

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 18, 2022 at 6:00 p.m.

Presiding: Jerry Hart, Budget Committee Chair

Recording Secretary: Claudia Cisneros

Councilors: Present Absent

Adam Garvin
Kellie Menke (joined at 6:15 p.m.) (via Zoom)
Chris Chenoweth
Sal Peralta
Zack Geary
Remy Drabkin, Council President
Scott Hill, Mayor

Budget Committee: Present Absent

Jerry Hart Alison Seiler
Cherry Haas (via Zoom)
Wendy Phoenix (via Zoom)
Debbie Harmon Ferry
Meredith Maxfield
Victoria Ernst

Also present were City Manager Jeff Towery, City Recorder Claudia Cisneros, Finance Director Jennifer Cuellar, Police Chief Matt Scales, Library Director Jenny Berg, Information Systems Director Scott Burke, Planning Director Heather Richards, Parks and Recreation Director Susan Muir, Public Works Director Anne Pagano (via zoom), Human Resources Manager Kylie Bayer (arrived @ 7:49pm via zoom), Fire Chief Rich Leipfert (via zoom), Aquatic Center Manager Rob Porter (via zoom), Senior Accountant Ronda Gretzon (via zoom), and Public Works Superintendent David Renshaw (via zoom) Wastewater Services Manager Leland Koester (via zoom), Communications & Engagement Manager Noelle Amaya (via zoom), Deputy Fire Marshal Debbie McDermott (via zoom), Fire Operations Chief Amy Hanifan (via zoom), Park Maintenance Supervisor Liz Fliszar (via zoom), Recreation Supervisor Erin Guinn (via zoom), Community Center Manager Katie Noyd (via zoom), Recreation Sports Manager Steve

Ganzer (arrived @ 7:44pm via zoom), and members of the News Media – Jerry Eichten, McMinnville Community Media

AGENDA ITEMS

1. CALL TO ORDER: Chair Hart called the meeting to order at 6:04 p.m.
2. PRESENTATION, REVIEW, AND DISCUSSION OF PROPOSED BUDGET FOR 2022-2023 FISCAL YEAR

Mayor Hill spoke about the importance of staff and volunteers to the City.

IT Director Burke discussed the Information Systems budget. Priorities for the next year were infrastructure improvements, department service delivery projects, and website refresh for branding and functionality. ARPA funds would be used for audio/visual investments for hybrid meetings and a firewall investment. Projects not funded due to revenue reduction were storage update, virtual server, and no capital account building. The IT Department did not have a building, but there was a lot of infrastructure in each City building. General Fund removals impacted GIS, HR, and Facilities. Technology projects needed software investment and departmental resources to address and complete.

There was discussion regarding cyber security, police and fire equipment, testing, and long term planning.

Planning Director Richards discussed her concern about housing prices in the City and affordability. She explained what the Planning Department did, how there were 5 FTEs dedicated to planning, how they were diversifying revenue sources, and three separate sub-funds were created in 2020 to identify true costs for fee schedules. She reviewed the challenges in her department and 2022/23 budget projects and priorities. They were at base level in staffing to support programs and planning. They did not have a GIS employee. She then explained what the Building Department did, how there were 4 FTEs in the department, and how it was one hundred percent fee supported. She discussed the challenges facing this department. She explained what the Code Compliance Department did, how there were 2 FTEs in the department, and how it had moved from a penal program to an administrative program. The Economic Development Fund was new. The revenues came from ARPA funds for economic development projects and 1 FTE would be hired. There would be no impact on the General Fund. The Affordable Housing Fund was new as well. The revenues came from grants, ARPA funds, and CET revenue and would be used for affordable housing programs and projects. She

emphasized the lack of investment in strategic long-range planning impacted the future foundation of the community.

There was discussion regarding long term planning for the Navigation Center, GIS, changing demographics, how long it would take to get caught up, cost to comply with HB 2001 and 2003, and staffing.

Public Works Director Pagano explained the Public Works organization, Strategic Plan for Public Works, and priorities for next fiscal year for the Engineering Department including managing the City's transportation, wastewater, stormwater, and airport infrastructure, reviewing and inspecting public infrastructure improvements as part of private developments, sidewalk, ROW, construction permits, managing procurement and contracts for all Public Works projects and City maintenance contracts, and maintaining the City's public infrastructure records in GIS. They would also manage and implement projects funded by ARPA as resources allowed. Challenges were staff transitions/short-staffed for over a year, lack of support staff, and project delays due to staff shortages and workload.

There was discussion regarding a crosswalk in the Baker Creek area, FTE, and putting off the slurry seal project.

Public Works Director Pagano discussed the Airport Budget. Priorities included updating the Airport Master Plan and Airport Minimum Standards, and ongoing airport maintenance.

There was discussion regarding income from the Air Show, adding fencing in 2024, fuel rates, tank maintenance, and better utilizing the airport.

Public Works Superintendent Renshaw reviewed the budget for Park Maintenance. Priorities for the next fiscal year were maintaining service levels as resources allowed. ARPA projects included fleet and equipment upgrades and system wide irrigation renovations. Staff capacity to manage ARPA projects was a concern. He explained asset management and time, weather, and use impacts. Without additional resources, core services would remain below base. The primary drivers were constrained resources and competing priorities. The unfunded add package elements included 1 full time UW II, 1 FTE of seasonal positions, additional repairs and maintenance resources, additional contract services resources, restroom partitions replacement, and Discovery Meadows playground renovation.

There was discussion regarding ice storm cleanup, what was needed to get to base level, FEMA reimbursement, FTE number, and Cozine Creek greenway and other low traffic areas that were not being maintained.

Public Works Superintendent Renshaw explained the Street fund and Transportation Fund. He discussed Street Fund core services, and highlights of revenues and expansion of the driver feedback signage program. He then discussed the Transportation Fund core services, revenue sources, highlights of several projects, pavement preservation, and high and low cost and impact of street reconstruction and slurry seal application. The issues and challenges were recruitment and retention, storm water, and pavement preservation. He gave the primary drivers for these challenges.

There was discussion regarding the pavement PCI, revenue streams, increase in contract services, and graffiti removal.

Public Works Superintendent Renshaw discussed challenges faced by staff and how they were being addressed. He then reviewed Facility Management, inventory that was done, and current maintenance approach. Current gaps included no comprehensive preventative maintenance program, lack of technical knowledge among assigned staff, no centralized building security program, and no capital planning for facilities or systems on a city-wide basis. Their approach to add packages was to include 1 full time staff member and seasonal help, with additional contract services resources and support elements and implement the program in an incremental manner as a section of the Operations Division in Public Works. The approach did not attempt to fund either current backlog or annual capital funding need. Capital needs would be addressed as resources allowed via current capital budget process. The unfunded add package elements were 1 FTE Supervisor, 1 FTE seasonal help, 1 FTE Mechanic's Assistant, additional contract services resources, and new utility vehicle.

Wastewater Services Manager Koester presented the Wastewater Department budget. He discussed the priorities for the next fiscal year including NPDES Permit, Solids Capacity Improvement Project, master plan updates, administration space needs analysis, and installing a standby generator at the Cozine Pump Station.

There was discussion regarding using wastewater for irrigation.

Parks and Recreation Director Muir discussed the changes to the Parks and Recreation and Park Development budgets, Strategic Plan for parks and recreation, core services, and what they were doing for removing barriers, partnerships, buildings and parks, and employees. They were not able to improve buildings and parks and there was a lack of revenues, resources, and employees. The add packages included MacPAC continuation, summer fun, and parks maintenance. None of these made it

into the budget. She then discussed the need for and benefits of master planning.

There was discussion regarding Parks FTE, impact of PERS on the budget, and need for additional revenues recognizing current inflation issues.

City Manager Towery confirmed PERS was 31% of the budget. He said the Committee would need a motion to approve the amended budget. If the Council identified additional revenue in the short term, he proposed adding back some of the items that were reduced and the Council could approve them with the budget in June or in a supplemental budget.

There was discussion on the pressures to the budget—PERS, not enough Medicare/Medicaid reimbursement, and prevented growth. There was further discussion regarding level of staffing and what other cities were doing, other revenue sources, dismay that there was very little public in attendance, use of the \$1.8 million in ARPA, and community engagement.

3. BUDGET COMMITTEE RECOMMENDATION TO APPROVE THE 2022-2023 BUDGET AS PROPOSED OR AMENDED AND TAX RATE

It was moved by Mayor Hill and seconded by Councilor Menke that the budget committee of the City of McMinnville has reviewed and hereby approved the budget for the 2022-23 Fiscal Year in the amount of \$135,567,769 with no amendments. The Committee also approves taxes for the 2022-23 Fiscal Year at the rate of \$5.02 per \$1,000 of assessed value for operating purposes and \$2,934,540 for the general obligation bond levy in the Debt Service Fund for principal and interest.

Councilor Peralta said people were being priced out of the community, but at the same time they needed to fund the services.

Committee Member Ernst wished more people in the community would access this information. They needed to find sustainable funding, especially for staffing, long term planning, and stability.

Councilor Garvin did not think anything needed to be amended in the line items. He was in favor of adopting the budget as presented.

Councilor Chenoweth discussed the core services analysis and how they did not get citizen input on how well the City was providing the services. He was concerned about the approach and how it would impact citizens' budgets. Before they increased revenue, he wanted to get citizen input and agreement.

Committee Member Harmon Ferry was comfortable with a very uncomfortable budget. She wished they could add staff to HR which was the lowest hanging fruit to help with some of the employee issues.

Councilor Geary was in support of the budget.

Committee Member Maxfield thought they could come up with ways to provide services that would help people who were struggling.

Councilor Drabkin thanked everyone for their work.

Committee Member Phoenix thought everyone was doing the best they could with what they had and acknowledged staff had to make hard decisions in this budget. She was in support.

Committee Member Haas was not in favor of using \$1.8 million in ARPA funds for the budget gap.

Councilor Menke thanked everyone for their work.

Chair Hart expressed appreciation to the Budget Committee and staff.

Mayor Hill thanked staff and the Committee. They had to come up with solutions. This was his last year as he was moving, but McMinnville would always be his home. He encouraged the Committee to make sure the decisions they made would make McMinnville home for everyone who lived here.

Motion PASSED unanimously by a vote of 12-0.

10. IF NEEDED; MOTION TO CANCEL MEETING SCHEDULED MAY 19, 2022, 6:00 P.M.

Council President Drabkin MOVED to cancel the May 19th 2022 Budget Committee Meeting; SECONDED by Councilor Garvin.

Motion PASSED unanimously.

11. ADJOURNMENT: Chair Hart adjourned the Budget Committee meeting at 10:29 p.m.

Claudia Cisneros

Claudia Cisneros, City Recorder