

CITY OF McMINNVILLE
MINUTES OF BUDGET COMMITTEE MEETING
Held via Zoom Video Conference and at the Civic Hall on Gormley Plaza
McMinnville, Oregon

Wednesday, May 24, 2021 at 6:00 p.m.

Presiding: Kellie Menke, Budget Committee Chair

Recording Secretary: Claudia Cisneros

Councilors: Present Absent

Adam Garvin
Kellie Menke
Chris Chenoweth
Sal Peralta joined at 6:04pm
Zack Geary
Remy Drabkin
Scott A. Hill, Mayor

Budget Committee: Present Absent

Jerry Hart
Alison Seiler
Debbie Harmon Ferry
Peter Hofstetter
Cherry Haas
Wendy Phoenix
Meredith Maxfield joined at 6:06pm

Also present were City Manager Jeff Towery, City Recorder Claudia Cisneros, City Attorney Amanda Guile-Hinman, Community Development Director Mike Bisset, Finance Director Jennifer Cuellar, Payroll Accountant Chris Secrist, Fire Chief Rich Leipfert, Police Chief Matt Scales, Planning Director Heather Richards, Library Director Jenny Berg, Information Systems Director Scott Burke, Parks and Recreation Director Susan Muir, Wastewater Services Manager Leland Koester, Senior Accountant Ronda Gretzon, Public Works Superintendent David Renshaw, Human Resources Manager Kylie Bayer, and Engineering Technician and Inspector Larry Sherwood

AGENDA ITEMS

1. CALL TO ORDER: Chair Menke called the meeting to order at 6:01 p.m.

2. ROLL CALL: City Recorder Cisneros called roll.
3. CONTINUE REVIEW AND DISCUSSION OF PROPOSED 2021-2022 BUDGET

Telecommunications Fund Discussion:

None.

Emergency Communications Fund Discussion:

Police Chief Scales explained the reduction to the Police Department's annual fee for dispatch and no increase to the Fire Department's fee due to increased revenue from the state.

Finance Director Cuellar clarified the funds that would be affected.

Councilor Drabkin pointed out McMinnville was the largest contributor to YCOM. She asked who determined how much the County contributed versus what the City contributed. Fire Chief Leipfert explained the model for the YCOM agreements based on population, call volume, and time per call. McMinnville was using more resources than the County and came in at a higher cost.

Street Fund Discussion:

Councilor Peralta asked about the significant drop in the state gas tax. Finance Director Cuellar said the numbers were based on the updated ODOT estimates. Retired Community Development Director Bisset said they generally followed the guidance from the League of Oregon Cities and also did their own internal tracking. They expected a direct allotment of Covid relief funds related to transportation to be distributed from the state. He did not know how much that would be yet and it was not reflected in the numbers.

Councilor Drabkin asked about a potential FEMA reimbursement. Public Works Superintendent Renshaw said they had been notified that they would be eligible for up to 75% of contracted expenses and staff time for both park maintenance and street projects. The City would be filing applications with FEMA for those funds.

Councilor Garvin asked about the pavement maintenance program and condition of the roads. Public Works Superintendent Renshaw said they were not spending as much as was needed to avoid the downward spiral. With the transportation bond they were able to hold back some of the decline, but without continually putting in that much into the system it would continue. There were a number of slurry seal projects which helped maintain the roads. Retired Community Development Director Bisset said

the slurry had proven effective to extend the life of the streets at a reasonable price point.

Councilor Geary asked if the City did the slurry seal or if they contracted it out. Public Works Superintendent Renshaw said it was contracted out through a bid process.

Councilor Geary asked about the increase in the street tree program and if it was due to the ice storm. Public Works Superintendent Renshaw said it was to prune downtown trees.

Airport Maintenance Fund Discussion:

Councilor Drabkin asked about the temporary office at the airport. Retired Community Development Director Bisset said the modular was a short term solution before the permanent airport terminal was constructed.

Transportation Fund Discussion:

Councilor Geary asked about implementing pedestrian friendly projects. Retired Community Development Director Bisset said the work on 99W was an ODOT project, which would lay the groundwork for potential future projects. There was nothing built into next year's budget to advance the corridor project. Planning Director Richards said they had not updated the TSP to adopt the project. That would be done in the next fiscal year.

Committee Member Hart asked if they should wait to do the numbers on the Michelbook and Baker Creek signal until the residential units were occupied to count the number of trips. Retired Community Development Director Bisset said he thought the timing would be right to do the study in the fall. Planning Director Richards said there was a traffic impact analysis done for the development and it indicated which phase of the development would warrant the intersection. That information would be used in the study as well.

Park Development Fund Discussion:

Councilor Drabkin noted how the community had helped build parks for many years. Mayor Hill said they had also had many partnerships with civic groups as well.

Debt Service Fund Discussion:

None

Building Fund Discussion:

Councilor Geary asked if the Building Official was paid for through this fund. Planning Director Richards said he was in a different line item as he was a contract employee.

Wastewater Services Fund Discussion:

Councilor Geary asked about losing the creamery revenue stream. Wastewater Services Manager Koester said the loss of the creamery was a \$30,000-\$35,000 per month hit in the budget. However, that was offset by the extra chemicals needed to treat the facility. He was not sure how much of a hit it would end up being.

Wastewater Capital Fund Discussion:

None.

Ambulance Fund Discussion:

None.

Information Systems & Services Fund Discussion:

None.

Insurance Services Fund Discussion:

Committee Member Seiler asked about the increase in contingency for workers comp. Finance Director Cuellar explained the number of unknowns associated with the workers comp in the switch from CIS to SAFE.

Committee Member Haas thought there should be significant savings in switching insurance. They were being too conservative in her opinion.

Other Comments:

Committee Member Hofstetter discussed the outstanding issues of monthly financial statements, revisions to the budget process, and ongoing budget gap. He would like to volunteer for a sub-committee if one was going to be formed to work on these issues.

Chair Menke thought quarterly financial statements would be enough. She and Councilor Drabkin would be putting together revisions to the process and would present them to the Council and Budget Committee. They needed to amend the budget to add \$7,081,800 of ARPA funds that would go into Fund 05. This was an estimated amount.

City Manager Towery said they had not put together a plan yet for how the ARPA funds would be spent. They were putting the funds in the budget as a placeholder.

Committee Member Haas asked if they were planning to include the public in the decision for how the money would be spent. City Manager Towery said yes, public engagement would be an important part of it.

City Manager Towery proposed a series of work sessions to discuss options to address the budget gap.

Committee Member Hofstetter said part of the conversation needed to be about City services.

Councilor Chenoweth thought it should also include an explanation as to why they needed additional money as opposed to making cuts.

Councilor Geary wanted to include what the overall core services were to the community, not just each department's core services.

Committee Member Harmon Ferry asked about un-furloughing some employees, but keeping others furloughed through the conversation. City Manager Towery said they had not furloughed across the board. He thought they needed to do something more stable than periodic furloughs as a solution.

Councilor Geary thought they should also discuss Council involvement when the department heads began the budget process.

Committee Member Maxfield suggested looking at other cities' budgets for what they spent on their departments and what their revenue streams were. City Manager Towery thought that would be useful, but noted that some cities had different departments and services than others.

There was discussion regarding serial meeting laws.

Councilor Garvin asked if there was a threshold for consultants and contracted labor. City Attorney Guile-Hinman said any contract over \$100,000 had to come to Council for approval.

4.

BUDGET COMMITTEE RECOMMENDATION TO APPROVE THE 2021-2022 BUDGET AS PROPOSED OR AMENDED AND TAX RATE

It was moved by Mayor Hill and seconded by Committee Member Hofstetter that the Budget Committee of the City of McMinnville reviewed and hereby approved the budget for the 2021-2022 fiscal year in the amount of \$116,937,768 with the amendment to add \$7,081,800 for the American Recovery Plan grant in Fund 05 for an updated FY2021-22 City of McMinnville approved budget total of \$124,019,568.

The Committee also approved taxes for the 2021-2022 fiscal year, at the rate of \$5.02 per \$1,000 of assessed value for operating purposes and

\$2,904,650 for the general obligation bond levy in the Debt Service Fund for principal and interest.

The motion passed 12-2 with Committee Members Haas and Phoenix opposed.

5.

ADJOURNMENT:

Budget Committee Chair Menke adjourned the Budget Committee meeting at 7:32 p.m.

Claudia Cisneros

Claudia Cisneros, City Recorder