

FY2025-26 Proposed McMinnville Budget Q&A #4

1. Who made the decision and where do I find the details for the refinance of the 2006 bond(s)?

When discussing the sale of the Transportation Bonds the Finance Director (Marcia Baragary) and City Manager (Martha Meeker) discussed with our financial advisors (Western Financial Group) the option of refinance the 2006 Public Safety Civic Building bonds. This would allow for debt service savings. It was also estimated that by including the refinancing of the 2006 bonds while selling the new transportation bonds the city could save approximately \$65,000 in bond issuance costs.

Resolution 2015-8, approved by council January 27, 2015, approved the refinancing of the 2006 bonds.

2. Have alternative options been explored to support sidewalk/street tree replacement program i.e. community partnerships with non-profits or related businesses?

Through our legislative program, the City has submitted the sidewalk/street tree replacement program for federal and state allocations unsuccessfully. The City has also explored applying for State Community Development Block Grant funds to help fund the program. However, it is a low priority for the state CDBG program and the Housing Rehabilitation Grant Program for low and very-low income households was a higher priority. There are some local non-profits that have volunteered to provide the trees for replacement but the City has not been able to find the funds to plant the replacement tree or repair/replace the sidewalk.

3. The Oregon Treasury is showing four outstanding bonds, 2006, 2015 and 2018, is that accurate? Which of the 2006 bonds was refinanced (or perhaps they were refinanced into a consolidation)?

On page 63 of the budget document, you will find the Statement of Bonds and Bank Loans Outstanding. There are currently 3 outstanding bonds, the 2006 Public Safety Civic Building bonds that we refinanced in 2015, the 2015 Transportation Bonds, and the 2018 Transportation Bonds.

GENERAL OBLIGATION BONDS, SERIES 2018	02/28/2018	2019 to 2033
CITY OF MCMINNVILLE, OREGON GENERAL OBLIGATION AND REFUNDING BONDS, SERIES 2015	04/16/2015	2016 to 2030
PUB SAFETY & COURTROOM/CIVIC	11/14/2006	2012 to 2025

4. Can you give me an estimate of the cost of the current bonds

On page 63 of the budget document, the principal and interest payments that will be paid during 2025-2026 are included in the Statement of Bonds and Bank Loans Outstanding. Also, in the budget document on page 442, in the Debt Service fund, the debt payments are provided in detail.

5. Is there a way to consolidate the bonds to save funding?

This would require a review of our current bond documents and would need to be discussed with a financial advisor who could help determine if there would be any cost savings. This is highly unlikely given the current interest rates. If we were to look into it, there would be a long process and it would not impact this budget.

6. Can you please provide descriptions for each of the library positions; librarian, library supervisor, library manager, library assistant, library technician, library specialist? Please also provide data on number of open hours and number of staff over the last ten years.

All of our job descriptions, including the library positions, are available online here: <https://www.governmentjobs.com/careers/Mcminnville/classspecs>

Library FTE and Open Hours Summary		
Fiscal Year ▼	Staff FTE ▼	Open Hours ▼
2016	15.26	45
2017	15.18	45
2018	15.55	45
2019	16.54	50
2020	16.32	50
2021	16.30	35
2022	15.90	35
2023	17.35	44
*2024	17.73	44
**2025	17.19	44
2026	15.22	39
*0.5 FTE paid for with grant funds		
**0.53 FTE paid for with grant funds		

7. What (who) admin is getting paid over-time and for what? Specifically accounts, 7000-20-01-01; 7000-20-01-03; 7000-20-01-13, 7000-20-01-80; 7000-20-20; 7000-75-72. I thought these were salary positions?

Currently, all admin positions with the exception of the Communications and Engagement Manager, are exempt from overtime under the FLSA. Meaning the Communications and Engagement Manager is eligible for overtime. Overtime in last year's budget also included the Deputy City Recorder.

8. Are COLA's required by employee contract or just a leadership preference?

COLA's are not required for any group of employees. However, they are typically negotiated with unions. For non-union employees, it is standard to also provide a COLA. Not doing so has significant long-term impacts including:

- **Reduced Employee Engagement**
 - *When employees see their real wages decline due to inflation while their organization offers no COLA, they often feel:*
 - **Undervalued and unrecognized**, especially if workloads or expectations increase.
 - **Disengaged**, as they lose trust in leadership and perceive a lack of investment in their well-being.
- **Recruitment Challenges**
 - *Without COLAs, salaries fall behind market rates, which results in:*

- **Fewer qualified applicants** apply due to non-competitive compensation.
- **Negative employer brand**, particularly if current or former employees voice dissatisfaction.
- **Increased offer rejection rate**, as candidates choose employers who show stronger commitment to financial fairness and well-being.
- **Decreased Retention**
 - When employees don't receive COLAs they are more likely to:
 - Seek better-pay jobs elsewhere
 - Feel their loyalty is reciprocated, making them want to leave
- **Worsening Inequality**
 - Those at lower income levels are disproportionately affected, potentially widening wage gaps and social inequality.

9. Has it been considered to do COLA's after property tax income is received, i.e. 11/1 or 12/1 versus implementing those on 7/1.

It is possible but adds an administrative burden for little, one-time savings and a portion of the City IS bargained, so we use the same date city wide.

10. I may be misremembering; does the City give any funds to YCAP particularly for the bus service?

I think you may be referring to "YCTA" and not YCAP so will answer this question from that perspective. The city's contribution to Yamhill County Transit Authority (YCTA) is found on page 104 of the budget document. This contribution was not reduced from previous years, but increased by 5% as part of the proposed FY25-26 budget per the City's agreement with the organization. YCTA administers and manages the public transit program in McMinnville, including three fixed-route bus routes, the transit center for connecting to out of City public transit to neighboring communities, Salem and the Metro area, and the dial-a-ride program.

11. Has a local option tax been considered to make improvements to repair deferred maintenance, including to the aquatic center and community centers versus going out for a large replacement bond?

Local option levies count under the property tax caps created by Measures 5 & 50. In McMinnville, that would amount to about \$900,000/year of revenue available through a levy.

Given the previous City Council direction to build one new building at a new location, that isn't enough taxing capacity to fund construction of a new pool/rec

center. City Council as a body could direct staff to look at a different scenario, such as rehabbing existing facilities.

12. Can the "Core Services Needs and Strategic Investments not included in FY 2025-2026 Proposed Budget by updated to reflect CURRENT, actual department needs and investments?

The Core Service Levels documents have been updated to reflect the Adopted FY 2024-25 Budget levels the City is currently operating at, and the new core service level based on the Proposed FY 2025-26 Budget prepared by staff. The column showing "estimate to increase service level" has been removed. Staff has not gone through the exercise to update the estimates.

The updated Core Services Document can be referenced here:

https://www.mcminnvilleoregon.gov/system/temporary/filefield_paths/proposed_fy26_core_service_levels.pdf

13. What awards are under the description of 7660 when awards are listed elsewhere in the PD budget?

I'm assuming this is related to 1-11-043-501-7660 in Field Operations. Awards are the actual physical awards such as medals, pins, and challenge coins to recognize exemplary work, incidents of valor, life saving, and similar circumstances.

14. What recognition or appreciation are PD staff looking for i.e. verbal, awards, etc?

As with all employees, everyone likes to be recognized differently, so it is important to provide recognition in many different ways. When we did the resiliency survey, staff mentioned many ideas, which were summarized as follows:

5. How do you like to be recognized?



- Promotions
- Appreciation from community members
- A simple and timely thank you/recognition
- Public recognition/awards
- Department Recognition/Email
- Social Media
- Money/additional leave

Additionally, staff are looking to have the recognition occur more quickly, or closer in time to the event itself. There have been instances where people were nominated for awards like the Life Saving Award and not recognized or didn't receive any recognition for the event for several months afterwards. The Department is finishing up a change in the award policy that will allow for more timely recognition of exemplary work.

15. On page 210, what is the reason for anticipating that parking fines will go down when there is a dedicated parking enforcement officer? What is the actual amount in for 2024-2025 for parking tickets?

The projection for parking revenues is solely based on staffing. Reduced staffing will cause follow up letters and collection notices to be sent. Parking tickets require a clerk to run DMV reports to identify the registered owner of the vehicle and this will not happen as frequently with reduced staffing.

16. I am surprised that 7610-05, 7630, 7660-05, 7660-15 and 7750-15 have pretty significantly increased. Why have most of these costs increased by an average of 33%.

The first expense, 7610-05, is for liability insurance which we have discussed on multiple occasions as increasing. 7630, 7660-05 and 7660-15 are small M&S (materials and services) accounts that we consider as part of the whole for municipal court. If you look at all M&S for court, with the exception of the court appointed attorney, the increase is 2.8%. 7750-15 is for Court Appointed Attorney

costs. The increase is mainly caused by SB48 overrides resulting in defendants being lodged in Yamhill Co Jail and being offered Court Appointed attorneys.

17. Is there potential for the wages for the new parks and recreation director to be paid less? I assume it will be negotiated but Susan has a significant amount of experience so assuming that someone could meet her level of experience is unlikely.

Wages are paid in accordance with Oregon's Pay Equity law and the city salary schedule. The pay for the new director will be determined based on those two factors, which include an analysis of the individual candidate's experience.

18. \$3,000,000 question.... What is staff's recommendation to avoid continued deficit budget planning?

The Proposed Budget. Months of work have been put into preparing the proposed budget to answer that specific question.

19. Are there loan repayments not mentioned?

The Statement of Bonds and Bank Loans Outstanding is on page 63 in the Proposed Budget. On page 62, Internal Borrowing from the Wastewater Capital Fund and General Fund are discussed.

20. Can you provide the chart of foregone taxing revenue for overlapping taxing districts in the Urban Renewal Area?

The Urban Renewal Agency prepares an Annual Financial Report each year that provides that information. It is on the last page of the report. All of the reports are located on the following website page - [Urban Renewal | McMinnville Oregon](#). Below is the chart of foregone revenue for the fiscal year ending June 30, 2024. This goes through an adoption process with the Urban Renewal Board in January/February and the chart of foregone revenue is noticed in the local paper.

Impact on Taxing Districts

ORS 457.460 (f)

The revenues foregone by local taxing districts due to urban renewal are shown in the table below. This information is from Yamhill County Assessor records, Table 4e.

Once the urban renewal area is terminated, the taxing jurisdictions receive the full permanent rate of taxes. The McMinnville School District 40 and Willamette Regional ESD are funded through the State School Fund on a per pupil allocation. There is no direct impact of urban renewal on their funding. The State School Fund is funded through property tax allocations and other state resources.

Taxing District	Revenue Foregone Permanent Rate
Yamhill County	\$141,190
Yamhill County Extension Service	\$2,398
Yamhill County Soil & Water	\$1,713
McMinnville School District 40	\$227,118
Willamette Regional ESD	\$16,100
City of McMinnville	\$274,846
Chemeketa Library	\$4,455
Chemeketa Community College Before Bonds	\$34,255
TOTAL	\$702,075

21. Can you provide a synopsis (what they are funding) of the Business oregon grants for the Innovation Campus?

The City received two grants for the Innovation Campus project per the following:

- *\$100,000 Strategic Reserve Fund - Development of Master Plan Preferred Scenario.*
- *\$60,000 Special Public Works Fund - Branding and Marketing - Brand development includes name, logo, messaging and brand standards, and website.*

22. How many positions have left and how many have been hired for current year and last couple of years (revolving door)?

Currently our full-time employees have been with the City an average of 9 years.

Our turnover rates for the last five years are as follows:

- *Full-Time Turnover - 5/1/2024 - 4/30/2025 – 11.03%*
- *Full-Time Turnover - 5/1/2023 - 4/30/2024 – 12.95%*
- *Full-Time Turnover - 5/1/2022 - 4/30/2023 – 10.49%*
- *Full-Time Turnover - 5/1/2021 - 4/30/2022 – 16.86%*

- Full-Time Turnover - 5/1/2020 - 4/30/2021 – 8.92%

23. Page 66 references multiple retirement programs. PERS is 21% of our personnel budget. What percentage are the other retirement programs?

PERS is the only retirement program funded by the City. Employees have the option to contribute to other plans, but this is not paid for by the City.

24. What is the goal of the city?

Please reference the City's strategic plan here:

https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/city_administration/page/9441/mcm-strategic_plan-final-2032.pdf

25. Page 237 5380-05 and 5380-10 How does this delineate between SD 40 and Swim Club?

GL 5380-05 is a blend of different rental revenues, including private birthday parties, schools outside of McMinnville who rent the pool for parties, potentially churches, etc. That is typically not swim team rental costs (either club or high school team).

In GL 5380-10, actual FY 2024 revenue is \$24,944. \$19,240 of that came in from the club, \$5,703 came in from MSD.

MSD and the City have a reciprocal use agreement, which means we do not pay rental fees to each other. However, MSD does pay for the lifeguard costs for swim meets.