

**MINUTES OF THE PUBLIC MEETING OF THE
GERVAIS BUDGET COMMITTEE
COUNTY OF MARION, STATE OF OREGON
HELD IN GERSAIS ON MAY 17, 2018**

1. **Call to Order:** Mayor Shanti Platt called the meeting to order at 7:00 pm.

2. **Roll Call:**

Mayor & Council:

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

Budget Committee Members:

Connie Barrera	Present
Andrea Barrera	Absent
Regine Lovely	Present
Carmen Leiva	Present
Allen Taylor	Absent

Staff Present: City Manager Susie Marston, Police Chief Peter Spirup, Public Works Superintendent Pat Claxton and City Recorder Tim Rhyne.

3. **Announcements:**

a. **Additions/deletions to the agenda**

4. **Elect committee Chair and Vice-Chair**

Mayor Platt nominated Connie Barrera for Chair, seconded by Committee Member Regine Lovely. Motion is unanimously carried and so ordered.

Mayor Platt turned the meeting over to Budget Committee Chair Connie Barrera.

Committee Member Connie Barrera nominated Regine Lovely 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 different items of note coming in the 2018-19 fiscal year. She stated that this is a balanced budget meaning that resources and expenditures for each fund match one other. If resources are greater than expenditures, then the excess is reserved and carried forward to the next fiscal year.

Susie reviewed the property tax for Gervais and stated that tax revenue is expected to increase, mainly due to the Dollar General store. The overall increase in tax revenue is projected to be 9% greater than last fiscal year. This increase partially comes from an increase in construction in Gervais. Susie reviewed personnel costs for Gervais and mentioned that the police officers recently renegotiated their union contract which has an end date of June 30, 2021. With recent changes to insurance plans, Susie stated that an HRA plan is being considered to help compensate the employees for increased out-of-pocket costs. Susie has budgeted \$5,000 to contribute to the HRA plans each year. HRA plans are usually funded by the employer as a benefit to the employee. PERS rates are the same as last year.

Overall expenditures are about the same for 2018-19 as the prior year. Woodburn IT has recently given recommendations for upgrades that are needed in the future with the largest expense being a new server, approximately \$12,000-\$15,000. This budget includes funds to replace the council chambers audio recorder and video recorder system. Office computers are on a rotating replacement schedule. Susie talked about other computer-related changes that are expected.

The white Chevrolet utility truck is scheduled to be replaced at a cost of approximately \$28,000. Two pumps on 4th Street also need to be replaced at a total cost of nearly \$60,000. A rebate may be available offset some of that purchase. Improvements for 6th Street are out for bid, and there is a \$50,000 grant to help with the cost. Susie stated that one of the most important items for this year is to have the utility master plans updated. The total estimated cost to have this done is \$154,000. That cost is included in this budget. This is critical since the master plans outline and allow the use of funds found in the SDC funds. The master plans are done with an estimate of how much the city is expected to grow in the next 20 years.

Mayor Platt commented about the tax revenue increase and asked about the security of the VoIP phone system. There was also a brief discussion about the replacement of the main server and camera system. The Mayor also asked about the cost for the master plan updates and infrastructure expansion if a developer were to come and build a series of new homes. Pat Claxton stated that infrastructure costs for a development are usually the responsibility of the developer. Councilor Gregory asked what drives the permanent tax rate that applies to Gervais. Susie mentioned that Measure 5 is partially what drives the current tax rate. Mayor Platt also gave information about the tax rate in Gervais.

Councilor Leiva asked if the budgeted amount of \$5,000 for the HRA would be enough. Susie answered in the affirmative. There was a short discussion about the total cost for the master

plan updates. Councilor Wagner then asked about the Chevy truck being replaced and how it would be sold. There was a brief discussion about the method it would be sold.

Mayor Platt asked about grant funds for the master plan updates. Susie stated that she is applying for a grant from Marion County that could cover up to \$25,000. Councilor Wagner mentioned a meeting that she and Susie had attended where there was a contact that might give information about help with the cost of the master plan updates. There was a discussion about how often the master plans should be updated and Susie talked about the importance of completing this update.

6. Review and discuss proposed budget for Fiscal Year 2017-18.

Susie reviewed the 2018-19 budget document with the council and budget committee and briefly looked at an overall summary of the budget.

General Fund

There was a quick talk about how long the school district has been supporting the police department with funding.

Susie talked about transfers in and out of the General Fund. A line item for police services has been added to the resources page. Court revenue has increased due mainly to diversion classes implemented by the new judge. There is also a large increase in revenue from Marijuana Tax projected for the 2018-19 year.

The police budget is similar to last year with only slight increases in costs. Electronic equipment and ballistic vest line items have increased because of a need in those areas. Micky asked about funds for the CERT program. There was a short discussion about funds for the CERT program. Mayor Platt talked about the CERT program in Lincoln County.

The Street budget has increased, mainly from the purchase of the new utility truck.

The Parks budget hasn't changed significantly. Councilor Gregory asked about the maintenance required for the parks in Gervais. Pat responded that most of the maintenance is mowing and cleaning up.

The Municipal Court budget is relatively unchanged with only minor increases. The Professional Services line item is increasing due to a rate change for the court translator.

The Mayor and City Council budget is similar to last year with an increase in the Conventions & Training line item.

Susie reviewed the summary page for the General Fund. She quickly noted a transfer out to the 4th of July Fund.

State Tax Street Fund

The largest source of revenue in this fund is the gas tax apportionment which is expected to

increase for the 2018-19 fiscal year. The \$50,000 ODOT grant for 6th Street is listed for the upcoming year. There is also \$15,000 listed in revenues as a potential grant for the speed radar signs. The PGE franchise amount has increased slightly. Mayor Platt stated that PGE might have grant funds available for the city.

Expenditures of note include the 6th Street improvement project, speed bumps on Grove Avenue and speed radar signs. There is a grant that may be available to help with the cost of the radar signs. There was a discussion about the radar signs.

Susie reviewed the transfers in and out for the fund. The council discussed the repaving of Douglas Avenue that was on the radar for Marion County. The estimated cost for the Douglas Avenue improvements would be close to \$1 million.

Water Fund

In overview of the fund, most of the revenue in this fund comes from user fees. In 2013 the council approved a resolution to increase the water rates by 2.5% each year for 5 years. The discussion at that time was to revisit the water rates at the end of 2018. The council and budget committee briefly discussed the water rates. The first loan payment for the new water tank will be paid out of this budget year. There is also a need for new water meters since the current units are beginning to fail. The council and staff discussed the lifespan of the water meters that are being replaced.

Susie made a correction to the available cash on hand for the resources page of the Water Fund. The correct beginning cash balance should be \$30,362. This change is coming from an estimated expense of \$8,750 for painting the fire hydrants. A transfer in is shown to help with the cost of the master plans. There are no major system improvements budgeted for the upcoming year. Councilor Gregory asked about the backflow program and there was a brief discussion about the program.

Wastewater Fund

User fees are the main source of funding for this fund. Key expenses for the 2018-19 fiscal year include a portion of the master plan updates, replacement of the pumps at the 4th Street lift station, a new control panel at the French Prairie lift station as well as a portion of the new utility truck.

Resources included a transfer in from the General Fund. The fund expenses are similar to last year with the exception of the above expenses. Susie reviewed the fund along with the transfers. The ending fund balance is scheduled to be zero, mainly from the cost of the master plan updates. The Mayor directed a question to Susie about the zero ending fund balance.

Storm Drain Fund

As before, this fund is supported mainly by user fees. No major projects are projected with the exception of the 6th Street project in the amount of \$50,000. Resources are similar to last year, as are the expenditures. Master plan updates are included in the Professional Services line item.

Various Other Funds

Water Reserve Fund – This fund is increased by yearly transfers from the General Fund. The total fund balance is budgeted for capital repairs in case anything comes up during the year. Councilor Gregory asked Pat about the water hammer issue at the well.

Police Vehicle Replacement Fund – This fund is also increased by transfers in from the General Fund. Another vehicle will probably be purchased in the 2019-20 budget year.

Bikepath Construction Fund – This fund is maintaining steady.

Park Fund – This fund is closed, but must be shown for three fiscal years.

4th of July Fund – Susie mentioned that \$500 needs to be transferred to this fund to cover costs for items for the kids carnival this year. There was a discussion about the expenses for the kids carnival.

Special Events Fund – This event is mainly funded by the community yard sale. Total budget is \$2,862.

Various SDC Funds – Susie talked briefly about these funds and how the master plan updates will assist in the use of these funds.

Debts Funds – Susie outlined any changes in these funds. Mayor Platt asked about the painting project on the public works building. Susie replied that the funds needed for that project are included in this budget.

7. Approve Budget

Mayor Platt talked about the processes that are in place for spending funds for the 4th of July fund. Susie and the council had a short discussion about the proper way for spending money for the 4th of July events. Mayor Platt thanked Susie for the layout of the budget presentation and made other comments.

Councilor Gregory made a motion to approve the 2018-19 budget with corrections to the Water Fund, 4th of July Fund and General Fund, seconded by Councilor Leiva. Motion is unanimously carried and so moved.

8. Adjourn

The Budget Committee Meeting adjourned at 8:30 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 17, 2018 ARE CORRECT AS RECORDED.

ATTESTED:

Shanti Platt, Mayor

Tim Rhyne, City Recorder

DRAFT