

**MINUTES OF THE PUBLIC MEETING OF THE
GERVAIS BUDGET COMMITTEE
COUNTY OF MARION, STATE OF OREGON
HELD IN GERVAIS ON MAY 14, 2020**

**NOTE: THIS MEETING WAS HELD VIA ZOOM VIDEOCONFERENCE DUE TO COVID-19 MEETING
RESTRICTIONS**

1. Call to Order:

Mayor Shanti Platt called the meeting to order at 6:35 PM.

2. Roll Call:

Mayor & Council:

Mayor Shanti Platt	Present
Councilor Micky Wagner	Absent
Councilor Baltazar Gonzalez	Present
Council President Michael Gregory	Absent
Councilor Wes Leiva	Absent, excused
Councilor John Harvey	Absent

Budget Committee Members:

Connie Barrera	Present
Andrea Barrera	Present
Diana Bartch	Present
Carmen Leiva	Present
Allen Taylor	Present
Marion Zellner	Present

Staff Present: City Manager Susie Marston, City Recorder Tim Rhyne, Police Chief Mark Chase, Public Works Superintendent John Robinson

3. Announcements:

- a. **Additions/deletions to the agenda – None noted**
- b. **Mayor Platt made a brief announcement about availability of food boxes to those in need during the COVID-19 pandemic.**

4. Elect committee Chair and Vice-Chair

Committee Member Carmen Leiva nominated Allen Taylor for Chair, seconded by Committee Member Connie Barrera. Motion is unanimously carried and so ordered.

Mayor Platt turned the meeting over to Budget Committee Chair Allen Taylor.

Committee Member Andrea Barrera nominated Committee Member Diana Bartch for Vice-Chair, seconded by Committee Member Carmen Leiva. Motion is unanimously carried and so ordered.

5. Budget Message

City Manager Susie Marston reviewed the budget message with the council and budget committee and reviewed various items of note coming in the 2020-21 fiscal year. She stated that this is a proposed budget and reflects the proposed revenues and expenditures for 2020-21. Total budgeted amount for all the funds is \$4,312,269.

One big highlight is that the City recently updated the Water, Wastewater and Stormdrain master plans. These plans provide a timeline and plan for infrastructure improvements which are based on projected growth. These plans also give financial estimates for the work that will be needed. Another accomplishment this past year is the replacement of all the water meters in Gervais. The new meters have an estimated 20-year life and are ultrasonic. The camera security system has been upgraded along with the main Gervais server. Fourth Street was improved this year with approximately half of the cost being funded by grants.

Revenue is typically higher than expected and expenses are usually less than expected. Knowing this, it is desired to maintain the ending fund balance as much as possible. Susie thanked the budget committee and City staff for their help with the budget process.

6. Review and discuss proposed budget for Fiscal Year 2020-21

Susie reviewed the 2020-21 budget document with the council and budget committee and briefly looked at an overall summary of the budget.

General Fund

Susie spoke with the council about property tax revenue and mentioned that Marion County is expecting a 5% increase in property tax which will increase that revenue for Gervais. The Ivy Woods subdivision which is in progress will also increase property tax in future years. Building permit fees of about \$300 per home will be also generated with the coming Ivy Woods subdivision so Susie included some of that revenue in the 2020-21 budget. Another revenue item comes from funding from the Gervais School District (GSD) to compensate for Police presence in the school buildings. That revenue amount is \$25,000 for 2020-21. Susie discussed the goal of hiring a School Resource Officer for the upcoming year. Marion County will be providing \$45,000 to every city for economic development. The \$45,000 will be spread out over a 3-year period. The money can be spent yearly or all in the third year. The Police Department will also be receiving \$4,500 in grant funding for traffic enforcement. In response to a question from Diana Bartch, Chief Chase explained the increase in the fines revenue line item in light of the diversion program. There was brief discussion about the ending fund balance.

Personnel costs include a cost of living adjustment for all employees (except union employees). The adjustment this year is 2.6%. The cost of PERS is increasing in light of requirements coming from HB1049 which will require cities to pay PERS on employees who are already retired in the PERS system. This will increase payroll costs by about \$30,000. The budget includes the cost of a temporary utility worker. This temporary position may be needed with upcoming personnel events. There will be some reduced premiums in workers comp because of some changes to the insurance plan. Because of recent workers compensation claims, the premium amount will be increased this year. Susie spoke about why the personnel services total is different than prior years.

The budget committee, council and staff discussed items such as personnel cost allocation and repair and maintenance costs. There is an increase in the Police Department personnel costs mostly due to the increase in PERS costs for retirees. The rest of the Police budget is similar to last year.

There is an approximate \$10,000 decrease in the Street Department materials and services since those expenses were moved to the State Tax Street Fund. 38:00

The Parks Department budget is unchanged from last year.

The Municipal Court Department has more of the City Clerk personnel costs allocated than last year.

The City Council Department was reduced slightly from last year. This reduction is from a reduced training budget.

There is a \$10,000 contingency in the General Fund. The ending fund balance will be \$26,951.

State Tax Street Fund

The primary revenue in this fund comes from the gas tax apportionment. In light of COVID-19, the revenue is expected to be reduced by about 15%. Other revenue comes from the PGE franchise fees. This fund takes care of expenses related to street projects. It also carries some personnel costs. There is \$560,000 budgeted in case any projects are needed. There was brief discussion about what potential projects are being considered. There are funds budgeted this year in this fund to help purchase a new tractor for Public Works.

Water Fund

The beginning fund balance is lower than last year. The water rates have been increased effective January 1, 2020 which will help bring in more revenue. Personnel costs reflect an increase from a part-time utility worker. Materials and Services are lower due to Master Plan updates being budgeted for in the 2019-20 year. Capital Outlay is also reduced due to fewer planned capital projects. There are no planned Water System Improvements. The total expenses for the Backflow Program are about \$7,800. For Debt Service, there is a payment to the Sewer Fund that customarily came out of the Water SDC Fund. Susie reviewed the transfers for the fund.

Wastewater Fund

The ending fund balance is higher than before. Fee amounts are increased due to rate changes and increased connection fees. Personnel costs are increased due to the part-time utility worker. Materials and Services reduced in light of lower historical spending. There is \$67,000 is budgeted for a new generator at the lagoons. Susie reviewed the fund summary and transfers.

Storm Drain Fund

The beginning fund balance is lower because of the recently completed 4th Street project. Personnel costs are increased from the part-time utility worker. Capital projects are lower since there are no planned projects this year.

Other Funds

Water Reserve Fund – This fund was established in 2015 to assist with capital water system repairs. Funds were used in 2019-20 to offset the costs of the new water meter system. Because of this, \$15,000 was transferred in from the Water Fund. The entire fund balance is set aside for capital repairs.

D.A.R.E. Fund – This fund is used to manage the D.A.R.E. program at the Gervais School District. The money in this budget is largely from donations. Expenses are in support of the D.A.R.E. program and its needs.

Police Vehicle Replacement Fund – There is \$6,000 budgeted to replace a computer in one of the patrol cars. No replacement of a vehicle is planned this year.

Capital Reserve Fund – Susie explained that this fund was created to save funds for capital repairs around the city. The money in this fund comes from the proceeds of the sale of the old city hall building.

Bikepath Construction Fund – This fund collects interest and \$1000 per year to go toward sidewalk improvements in town. There are no plans for expenditures this year.

Park Fund – This fund is closed, but must be shown for three fiscal years. However, revenue from the Ivy Woods Estates of \$71,300 is budgeted. There was a brief discussion about creating a committee for parks and recreation in Gervais.

4th of July Fund – Due to COVID-19 the event and fireworks are being cancelled. The funds will be rolled over to 2021. Mayor Platt discussed the reasoning behind cancelling the events.

Special Events Fund – This event is mainly funded by the community yard sale. However, the yard sale won't be held this year. The bike helmets and car seats are purchased out of this fund.

City SDC Funds – The SDC fees are paid when building new homes. With the upcoming Ivy Woods subdivision, the revenue in this fund has been increased. There was discussion about the projects identified in the Master Plans and how the funds can be used. Money in these funds could potentially be used to help build a new park as long as the project is in line with the

Master Plans. There was a brief discussion about crosswalk improvements in Gervais. Allen Taylor asked about who maintains the sidewalks and John Robinson replied.

Debts Funds – Susie outlined any changes in these funds.

7. Approve Budget

Committee Member Diana Bartch made a motion to approve the 2020-21 budget as proposed, seconded by Committee Member Andrea Barrera. Motion is unanimously carried and so moved.

8. Adjourn

Andrea Barrera made a motion to adjourn the meeting, seconded by Diana Bartch. The Budget Committee Meeting adjourned at 8:10 PM.

I, TIM RHYNE, CITY RECORDER, DO HEREBY CERTIFY THAT THE FORGOING MINUTES OF SAID MEETING OF THE GERVAIS CITY BUDGET COMMITTEE HELD ON MAY 14, 2020 ARE CORRECT AS RECORDED.

ATTESTED:

Shanti Platt, Mayor

Tim Rhyne, City Recorder