cycle and this money could be used as a match if the application is successful. The Committee discussed the importance of sidewalk projects especially areas heavily used by children and pedestrians and expressed their opinions on the funding levels. Staff is taking an inventory of sidewalks which will help City Council prioritize projects and Member Plummer provided an update on the Transportation System Plan (TSP) project ranking and how that will help set budget priorities in the future related to all modes of transportation. Staff explained other ways to fund sidewalk projects including forming a Local Improvement District (LID). The motion passed 9-3 as follows: Yes: Members Sears, Neideigh, Palmer, Yeates, Smith, Plummer, Bittner, Carter, Olivas-Leyva and No: Members Newton, Benedict, and Freilinger.

The Committee stopped on page 73 and will continue their review on May 21, 2019 on page 74-Street Improvement Fund.

The meeting adjourned at 9:22 p.m.

Respectfully submitted,

/s/Angela Speier
Assistant to the City Manager/City Clerk