



Kent Taylor Civic Hall
200 NE Second Street
McMinnville, OR 97128

**Special Called Budget Committee Meeting Agenda
Tuesday, November 28, 2023
6:00 p.m. – Special Called Meeting**

Welcome! The public is strongly encouraged to participate remotely but there is seating at Civic Hall for those who are not able to participate remotely. However, if you are not feeling well, please stay home and take care of yourself.

*You can live broadcast the City Council Meeting on cable channels Xfinity 11 and 331,
Zipty Fiber 29 or webstream here:
www.mcm11.org/live*

*You may join online via Zoom Meeting:
<https://mcminnvilleoregon.zoom.us/j/82922713705?pwd=omvQBUWPZYCvXLN6uXSxwp1yj3Ctne.1>*

Zoom ID: 829 2271 3705

Zoom Password: 684564

*Or you can call in and listen via Zoom: 1-253- 215- 8782
ID: 829 2271 3705*

1. CALL TO ORDER & ROLL CALL
2. INVESTMENT OPTIONS AND PROPERTY TAX LEVY OVER TIME
 - a. Motion directing staff to prepare a budget for FY2024-25 that includes a property tax levy to be determined by the Budget Committee.
3. ADJOURNMENT

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice: Kent Taylor Civic Hall is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made a least 48 hours before the meeting to the City Recorder (503) 435-5702 or Claudia.Cisneros@mcminnvilleoregon.gov.



Staff Report

DATE: November 28, 2023
TO: Budget Committee
CC: City Manager and Executive Team
FROM: Jennifer Cuellar, Finance Director
SUBJECT: Investment Options and Property Tax Levy Over Time



CITY GOVERNMENT CAPACITY

Strengthen the City's ability to prioritize & deliver municipal services with discipline and focus.

Report in Brief

The information in this document plus its attachments attempts to give you information which will help you give direction to staff via the attached survey for budget planning in FY2024-25 and into the future regarding the additional \$1.50 per 1,000 in taxable value that may be added to McMinnville's property tax levy. Staff requests the Budget Committee set a tax levy amount which Staff may use to prepare a budget accordingly.

Impact on Property Taxpayers

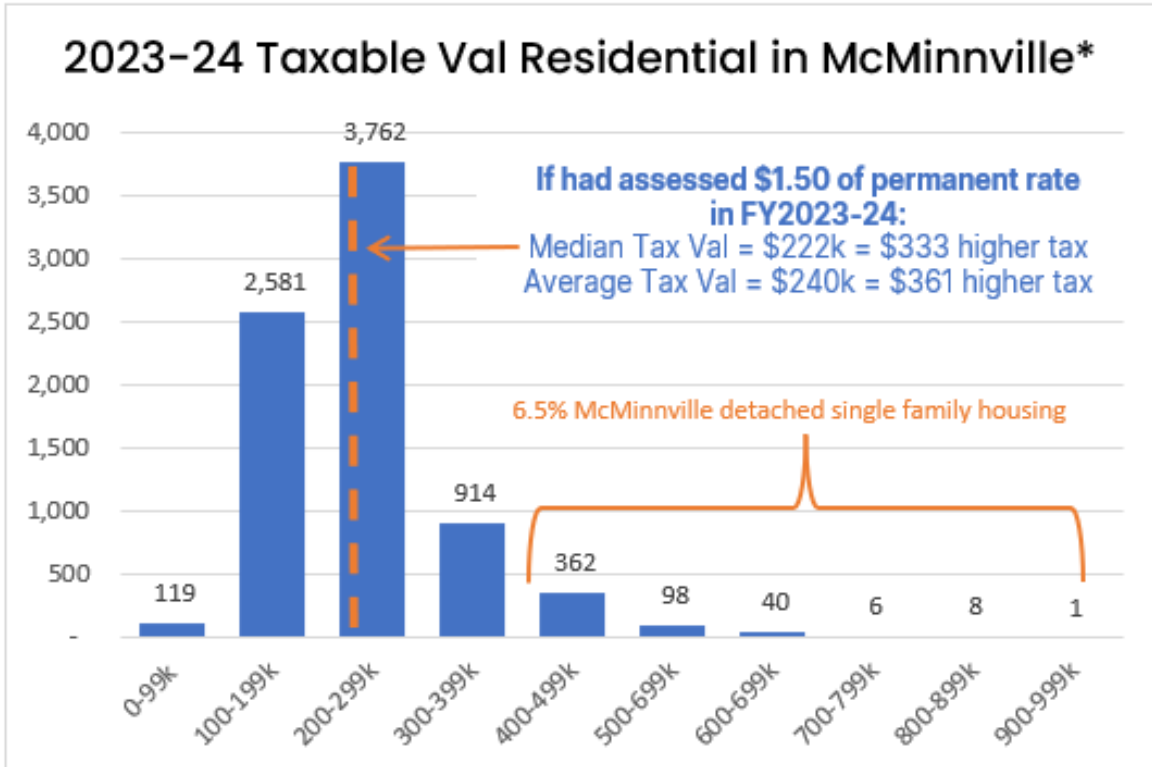
Using the latest data for this year's property tax from the Yamhill County Assessor's office, the median taxable value on a single-family home in McMinnville is \$221,894. That means half of the 7,890 residential properties in the "101" residential property tax classification have taxable values less than and more than that value. The average taxable value is a little higher at \$240,347.

If the Budget Committee were to choose to immediately move back to the city's permanent property tax rate of \$5.02 per 1,000 of taxable value, assuming property taxes increase 3% from this year until next, that would mean a \$343 annual increase for median single-family homes or a \$371 increase at the average tax value for FY2024-25.

To give you more context about residential single home taxable values, in McMinnville 92.5% of single-family homes have a taxable value of \$400,000 or less for the FY2023-24 tax bills that just were mailed out. Not one residential single-family home has a taxable value of over \$1 million. Only 9 of the 7,890 single family residential properties (just over one tenth of one percent) come in over \$800,000 in taxable value.


Additional information on how new homes and other property classes that come onto the Yamhill property tax rolls are assigned taxable values is detailed in the next section of the staff report in the discussion of "Change Property Ratios," another component of the Oregon property tax system.

The distribution of McMinnville taxable home values and impact on increasing city property taxes is detailed in this graph:

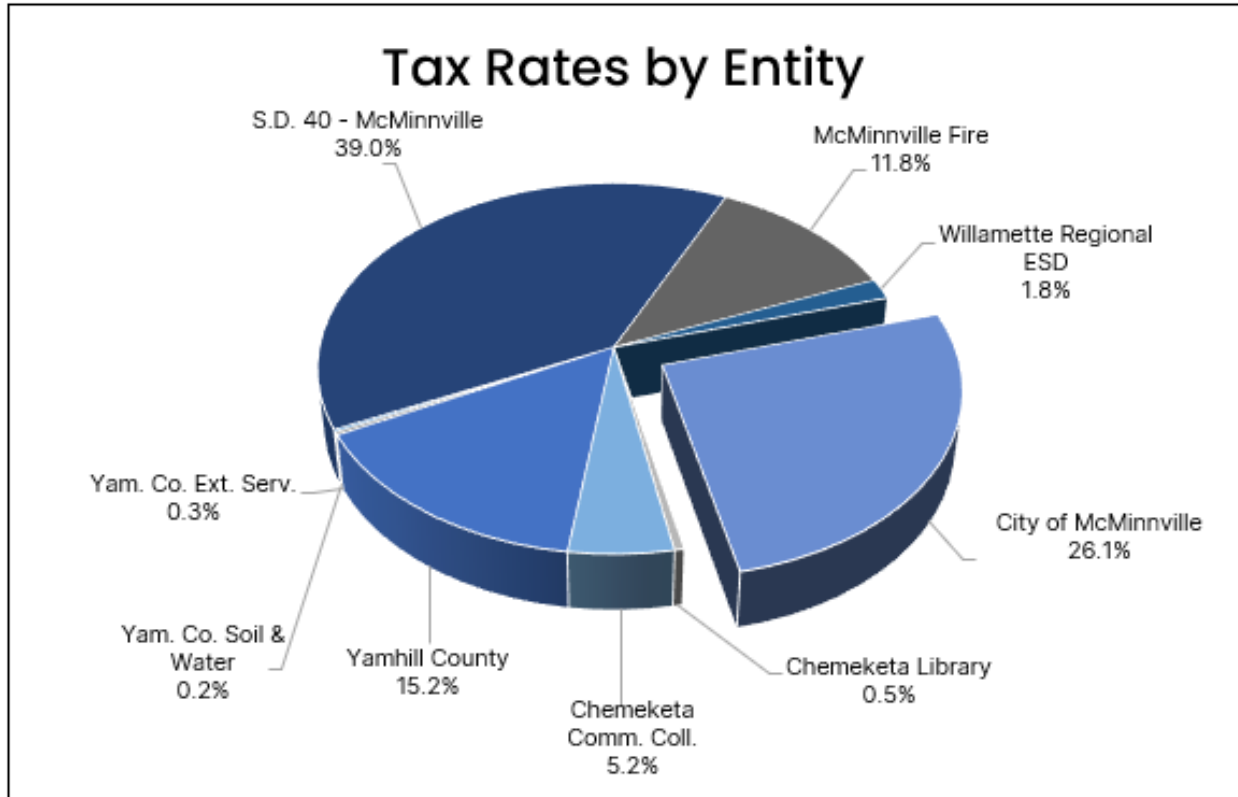


*101 tax code within 40.0 City of McMinnville tax area, does not include mobile homes or condominiums

The overall property tax rates for the city of McMinnville for this most current tax year of 2023-24 is as follows:

 YAMHILL COUNTY 2023 -2024 TAX CODE RATES				
40.0 City of McMinnville	Total	Education	Government	Non-Limited
Yamhill County	2.5775		2.5775	
Yam. Co. Ext. Serv.	0.0449		0.0449	
Yam. Co. Soil & Water	0.0354		0.0354	
S.D. 40 - McMinnville	6.5863	4.1494		2.4369
McMinnville Fire	2.0000		2.0000	
Willamette Regional ESD	0.2967	0.2967		
City of McMinnville	4.4092		3.5200	0.8892
Chemeketa Library	0.0818		0.0818	
Chemeketa Comm. Coll.	0.8707	0.6259		0.2448
	16.9025	5.0720	8.2596	3.5709

A graphical view of where tax dollars are being invested in services for McMinnville residents this year:



For the median single family household’s property tax bill of \$3,751 this year, 26.1% goes to the City of McMinnville both for general fund services (\$781) and voter approved bond measures (\$197). If McMinnville were to add the full \$1.50 back in FY2024-25, this would represent an overall increase in property taxes of 8.2%. For the median homeowner, this would represent an estimated \$3,863 (assuming a 3% increase over this year) plus \$343 = \$4,206.

Breaking it down on a monthly basis, the \$1.50 invested in city services costs in FY2024-25 would be approximately \$28.50 for the median single family residential household.

New Housing and Oregon Property Tax

In the Oregon property tax system, when a new home is built, an adjustment to the real property value of that residence (and all other classes of property) is made to determine its taxable value. The Change Property Ratio (CPR) is a component of Oregon property tax reform that went into effect in 1997 that attempts to give new property the same benefits that existing property owners received at the time. Each year CPR is calculated by dividing the average Maximum Assessed Value of all unchanged properties in the county by the average Real Market Value of all unchanged properties in the county in the same property classification.

In Yamhill County, the CPR for residential properties has declined every year from FY2020 to FY2024 and has been less than 50% for the past two years. The five-year

period has seen CPRs decline by over 23%. New construction residential property with a real market value of \$470,000 in FY2023-24 would have a \$225,600 taxable value.



Change Property Ratio (CPR) History

The Change Property Ratio (CPR) is annually calculated using accounts in the current Yamhill County Certified Roll by dividing the Average Maximum Assessed Value by the Average Real Market Value for all unchanged property within each property class. The CPR is used to adjust the market value of changed property to the average level of assessment for each property class.

Property Classes are established under ORS 308.215(1) and OAR 150-308-0170.

Property Class	2023/24	2022/23	2021/22	2020/21	2019-20
1 - Residential	0.480	0.494	0.579	0.605	0.629
2 - Commercial	0.568	0.612	0.678	0.694	0.684
3 - Local Industrial	0.568	0.612	0.678	0.694	0.684
4 - Rural Residential	0.441	0.444	0.549	0.619	0.635
5 - Farm	0.564	0.508	0.607	0.692	0.635
6 - Forest	0.544	0.494	0.6	0.688	0.635
7 - MultiFamily (4+ Units)	0.345	0.413	0.539	0.56	0.748
Manufactured Homes**	0.413	0.515	0.595	0.701	0.707
Machinery & Equipment	1.000	1.000	1.000	1.000	1.000
Personal Property	1.000	1.000	1.000	1.000	1.000
Open Space***	0.596	0.639	0.707	0.696	0.683

*Typically manufacturing or treatment facilities with a Real Market Value greater than \$1 million appraised by the Oregon Department of Revenue. State appraised industrial property remains Property Class 3 (ORS 306.126).

**For tax years 2014 through 2016, CPR for Manufactured Homes were determined as follows: if inside city limits 1 - Residential; if outside city limits 4 - Rural Residential

***Open Space CPR is calculated by the Oregon Department of Revenue.

Low change property ratios make it that much harder for public entities – including the City of McMinnville – to be able to extend its services to serve the people that live in those new homes and maintain that service delivery over the life of that home. When the housing market goes through periods of significant volatility, the impacts roll through the property tax system via the CPR and bake in taxable value levels for new construction that extend into the future for decades as that first valuation is the base for the 3% maximum value increase calculation in subsequent years.

The 2023-24 change property ratio for residential properties of 0.480 in Yamhill County is lower than our neighboring counties: Marion 0.5087, Washington 0.529, Tillamook 0.481, Clackamas 0.523 and Polk 0.507. In the 2022-23 tax year, Yamhill County's CPR was also the lowest compared to our neighbors. I didn't go back farther to check our statistics but this effectively means that new construction that's come on line over the last two years means that Yamhill County will have worse erosion in long-term property tax revenue relative these counties. I believe there is general awareness that a lack of equity exists in terms of individual home owners' taxable property tax values; an inequity in terms of negative impacts from the volatile housing market across counties is, evidently, also a feature of Oregon's property tax system.

City Investment Options

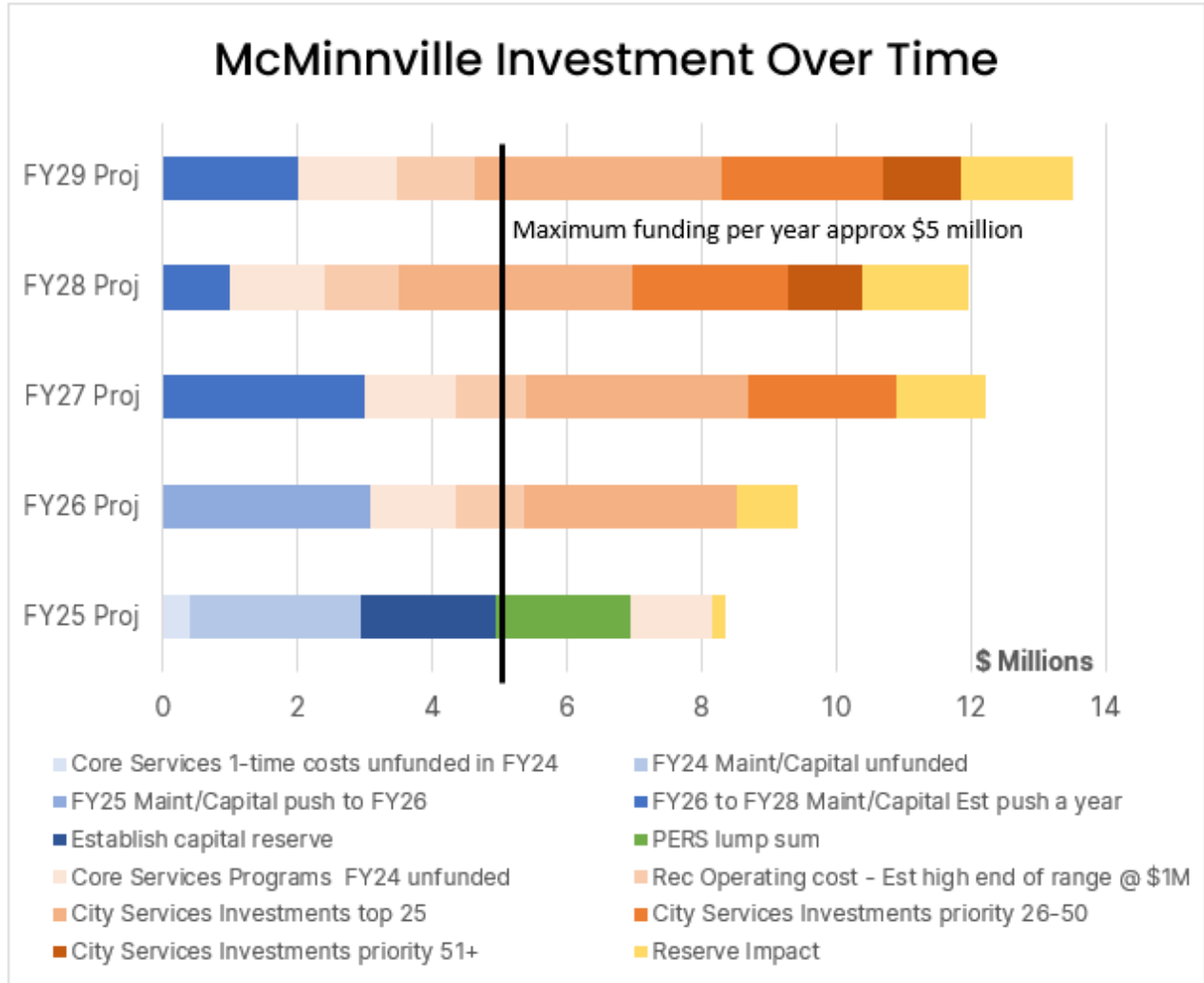
Discussions over the last two or more years about the City's financial condition, core service delivery levels, MacTown 2032 strategic plan aspirations, capital replacement and facility maintenance challenges have brought to the fore a number of spending priorities that would benefit the residents and business owners in town. A consolidated – though still incomplete – list of these investment options with estimated costs (or ranges of costs) is included as an attachment to this document.

Some of these options were included in the FY2023-24 proposed budget (p.35-38) as unfunded needs for programming “add packages” that would improve core services and capital or maintenance investments that ideally would have been budgeted for in that year. Capital and maintenance activities on the 5-year capital projections worksheet are also detailed on the list to give more of a flavor of the types of needs the City organization has in this area.

The last group of items found in the investment options list includes estimates for improving core services according to the priorities presented at a public meeting to City Council in January 2022. The core services investment estimates have been updated to remove the work already underway or flagged as a core services add package that went unfunded in the most recent budget cycle but have not been altered to factor in inflation over the last two years as the estimates themselves were preliminary at the time they were put together.

A graphic representation of one scenario for valuing the unfunded needs identified in the attached consolidated list that largely pushes bringing investments in improving the level of core service delivery to the FY26 and FY27 fiscal years (others may believe these

investments should not be delayed) is as follows:



One of the unfunded needs in the attachment captures the fact that if McMinnville moves forward with the development of a new community recreation and aquatic center, additional carrying costs will accrue to the Parks and Recreation department to deliver augmented programming to our residents and visitors. An initial study estimates a substantial range from \$450,000 to \$1.2 million a year based on 2019 costs for a 125,000 square foot building. The Consumer Price Index-West has increased 18.5% since then and actual carrying costs will depend on the scope of the project undertaken. It also bears noting that should the city chose not to move forward with a new building, deferred maintenance needs for the existing community center and aquatic center will require funding beyond the listed capital and maintenance needs.

The option to make a one-time investment in PERS, the state’s retirement system that city employees are members of, would yield savings in retirement employer rates over the 20 years following the lump sum contribution. The State of Oregon had an employer incentive fund (EIF) program in 2020 that offered a 25% match of the jurisdiction’s contribution. McMinnville was on the list to receive that matching contribution but due to budget difficulties it was unable to ultimately participate. At the Oregon Government Finance Officer’s meeting in October 2023, PERS announced that it is on track to be able

to offer another round of retirement subsidies in 2025 so the City will have another opportunity to set aside funds to capitalize on a program that would allow the city to get significantly more bang for its retirement buck over a 20-year period.

Finally, creating a capital replacement and/or facilities maintenance reserve would allow the City to smooth the annual costs of keeping its physical buildings, fleet and equipment in better condition than it has been able to do over the last many years. Both a reserve and PERS retirement investment would have positive fiscal offsets to reduce the net cost to the city (the savings represent approximately 5% of the annual spend noted in the prior chart and is not included in the investment totals graphic on the previous page).

As you can clearly see, the totals associated with this list surpass the ability of funding these programmatic additions and capital investments with the approximate \$5 million that levying at McMinnville’s full permanent tax rate would allow. All in, the general fund outlay totals \$15 - \$ 18.5 million in one-time and ongoing programmatic costs with an additional need for \$1.3 - \$1.5 million in operating reserves to be set aside.

FY2024-25 Steady State General Fund Budget

Attached is a 3-page document that goes from the FY2023-24 General Fund Budget Balancing summary included in the FY2023-24 proposed budget document on page 35,

FY2024-25 Steady-state General Fund Budget Estimate		November 2, 2023	
<p>Revenue category assumptions: 4% property tax (at FY24 underlevy rate), LP, FF, Misc categories. Intergovernmental is down significantly because one time grants and fire dist transition are FY24 only. Charges for services have variable increases from 0-4%. Transfers In down considerably due to one-time FY24 fire transition and property purchase items. For costs, personnel will assume 5% increase for CoLAs, steps, health insurance. PERS rate is same as FY24 so no increase fueled by this component of personnel costs. Personnel factors to note that will push variances relative FY24: personnel budgeted to support fire transition in FY24 will come off, PD savings from unfilled positions was used as a budget balancing tool, partial year new hires in FY24 for core services investments. M&S normal carrying cost increase 3%; down considerably to adjust for higher grant spend in FY24. Capital includes IS share of basic costs only. Amount for annual capital replacement and capital maintenance projects is not included. Debt service updated to actual. Transfers out include year 1 of 5 payback of 320k/year in FY24 capital investment plus FY25 due on PD cars and EOC from earlier period supported by inter-fund borrowing, 590k in estimate for Emergency Communications and 535k est for Info Services carrying cost transfer.</p>			
Current Revenues - General Fund		Current Expenses - General Fund	
PT - Property Taxes	12,038,000	PS - Personnel Services	20,010,528
LP - Licenses and Permits	4,744,979	MS - Materials and Services	6,047,400
IG - Intergovernmental	1,668,819	CO - Capital Outlay	253,165
CS - Charges for Services	3,205,699	SP - Special Payments	0
FF - Fines and Forfeitures	405,184	DS - Debt Service	611,506
Misc - Miscellaneous	1,044,335	TR - Transfers Out	1,526,913
TR - Transfers In	2,859,372	Total Expense	28,449,512
OFS - Other Financing Source	6,000	ARPA-Committed Funds spend adj.	2,343,814
Total Revenues	25,972,388	Current Net Revenue General Fund	(133,309)
Unrestricted Beginning Balance	3,991,363	Contingency	1,500,000
Restricted Balance (ARPA committed)	2,843,814	Unrestricted Ending Fund Balance	2,358,054
Total Resources Available	32,807,565	Restricted Balance (ARPA committed)	500,000
Reserves (1.75 mos operating)	3,800,115	Total Requirements and Uses	32,807,565
FY2024-25 Reserve Target	3,800,115	FY2024-25 Reserves*	3,858,054
		Reserves in Excess of Target	57,939

* Reserves are defined as the sum of contingencies and unrestricted ending fund balance.

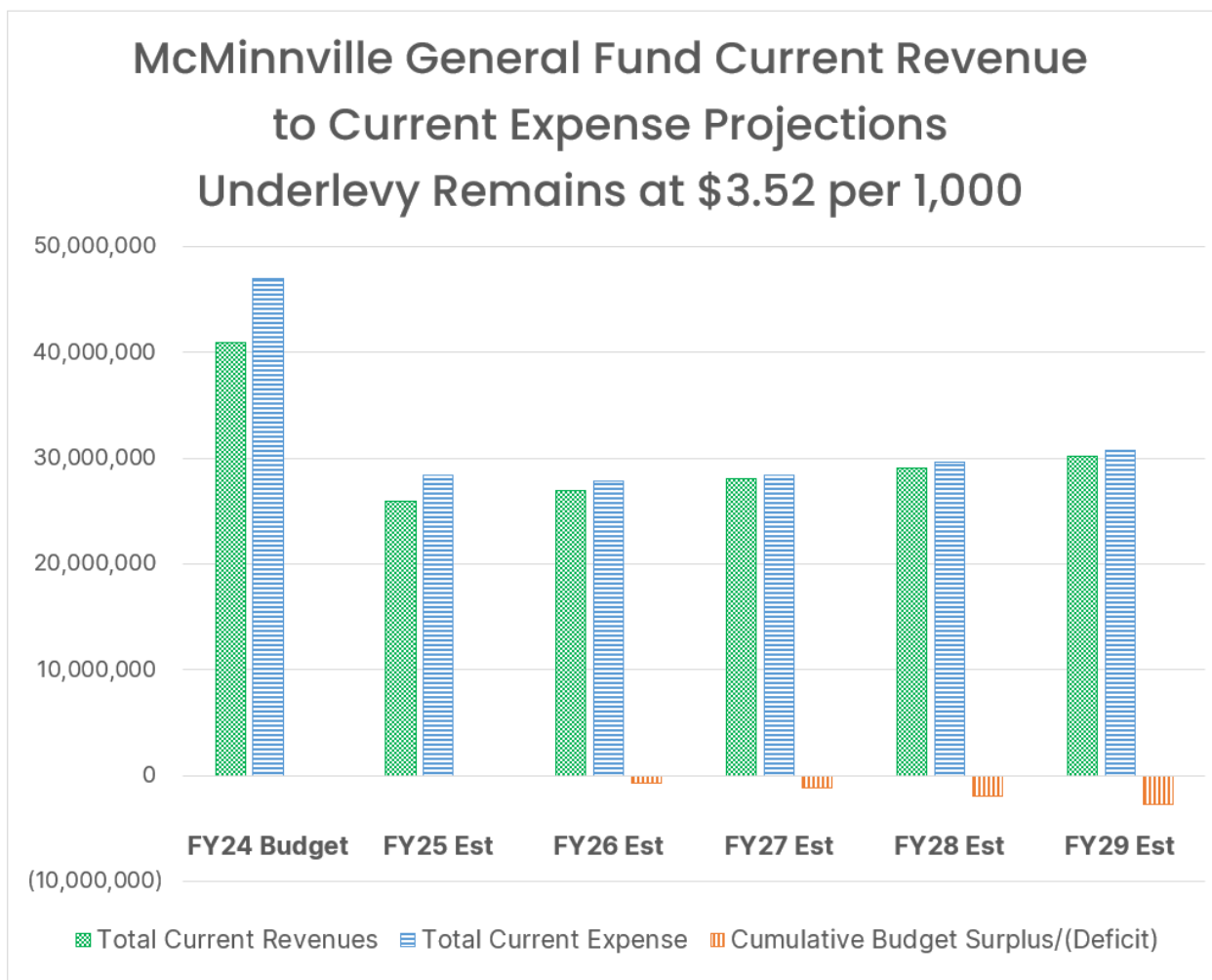
through to the summary of the current budget as amended twice in October 2023. Adjusting for fluctuating ARPA spend and attempting to properly eliminate FY2023-24 fire district transition financial impacts, a FY2024-25 Steady-state General Fund Budget Estimate has been developed.

This initial forecast for next year shows that leaving the underlevy in place at 3.52 per thousand, current net revenue in the General Fund – revenues collected minus outlays made during the year – is effectively at breakeven (see purple highlighted line below).

In the listed assumptions, please note that this breakeven budget does not contemplate any capital replacement or significant maintenance project investments (capital outlay is \$250,000). Assumptions relative both revenues and costs in the FY2024-25 steady state projection use year over year multipliers that are closer to best case than worst case estimates. Finally, the one-time resources available through the American Rescue Plan Act grants which we anticipate having the heaviest spending periods in FY2023-24 and FY2024-25 muddy the waters a bit more in terms of establishing a steady state general fund picture.

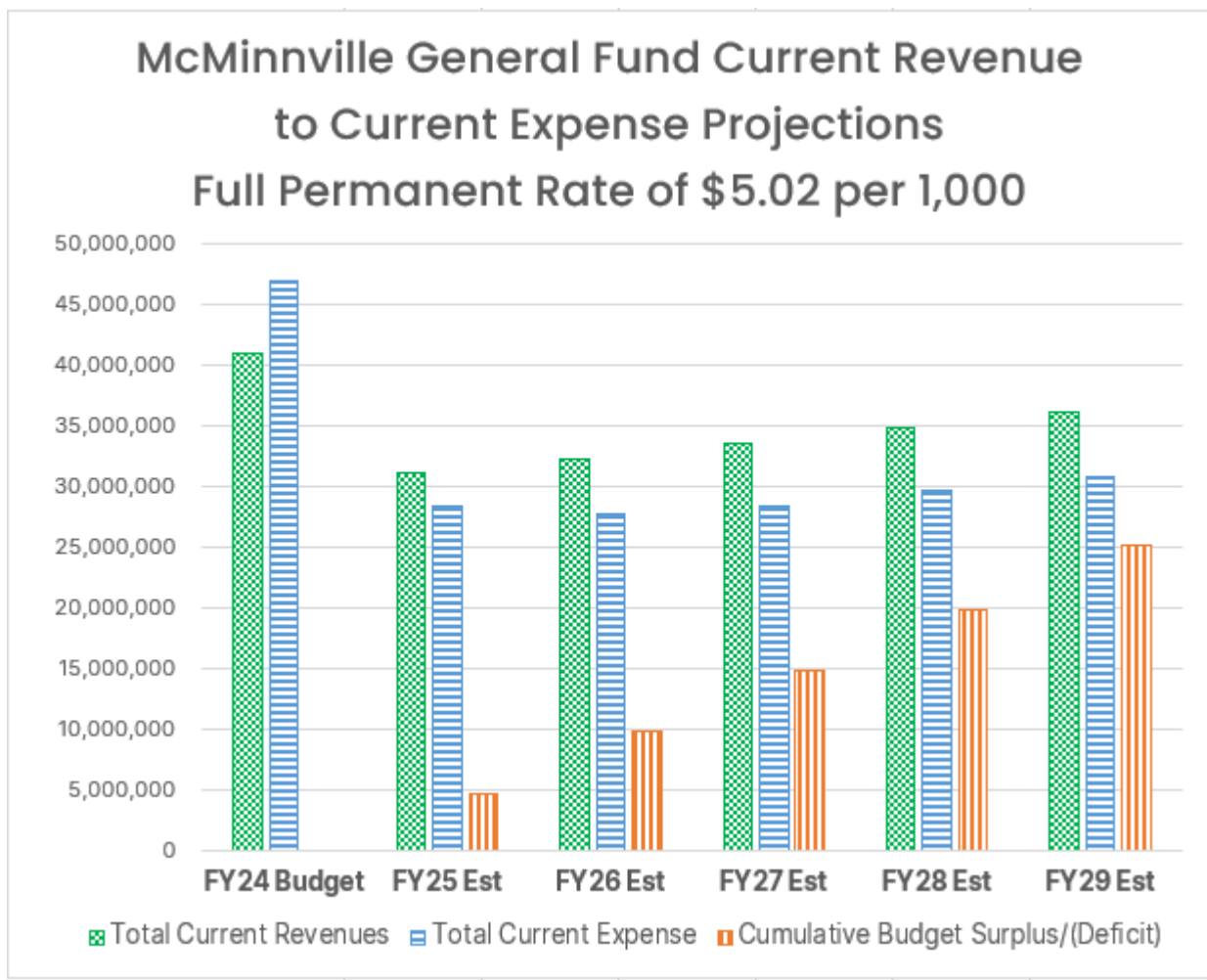
Steady State General Fund Budget: A Peek into the Future

Two scenarios forecasting this steady state budget out for the next five years were also developed to assist the Budget Committee in considering its permanent rate levy options.



The scenarios show the impact of the two property tax levy options at either end of the spectrum under consideration on the McMinnville General Fund budget: staying at the 3.52 underlevy FY25 to FY29 (on the prior page) or moving back to the fully permanent rate levy of 5.02 from FY25 to FY29 (below).

As has been discussed, any number of phasing approaches could be chosen but these give a sense of the bounds of the impact for city general fund operational program budgeting.



Starting in FY2025-26 we start seeing a budget deficit re-appear. And, if any capital investments or maintenance activities of any significance are made in any year over this 5-year period, without additional funding capacity, the budget deficit would become more pronounced. Staying at the current underlevy does not provide for a sustainable general fund and would create budget cycles similar to the ones of the prior several years that would negatively impact current service levels.

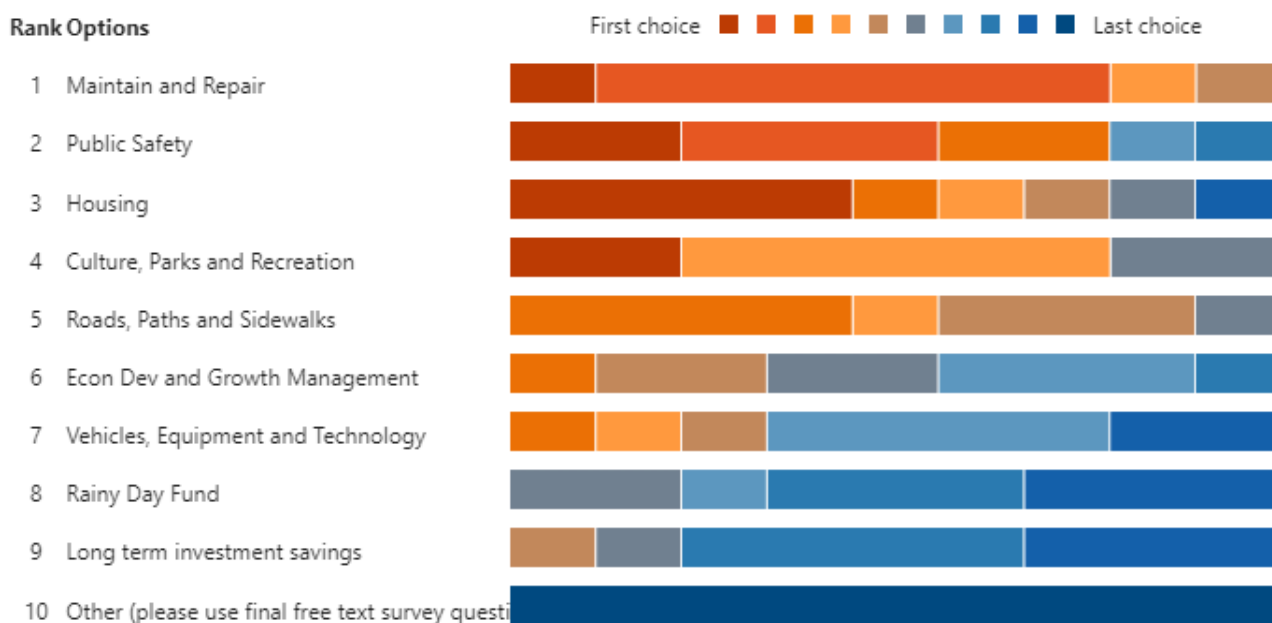
If McMinnville, alternatively, returned immediately to its full permanent rate levy, the current net revenue for FY2024-25 approaches \$5 million and increases to almost \$5.5 million in FY2028-29. Again, this forecast does not include capital replacement or facilities maintenance capital dollars.

Over the five years, the total accumulated is approximately \$25 million. A combination of one-time investments and targeted programmatic investments in core services can be crafted that will fit whatever direction the Budget Committee gives staff in terms of levy levels, phasing in preferences and investment priority feedback.

Budget Committee Survey Results

Of the 14 members of the Budget Committee, nine were able to complete the survey regarding their feedback on prioritization of resource investments and preferences related to property tax levy amounts to bring back at what kind of pace in the next several years.

Response to the question: Place the Dollars and Sense investment priorities in the order of importance to you - most important at the top through least at the bottom:



The top 5 responses from budget committee members align with the Dollars and Sense community feedback project that took place over the summer and into early fall of this year.

In terms of the second question on specific tax levy amounts to bring on from FY2024-25 through FY2027-28, three basic scenarios were put forward. Eight of the nine budget committee members who responded to the survey believe the City should consider getting back to its full permanent rate by FY2026-27. These are shown in Scenarios A and B below. The ninth member suggested a slower ramp up of increased levy amounts topping out in the four-year period at 1.25 per thousand, rather than the full 1.50 per thousand available in McMinnville’s permanent rate.

The details on the annual rate suggestions as well as the comments associated with those scenarios are included below. Six of the nine included comments about why they made the suggest they did and further context as to why they might consider other options.

Scenario A:

The most commonly proposed progression was suggested by four of the nine budget committee members who responded:

FY25	FY26	FY27	FY28
.50	1.00	1.50	1.50

Comments from members that made this suggestion were as follows:

- Rather than designate an amount, I would prefer to discuss priorities with all budget committee members. Hearing about the priorities of others would be of significant value to my own conclusions. The community has significant facility needs and housing issues would need more money than presently envisioned by any plausible scenarios.
- I used .50 increment to illustrate a phased approach but I would prefer to build it around programs and attach costs to that rather than .50 arbitrarily even though we could put the .50 to good use.
- Honestly, anything after FY26 I am not sure about. I think we will need to evaluate city services fees in FY26 as well.

Scenario B:

Another four budget committee members suggested the City move a little faster to levying its full permanent rate of 5.02 per thousand in taxable value by restoring it starting in FY2025-26. Two of these members believed levying the full rate in FY2024-25 is merited whereas the other two in this group varied as to their suggested levy add back level next year:

FY25	FY26	FY27	FY28
.5, .75, 1.5	1.50	1.50	1.50

Three comments were also given from people in this group:

- It seems wise to level all of our taxing authority to fully recover the city add package and make necessary goals happen i.e. the eventual (and necessary) new aquatic/community center.
- I really mulled over the options in the prioritization activity because I think so many of the categories are interconnected. I would like us to focus on the suggestions in the core services analysis done previously by the staff. I would like the core services that are below base and base to be financially supported. I appreciate that the core services analysis was more specific than the general categories in this survey. I put Culture, Parks and Recreation number one because we need to put ourselves in a financial position to operate the future Rec Center. Culture, Parks and Recreation is essential to the vitality and community of McMinnville.

I recognize that community members would appreciate it if the city phased in the collection of the \$1.50. Whenever I spend time looking closely at the financial situation of our city it is clear that we cannot continue to under-levying our taxing

authority for very long. I recommend an increase of \$0.75 each year over two years.

- This (0.50 in FY25) gives the city another year to solidify the usage of the extra dollar.

Scenario C:

Finally, one budget committee member suggested a slower add back trajectory:

FY25	FY26	FY27	FY28
.50	1.00	1.00	1.25

No comments were shared as to what went into the thinking here.

Documents Included in Attachment:

1. McMinnville Investment Options Consolidated List (p.1-4)
2. General Fund 3-pager to FY2024-25 Steady State budget (p.5-7)
3. General Fund FY25-FY29 Steady State budget 3.52 property tax levy (p.8-10)
4. General Fund FY25-FY29 Steady State budget 5.02 property tax levy (p.11-13)

Investment Options for Budget Committee

November 2, 2023

Dept	Project	Carrying Cost	One-time cost	General Fund Estimate	Other Fund	Reserve impact	Notes
New core service delivery packages that were removed from FY24 General Fund to balance the budget							
Costs have been increased to reflect higher personnel and other costs in FY25 relative FY24 estimates							
Public Works	Core services: Centralize facility maintenance and operations	251,394	60,000	311,394		41,899	add 1 FTE additional extra help and 200k M&S for contracts and a 60k vehicle
Public Works	Core services: Fleet maintenance program	100,585		100,585		16,764	1 FTE Operations mech assistant to support PW veh maintenance; additional capacity can assist city-wide to develop /standardize approach to fuel economy, other fleet needs
Park Maint	Core services below base to base Phase 2		305,000	305,000		0	Capital park asset renewal and vehicle replacement to support improved services levels in park maintenance
Park Maint	Core services below base to base Phase 3	152,196		152,196		25,366	1 FT FTE + 1 Ex Help FTE to bring park maintenance function to base level
CDD	Planning GIS Specialist position	131,430	5,000	136,430		21,905	Positive impact on 2 below base core services: current planning and GIS services and improve ability to meet mandated land use activities
CDD	GIS contracted services with MWVCOG	80,000		80,000		13,333	Positive impact on below base GIS services related to long term planning; data could support conservation and environmental analysis
Police	Support Services Specialist	36,276		36,276		6,046	Converts PT staffer to FT to improve ability of records department to meet needs of public, new state mandates and larger number of officers on staff
Police	2 Community Service Officers	229,000		229,000		38,167	Adds non-sworn officers to department to help respond to calls for service (CFS). CFS has increased for PD; community officers are a part of most PDs serving populations similar in size to McMinnville
Parks and Rec	Reduce barriers for participation in Park and Rec programming	179,959	5,000	184,959		29,993	One staffer and 70k of annual M&S for marketing, translation, free programming. 5k is one time cost. Will be offset by \$2,000 estimate program revenue (P+R priority 1)
Parks and Rec	Park Volunteer program	57,260	25,000	82,260		9,543	One 50% FTE staffer, 5k annual direct costs, 5k computer and desk and 20k initial materials needed; out years need less annual M+S supplies (P+R priority 2)
	Total	1,218,101	400,000	1,618,101	0	203,017	

Dept	Project	One-time cost	General Fund Estimate	Other Fund	Internal Borrowing	Notes
Deferred maintenance/capital investment not included in FY24 General Fund budget						
Reminder: \$1.4M in capital outlays included in FY24 budget were funded by internal borrowing to be paid back FY25-FY29, not cash						
Admin	Install drainage at SW corner of building	700	700			In City Hall
Admin	Mechanical/HVAC study	10,000	10,000			In City Hall
Admin	Nelson House	124,000	124,000			Roof, chimney, stairs, other
Admin	Parking Structure	299,750	299,750			Deferred until FY2024-25
CDC	Repair wood rot around CDC windows	50,000	50,000			
Eng	Compact pickup replaces 2009 unit	40,000	40,000			
Police	Replace 2017 Dodge Charger 801	68,000	68,000			Replace with hybrid (last new veh FY21)
Police	Replace 2012 Fusion Detective	52,000	52,000			(last new veh FY21)
Police	Replace 2017 Ford Explorer 803	68,000	68,000			Replace with hybrid (last new veh FY21)
Police	Replace 2017 Ford Explorer 804	68,000	68,000			Replace with hybrid (last new veh FY21)
Police	Air Compressor Replacement	36,000	36,000			
P+Rec	Aquatic Center building improvements	46,029	46,029			Wait for structural engineering review
P+Rec	Interior Floor (linoleum)	10,824	10,824			In Community Center
P Maint	PW Building improvements	52,750	52,750	52,750		Shared with Street Fund
P Maint	Park Signage Upgrade	17,500	17,500			
P Maint	Loo purchase and install - 3	270,000	270,000			
P Maint	Loo purchase and install - 4	270,000	270,000			
P Maint	Loo purchase and install - 5	270,000	270,000			
P Maint	Parking lot improvements	258,000	258,000	12,000		At various parks and PubWorks complex
P Maint	Various park improvements	235,000	235,000			
P Maint	Replace Star Mill Restroom	250,000	250,000			
Libr	Security cameras	30,000	30,000			
InfoSrv	Disaster Recovery setup	20,000	20,000			For Accounting system
	Total	2,546,553	2,546,553	64,750	0	

Dept	Project	One-time cost	General Fund Estimate	Other Fund	Internal Borrowing	Notes
Deferred maintenance/capital investment programmed for FY25 (not reviewed/refined since Feb 2023)						
Admin	Replace carpet in City Hall	45,000	45,000			
Admin	Refinish dais	7,500	7,500			
Admin	Nelson House - various	132,500	132,500			
Admin	Parking Structure	599,500	599,500			
Eng	Replace CDC membrane flat roof	67,500	67,500	22,500		
Eng	SUV replaces 2008 unit	50,000	50,000			
Police	Replace 2014 Fusion Detective	52,000	52,000			
Police	Replace 2014 Fusion Detective	52,000	52,000			
Police	Replace 2017 Ford Explorer 839	45,000	45,000			
Police	Replace 2017 Ford Explorer 802	45,000	45,000			
P+Rec	Aquatic Center building improvements	286,940	286,940			Assumes minimum investments pending new facility
P+Rec	Community Center (adjusted downwards)	214,310	214,310			Assumes minimum investments pending new facility
P+Rec	Senior Center building improvements	384,700	384,700			
P Maint	PW building	67,000	67,000	67,000		
P Maint	Equipment replacement	145,000	145,000			
P Maint	Various projects across 8 parks	580,000	580,000			
Total		2,773,950	2,773,950	89,500	0	

Technology investment programmed for FY25 (not reviewed/refined since Feb 2023)						
	VM Backbone Host Servers - replacement	36,000	36,000	4,000		
	New World Disaster Recovery setup / Hosting	22,500	22,500	2,500		This will have annual carrying costs
	Document Management System	90,000	90,000	10,000		This will have annual carrying costs
	RMS Upgrade (PD)	50,000	50,000			
	Court Software (MC)	75,000	75,000			Might be software as service solution with carrying costs
	MDT's for replacement patrol vehicles (PD)	36,000	36,000			
Total		309,500	309,500	16,500	0	

	Carrying Cost	One-time cost	General Fund Estimate	Other Fund	Reserve impact
Subtotal itemized list	1,218,101	6,030,003	7,248,104	170,750	203,017

Investment options noted in other city discussions

Dept	Project	Carrying Cost	One-time cost	General Fund Estimate	Other Fund	Reserve impact	Notes
City-wide	Lump sum PERS investment thru Employer Incentive Program (last cycle was 25% match from state)		500k - 2M	80%	20%	0	PERS shared at OGFOA in mid-Oct that they anticipate another EIF round in FY25. Lump sum investments bring down retirement costs. When Fire Dist is separated in PERS system, will allow us to better project impact of different amounts on city's retirement cost profile. Amount to invest is up to us but would recommend largest amount that's reasonable to take advantage of this unique ability to secure a match which would outstrip any investment return while also saving city tax payers money on retirement costs over a 20 year period.
Parks and Rec	Recreation program operating costs in a new facility	450k-1.2M		450k-1.2M		50-200k	The range of potential budget impact is significant because of decisions still to be made regarding size and components of the new facility as well as cost recovery assumptions. Consideration of carrying cost will be part of the overall decision making regarding future proposals and actions taken on a new community rec and aquatic center. The numbers noted here are based on an initial study with 2019 costs/125kSF building. CPI-W has increased 18.5% since then. Applying inflation, the numbers increase to 533k-1.42M for 2023 prices.
City-wide	Core Services investment needs identified in 2022 top 25 services	3,150,000		3,150,000		525,000	Program investments, adjusted for items already called out and removal of fire service, in core services that touch programming in all public facing general fund activities as well as bolstering support services were ball parked and presented in Jan 2022
City-wide	Core Services investment needs identified in 2022 top 26-50 services	2,200,000		2,200,000		366,667	See above
City-wide	Core Services investment needs identified in 2022 remaining program activities	1,100,000		1,100,000		183,333	See above
City-wide	Establish reserves for capital replacement, specific capital projects, repairs and maintenance needs, and/or rainy day fund beyond 2 month operating reserve target		500k-2M	500k-2M		0	Establishing targeted reserves allows for the city to smooth out annual spend for big ticket items, typically capital investments. Bolstering the basic reserve target can allow the city to take advantage of financial opportunities that arise (such as employer match program for PERS) or respond to critical programmatic needs due to unusual or acute community situations (such as covid, the housing crisis)
Total additional investment options		6.9M-7.65M	900k-3.6M	7.8M-11.25M	100k-400k	1.13M-1.3M	
Total range of investmet options		8.1M-8.85M	6.9M-9.6M	15M-18.5M	270k-570k	1.3M-1.5M	



General Fund Budget Balancing 2023-2024 Proposed Budget

Staff used a collaborative approach to building a General Fund budget that allowed a continuation of core service levels, making progress on the rebuilding the reserve and addressing the years of deferred maintenance and forgoing vehicle and equipment capital replacement due to a persistent imbalance between current revenues and expenses. This budget, the scenario if voters approve a ballot measure creating a new Fire District, includes three actions described in Resolution 2021-55 on sustainable funding sources: establishing a Fire District, a full year of city services charges and using internal borrowing to fund capital investments. Even with an underlevy of \$1.50 in the City's permanent property tax rate, four investments in core services are included in the 2023-24 General Fund budget and the reserve exceeded 1.75 months of operating expense (FY2024-25's target). This year also includes American Rescue Plan Act (ARPA) resources that support some programmatic enhancements and capital investments. Combined, these are first steps towards creating a sustainable budget. The negative current net revenue for 2023-24 of \$2.3 million shows that our work is still not done.

Current Revenues - General Fund

PT - Property Taxes	11,575,000
LP - Licenses and Permits	4,562,480
IG - Intergovernmental	5,069,862
CS - Charges for Services	3,145,067
FF - Fines and Forfeitures	389,600
Misc - Miscellaneous	874,889
TR - Transfers In	4,036,573
OFS - Other Financing Source	6,000
Total Revenues	29,659,471

Unrestricted Beginning Balance	5,443,120
LOSAP Beginning Balance	847,233
Total Resources Available	35,949,824

Reserves (1.5 mos operating)	3,392,208
Reserve Adj (ARPA, grants)	(301,216)
FY2023-24 Reserve Target	3,090,992

Current Expenses - General Fund

PS - Personnel Services	19,031,767
MS - Materials and Services	8,105,898
CO - Capital Outlay	2,251,141
SP - Special Payments	847,233
DS - Debt Service	630,140
TR - Transfers Out	1,134,810
Total Expense	32,000,989

Current Net Revenue General Fund (2,341,518)

Contingency	1,500,000
Unrestricted Ending Fund Balance	2,448,835
LOSAP Ending Fund Balance	0
Total Requirements and Uses	35,949,824

FY2023-24 Reserves*	3,948,835
Reserves in Excess of Target	857,843

* Reserves are defined as the sum of contingencies and unrestricted ending fund balance.



General Fund Budget Balancing 2023-2024 Amended Budget*

The amended budget includes the \$1.50 underlevy of property taxes, a full year of city services charges, use of internal borrowing to fund \$1.4M in capital investments, and four investments in core services. ARPA funds were fully spent out in FY2022-23 with the approved project balances as of 6/30/23 and approx \$700k in unallocated dollars starting in FY2023-24 is held in a committed fund balance reserve; each year these dollars are spent, an adjustment to current net revenue will be made because the expenses are reflected in the current budget but the revenue is in a beginning fund balance category. The transfers categories are unusually large due to the fire district transition year and property purchase in the Urban Renewal area. Given the smaller expense profile given the exit of the fire department cost center and opting to rely on internal borrowing for capital replacements and maintenance projects, the 2023-24 General Fund ending reserve exceeded 1.75 months of operating expense (FY2024-25's target). The negative current net revenue for 2023-24 of \$2.3 million shows that our work to establish a sustainable budget where current revenues are able to cover all current expense is still not done.

Current Revenues - General Fund

PT - Property Taxes	11,575,000
LP - Licenses and Permits	4,562,480
IG - Intergovernmental	7,516,606
CS - Charges for Services	3,145,067
FF - Fines and Forfeitures	389,600
Misc - Miscellaneous	1,004,168
TR - Transfers In	12,742,300
OFS - Other Financing Source	6,000
Total Revenues	40,941,221

LOSAP Beginning Balance	847,233
Unrestricted Beginning Balance	5,485,120
Restricted Balance (ARPA committed)	6,500,000
Total Resources Available	53,773,574

Reserves (1.5 mos operating)	3,437,375
Reserve Adj (ARPA, grants)	(301,216)
FY2023-24 Reserve Target	3,136,159

Current Expenses - General Fund

PS - Personnel Services	19,057,646
MS - Materials and Services	8,441,351
CO - Capital Outlay	6,939,041
SP - Special Payments	5,134,553
DS - Debt Service	630,140
TR - Transfers Out	6,735,666
Total Expense	46,938,397
ARPA-Committed Funds spend adj.	3,656,186
Current Net Revenue General Fund	(2,340,990)

Contingency	1,500,000
Unrestricted Ending Fund Balance	2,491,363
Restricted Balance (ARPA committed)	2,843,814
Total Requirements and Uses	53,773,574

FY2023-24 Reserves**	3,991,363
Reserves in Excess of Target	855,204

* FY24 Amended budget includes 4.35M property purchase and the 111k for 3rd street project costs supported by ARPA Committed funds

** Reserves are defined as the sum of contingencies and unrestricted ending fund balance.

FY2024-25 Steady-state General Fund Budget Estimate

November 2, 2023

Revenue category assumptions: 4% property tax (at FY24 underlevy rate), LP, FF, Misc categories. Intergovernmental is down significantly because one time grants and fire dist transition are FY24 only. Charges for services have variable increases from 0-4%. Transfers In down considerably due to one-time FY24 fire transition and property purchase items. For costs, personnel will assume 5% increase for CoLAs, steps, health insurance. PERS rate is same as FY24 so no increase fueled by this component of personnel costs. Personnel factors to note that will push variances relative FY24: personnel budgeted to support fire transition in FY24 will come off, PD savings from unfilled positions was used as a budget balancing tool, partial year new hires in FY24 for core services investments. M&S normal carrying cost increase 3%; down considerably to adjust for higher grant spend in FY24. Capital includes IS share of basic costs only. Amount for annual capital replacement and capital maintenance projects is not included. Debt service updated to actual. Transfers out include year 1 of 5 payback of 320k/year in FY24 capital investment plus FY25 due on PD cars and EOC from earlier period supported by inter-fund borrowing, 590k in estimate for Emergency Communications and 535k est for Info Services carrying cost transfer.

Current Revenues - General Fund

PT - Property Taxes	12,038,000
LP - Licenses and Permits	4,744,979
IG - Intergovernmental	1,668,819
CS - Charges for Services	3,205,699
FF - Fines and Forfeitures	405,184
Misc - Miscellaneous	1,044,335
TR - Transfers In	2,859,372
OFS - Other Financing Source	6,000
Total Revenues	25,972,388

Current Expenses - General Fund

PS - Personnel Services	20,010,528
MS - Materials and Services	6,047,400
CO - Capital Outlay	253,165
SP - Special Payments	0
DS - Debt Service	611,506
TR - Transfers Out	1,526,913
Total Expense	28,449,512
ARPA-Committed Funds spend adj.	2,343,814
Current Net Revenue General Fund	(133,309)

Unrestricted Beginning Balance	3,991,363
Restricted Balance (ARPA committed)	2,843,814
Total Resources Available	32,807,565
Reserves (1.75 mos operating)	3,800,115
FY2024-25 Reserve Target	3,800,115

Contingency	1,500,000
Unrestricted Ending Fund Balance	2,358,054
Restricted Balance (ARPA committed)	500,000
Total Requirements and Uses	32,807,565
FY2024-25 Reserves*	3,858,054
Reserves in Excess of Target	57,939

* Reserves are defined as the sum of contingencies and unrestricted ending fund balance.

McMinnville General Fund projection: taking a peek into a potential future

Maintain 3.52 underlevy rate scenario with FY24 Budget Baseline Service Delivery

	FY24 Budget*	FY25 Est	FY26 Est	FY27 Est	FY28 Est	FY29 Est
Unrestricted Beginning Balance (prior year deficit carried forward)	5,485,120	3,991,363	3,858,054	3,548,017	3,189,976	2,614,534
Restricted Balance (ARPA committed)	7,347,233	2,843,814	500,000	0	0	0
Begin Balance Total	12,832,353	6,835,177	4,358,054	3,548,017	3,189,976	2,614,534
PT - Property Taxes	11,575,000	12,038,000	12,519,520	13,020,301	13,541,113	14,082,757
LP - Licenses and Permits	4,562,480	4,744,979	4,934,778	5,132,170	5,337,456	5,550,955
IG - Intergovernmental	7,516,606	1,668,819	1,702,196	1,736,240	1,770,964	1,806,384
CS - Charges for Services	3,145,067	3,205,699	3,301,870	3,400,926	3,502,954	3,608,042
FF - Fines and Forfeitures	389,600	405,184	421,391	438,247	455,777	474,008
Misc - Miscellaneous	1,004,168	1,044,335	1,086,108	1,129,552	1,174,735	1,221,724
TR - Transfers In	12,742,300	2,859,372	3,002,341	3,152,458	3,310,081	3,475,585
OFS - Other Financing Source	6,000	6,000	6,000	6,000	6,000	6,000
Total Current Revenues	40,941,221	25,972,388	26,974,204	28,015,893	29,099,079	30,225,455
Total Resources Available	53,773,574	32,807,565	31,332,258	31,563,910	32,289,055	32,839,989
PS - Personnel Services	19,057,646	20,010,528	21,411,265	22,481,829	23,876,498	25,070,323
MS - Materials and Services	8,441,351	6,047,400	3,777,658	3,343,211	3,410,075	3,478,276
CO - Capital Outlay	6,939,041	253,165	258,228	263,393	268,660	274,034
SP - Special Payments	5,134,553	0	0	0	0	0
DS - Debt Service	630,140	611,506	736,804	770,736	568,680	345,786
TR - Transfers Out	6,735,666	1,526,913	1,600,286	1,514,766	1,550,608	1,587,524
Total Current Expense	46,938,397	28,449,512	27,784,241	28,373,934	29,674,521	30,755,944
Contingency	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Unrestricted Ending Fund Balance	2,491,363	2,358,054	2,698,154	2,804,173	3,047,762	3,258,100
Restricted Balance (ARPA committed)	2,843,814	500,000	0	0	0	0
Total Requirements and Uses	53,773,574	32,807,565	31,982,395	32,678,108	34,222,283	35,514,044
Budget Balance Surplus/(Deficit) after reserve target calculated	0	0	(650,137)	(1,114,197)	(1,933,228)	(2,674,055)
Net Current Revenue	(5,997,176)	(2,477,123)	(810,037)	(358,041)	(575,441)	(530,489)
Adjustment for restricted reserve source	3,656,186	2,343,814	500,000	0	0	0
Adjusted Current Net Revenue	(2,340,990)	(133,309)	(310,037)	(358,041)	(575,441)	(530,489)
Number of months operating in reserve	1.74	1.78	2.00	2.00	2.00	2.00
Reserve Target number of months	1.50	1.75	2.00	2.00	2.00	2.00

* FY24 Amended Budget as of 10/24/2023 Council actions

Assumptions applied to FY24 Budget as Baseline Service Level

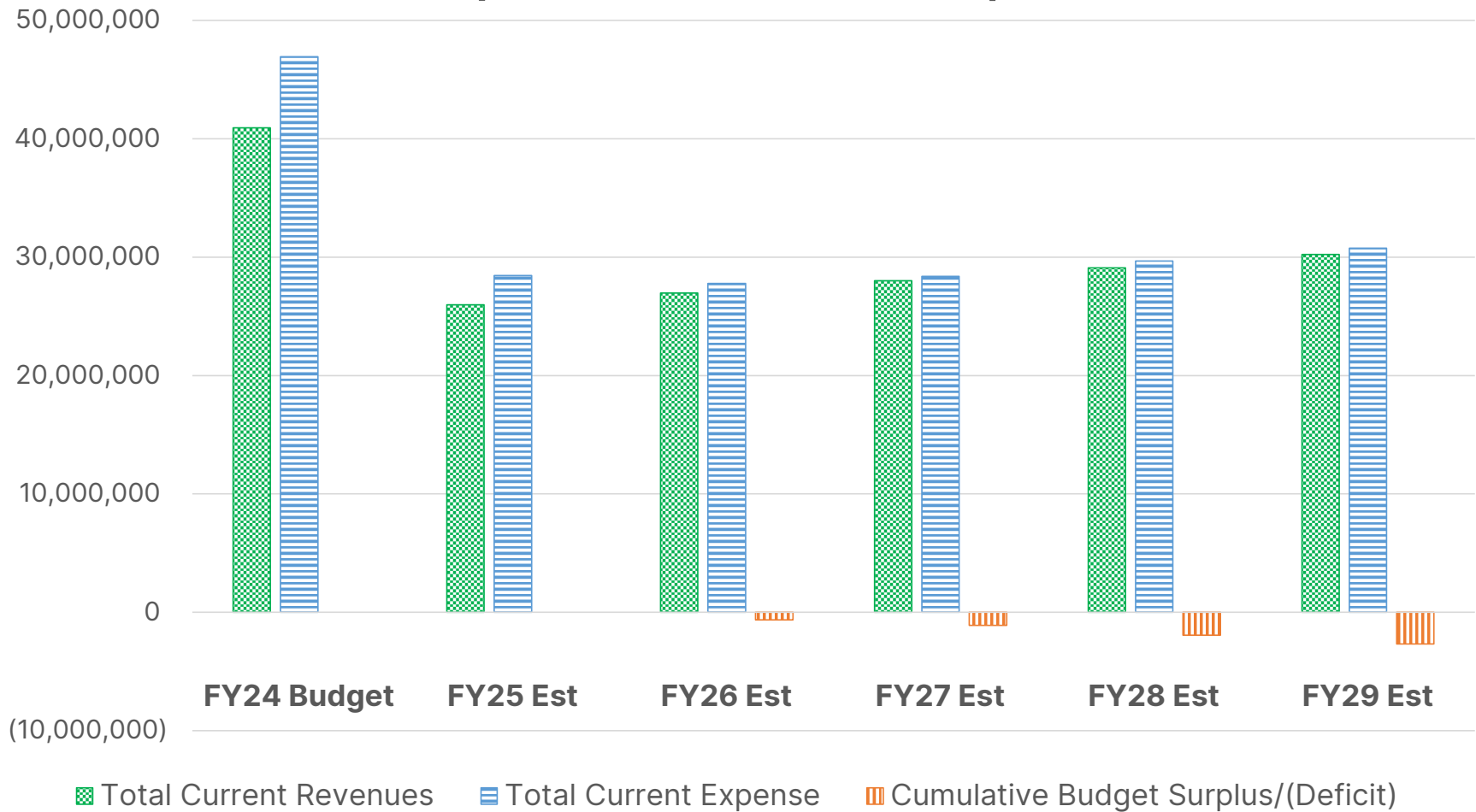
Same assumptions for 3.52 underlevy and 5.02 full permanent rate levy

	FY25 Est	FY26 Est	FY27 Est	FY28 Est	FY29 Est
PT - Property Taxes	4%	4%	4%	4%	4%
LP - Licenses and Permits	4%	4%	4%	4%	4%
IG - Intergovernmental	negative	2%	2%	2%	2%
CS - Charges for Services	3%	3%	3%	3%	3%
FF - Fines and Forfeitures	4%	4%	4%	4%	4%
Misc - Miscellaneous	4%	4%	4%	4%	4%
TR - Transfers In	5%	5%	5%	5%	5%
OFS - Other Financing Source	0%	0%	0%	0%	0%
PS - Personnel Services	5%	7%	5%	7%	5%
MS - Materials and Services	2%	2%	2%	2%	2%
CO - Capital Outlay	2%	2%	2%	2%	2%
SP - Special Payments	0%	0%	0%	0%	0%
DS - Debt Service	704,242	736,804	770,736	568,680	345,786
TR - Transfers Out	1,526,913	1,600,286	1,514,766	1,550,608	1,587,524
Non-interfund transfer assumption	negative	0	0	0	0
TR - Transfers Out EmComm+IS	1,126,121	1,159,905	1,194,702	1,230,543	1,267,459
PS - Personnel Services decrease when PERS note matures in FY28				167,344	
M&S adjustment for ARPA project exp gone	2,343,814	500,000			

Baseline budget does not include capital replacement or significant facilities maintenance outlays. Our facilities study of 2019 estimates an average annual maintenance spend of more than \$2 million for facilities alone. Capital outlay in model FY25-29 is for basic Information technology capital maintenance only.

For more details on FY25 assumptions, see "FY2024-25 Steady-state General Fund Budget Estimate from November 2, 2023

McMinnville General Fund Current Revenue to Current Expense Projections Underlevy Remains at \$3.52 per 1,000



McMinnville General Fund projection: taking a peek into a potential future

Full 5.02 permanent rate scenario with FY24 Budget Baseline Service Delivery

	FY24 Budget*	FY25 Est	FY26 Est	FY27 Est	FY28 Est	FY29 Est
Unrestricted Beginning Balance (prior year budget surplus carries forward)	5,485,120	3,991,363	8,987,883	14,012,869	19,203,252	24,398,171
Restricted Balance (ARPA committed)	7,347,233	2,843,814	500,000	0	0	0
Begin Balance Total	12,832,353	6,835,177	9,487,883	14,012,869	19,203,252	24,398,171
PT - Property Taxes	11,575,000	17,167,830	17,854,543	18,568,724	19,311,473	20,083,932
LP - Licenses and Permits	4,562,480	4,744,979	4,934,778	5,132,170	5,337,456	5,550,955
IG - Intergovernmental	7,516,606	1,668,819	1,702,196	1,736,240	1,770,964	1,806,384
CS - Charges for Services	3,145,067	3,205,699	3,301,870	3,400,926	3,502,954	3,608,042
FF - Fines and Forfeitures	389,600	405,184	421,391	438,247	455,777	474,008
Misc - Miscellaneous	1,004,168	1,044,335	1,086,108	1,129,552	1,174,735	1,221,724
TR - Transfers In	12,742,300	2,859,372	3,002,341	3,152,458	3,310,081	3,475,585
OFS - Other Financing Source	6,000	6,000	6,000	6,000	6,000	6,000
Total Current Revenues	40,941,221	31,102,218	32,309,227	33,564,317	34,869,440	36,226,630
Total Resources Available	53,773,574	37,937,395	41,797,110	47,577,186	54,072,692	60,624,800
PS - Personnel Services	19,057,646	20,010,528	21,411,265	22,481,829	23,876,498	25,070,323
MS - Materials and Services	8,441,351	6,047,400	3,777,658	3,343,211	3,410,075	3,478,276
CO - Capital Outlay	6,939,041	253,165	258,228	263,393	268,660	274,034
SP - Special Payments	5,134,553	0	0	0	0	0
DS - Debt Service	630,140	611,506	736,804	770,736	568,680	345,786
TR - Transfers Out	6,735,666	1,526,913	1,600,286	1,514,766	1,550,608	1,587,524
Total Current Expense	46,938,397	28,449,512	27,784,241	28,373,934	29,674,521	30,755,944
Contingency	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Unrestricted Ending Fund Balance	2,491,363	2,842,988	2,698,154	2,804,173	3,047,762	3,258,100
Restricted Balance (ARPA committed)	2,843,814	500,000	0	0	0	0
Total Requirements and Uses	53,773,574	33,292,500	31,982,395	32,678,108	34,222,283	35,514,044
Budget Balance Surplus/(Deficit) after reserve target calculated	0	4,644,895	9,814,715	14,899,078	19,850,409	25,110,757
Net Current Revenue	(5,997,176)	2,652,706	4,524,986	5,190,382	5,194,919	5,470,686
Adjustment for restricted reserve source	3,656,186	2,343,814	500,000	0	0	0
Adjusted Current Net Revenue	(2,340,990)	4,996,520	5,024,986	5,190,382	5,194,919	5,470,686
Number of months operating in reserve	1.74	2.00	2.00	2.00	2.00	2.00
Reserve Target number of months	1.50	1.75	2.00	2.00	2.00	2.00

* FY24 Amended Budget as of 10/24/2023 Council actions

Assumptions applied to FY24 Budget as Baseline Service Level

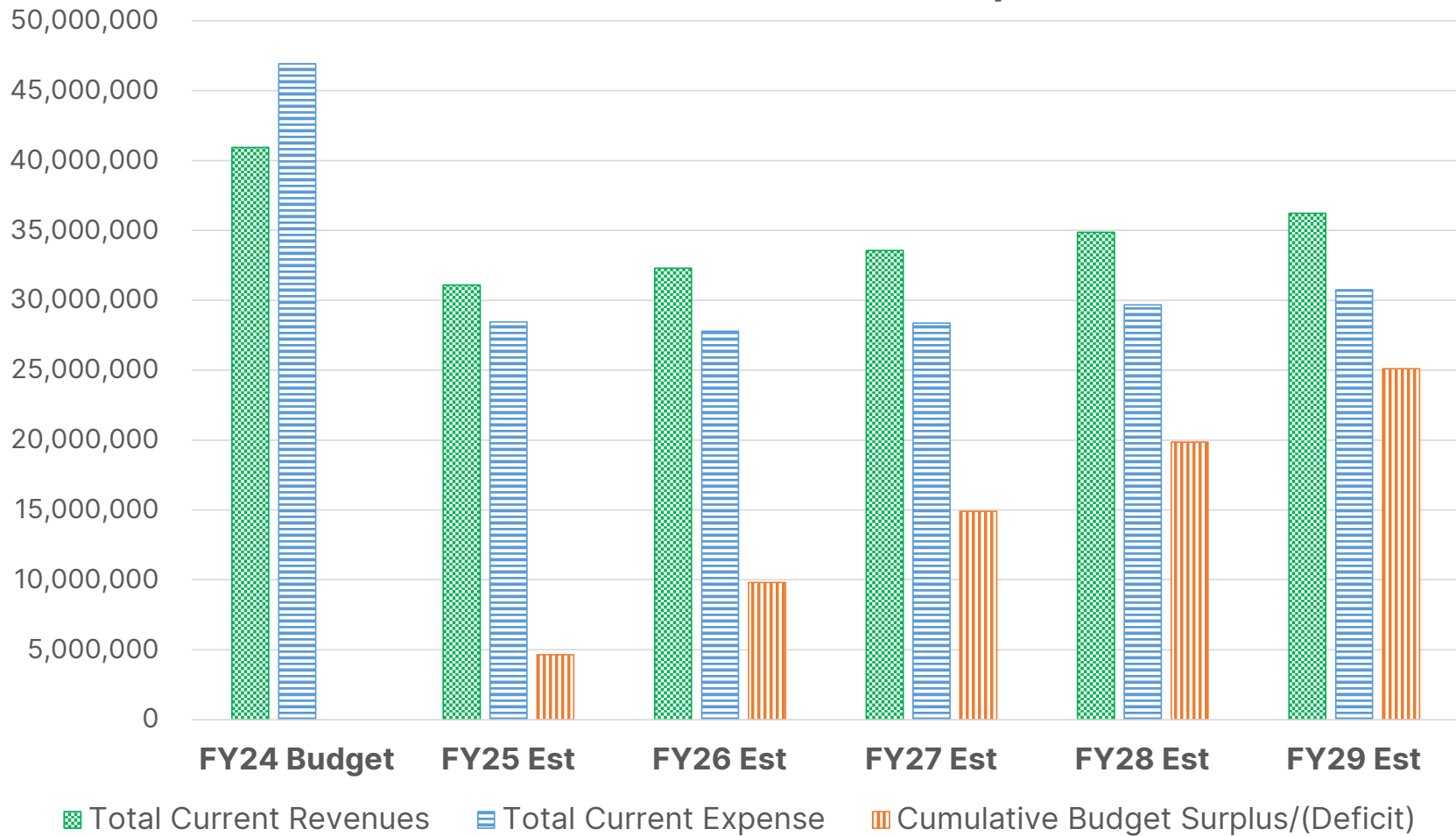
Same assumptions for 3.52 underlevy and 5.02 full permanent rate levy

	FY25 Est	FY26 Est	FY27 Est	FY28 Est	FY29 Est
PT - Property Taxes	4%	4%	4%	4%	4%
LP - Licenses and Permits	4%	4%	4%	4%	4%
IG - Intergovernmental	negative	2%	2%	2%	2%
CS - Charges for Services	3%	3%	3%	3%	3%
FF - Fines and Forfeitures	4%	4%	4%	4%	4%
Misc - Miscellaneous	4%	4%	4%	4%	4%
TR - Transfers In	5%	5%	5%	5%	5%
OFS - Other Financing Source	0%	0%	0%	0%	0%
PT - Property Taxes \$1.50 per 1,000 add	4,932,528				
PS - Personnel Services	5%	7%	5%	7%	5%
MS - Materials and Services	2%	2%	2%	2%	2%
CO - Capital Outlay	2%	2%	2%	2%	2%
SP - Special Payments	0%	0%	0%	0%	0%
DS - Debt Service	704,242	736,804	770,736	568,680	345,786
TR - Transfers Out	1,526,913	1,600,286	1,514,766	1,550,608	1,587,524
Non-interfund transfer assumption	negative	3%	3%	3%	3%
TR - Transfers Out EmComm+IS	1,126,121	1,159,905	1,194,702	1,230,543	1,267,459
PS - Personnel Services decrease when PERS note matures in FY28				167,344	
M&S adjustment for ARPA project exp gone	2,343,814	500,000			

Baseline budget does not include capital replacement or significant facilities maintenance outlays. Our facilities study of 2019 estimates an average annual maintenance spend of more than \$2 million for facilities alone. Capital outlay in model FY25-29 is for basic Information technology capital maintenance only.

For more details on FY25 assumptions, see "FY2024-25 Steady-state General Fund Budget Estimate from November 2, 2023

McMinnville General Fund Current Revenue to Current Expense Projections Full Permanent Rate of \$5.02 per 1,000



ENTERED INTO THE RECORD
DATE RECEIVED: 11/28/2023
SUBMITTED BY: Terry Brooks & Steve Langer
SUBJECT: Investment Options and Tax
Levy over time

From: llamamini@aol.com
To: [Claudia Cisneros](#)
Subject: Property Tax increase
Date: Tuesday, November 28, 2023 3:42:31 PM

This message originated outside of the City of McMinnville.

We support that it should be mandatory for the city of McMinnville to put before the voter's a public vote in regard to the city wanting to reinstate the \$1.50 /1000 property tax.

This is not the time for this to come about either, when citizens are busy preparing for the holiday season.

Please let it be known that we are opposed to these back door tactics.

Terry Brooks
Steve Langer


Mcminnville, Oregon 97128

ENTERED INTO THE RECORD
DATE RECEIVED: 11/28/2023
SUBMITTED BY: Jennifer Smark
SUBJECT: Investment Options and Property
Tax Levy over time

From: [Paul Smark](#)
To: [Claudia Cisneros](#)
Subject: 11/28 Council Meeting comments
Date: Tuesday, November 28, 2023 5:10:32 PM

This message originated outside of the City of McMinnville.

To whom it may concern

The city council asked the citizens of McMinnville to trust them that we would be allowed input on if, when, and how the \$1.50/\$1000 former fire tax would be reintroduced and spent. The council president implored citizens to not hold the fire department hostage for our distrust of the city council and their spending habits. The citizens came through for the city (some of them against their better judgement) and passed the new fire district. It is time for this council to put its money where its mouth is and put any reinstatement of this tax to a vote of the taxpayers.

Hard to find, cryptic, skewed “polls” taken by a few citizens does not equate to “engaging the public”. If the money is needed for specific projects then make your case, put it to a vote and let those paying the bills make the decision.

Jennifer Smark
McMinnville

Sent from my iPhone

From: [Lindsay Berschauer](#)
To: [Remy Drabkin](#); [Adam Garvin](#)
Cc: [Claudia Cisneros](#)
Subject: Testimony regarding City Property Tax Levy (FY 24-25)
Date: Tuesday, November 28, 2023 5:42:51 PM
Attachments: [Outlook-difpkz3g.png](#)

This message originated outside of the City of McMinnville.

Mayor Drabkin, Council President Garvin,

I understand there is a special budget committee meeting tonight with the expectation that the committee will vote on a recommendation to the council regarding the \$1.50 portion of the city's property tax levy authority.

After reviewing the city council meeting agenda for tonight, it is not clear that the council could be voting on this recommendation. I hope that it would be made clear on the agenda for residents to be able to weigh in, prior to a council vote.

Please consider this my personal testimony regarding this issue.

The potential use of the \$1.50 should be put in front of city voters for approval. Anything short of that is a backdoor property tax increase with very little accountability or transparency for where the money would go and why it is needed.

The "Dollars & Sense Survey" was ineffective and garnered almost no responses. This is not a fair representation of how city taxpayers feel about their taxes going up (again) and by over 8% next year.

Please do not make the same mistake the City of Newberg made in 2017 by attempting to short-cut public buy-in. If your plan for the money is solid, a public vote will support it.

Sincerely,

Lindsay Berschauer
Chair, Yamhill County Board of Commissioners
berschauerl@co.yamhill.or.us
Phone: (503) 434-7501

Remember... **We work FOR YOU!** Stay engaged with latest news, meeting agendas, and links to submit public testimony here: www.co.yamhill.or.us/

