

**MINUTES OF THE PUBLIC MEETING OF THE
GERVAIS BUDGET COMMITTEE
COUNTY OF MARION, STATE OF OREGON
HELD IN GERSAIS ON MAY 16, 2019**

1. Call to Order:

Mayor Shanti Platt called the meeting to order at 6:30 PM.

2. Roll Call:

Mayor & Council:

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

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 Peter Spirup, Police Lieutenant Mark Chase, Public Works Superintendent John Robinson.

3. Announcements:

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

4. Elect committee Chair and Vice-Chair

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

Mayor Platt turned the meeting over to Budget Committee Chair Diana Bartch.

Committee Member Connie Barrera nominated Andrea Barrera 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 2019-20 fiscal year. She stated that this is a balanced budget meaning that resources and expenditures for each fund match one other. Total budgeted amount for all the funds is \$4,029,310.

There is continued new construction in town which in turn increases property tax revenue. A new sub-division is planned for the near future that should be a significant increase in tax revenue. Personnel costs make up the largest portion of the city's budget, but there will be a slight reduction in payroll costs in light of the retirement of several employees. There will be an approximate 2.5% increase in the cost of PERS starting in July. The workers compensation premium will be significantly higher in the upcoming year due to some city-related auto accidents.

With the water meters failing quickly, one large upcoming expense will be to replace the failing water meters. It is also planned to install new siding on the water plant this year and \$25,000 was budgeted to complete that project. While most of the utility master plans are going to be completed this fiscal year, there will be some expenses in the 2019-20 fiscal year to complete the water master plan. A grant was received from ODOT for \$100,000 to help widen and improve 4th Street from Fir Avenue to Ivy Avenue.

6. Review and discuss proposed budget for Fiscal Year 2019-20.

Susie reviewed the 2019-20 budget document with the council and budget committee and briefly looked at an overall summary of the budget.

General Fund

Susie transferred \$50,000 from the General Fund to the Water Fund to help with water meter replacement. There was brief discussion about who will replace the failing water meters. Gervais signed a 3-year contract with the Gervais School District (GSD) to provide police services in the schools. That amount has been increased for each year of the contract (\$25,000 for the 2019-20 year). Court fees have changed since the new municipal judge has implemented a diversion program. The amount of fees that the City keeps has increased dramatically since the program has started.

Personnel Services have been redistributed to more accurately show the costs involved with employee work. The electronic equipment line item amount is increased to cover the cost of a new server and also the security system.

The Police budget is very similar to last year. Mayor Platt asked about officer staffing and potential reserve training. Chief Spirup gave details about officer staffing in the department.

Allen Taylor asked about the increase in the insurance and bonding line item to which Susie responded that it was caused by the increase in the workers compensation insurance. There is also a budgeted amount under the equipment line item to correct some ergonomic issues at the administrative assistant desk in the Police Department.

Carmen Leiva asked about the community outreach line item. Susie replied that it is used for materials that are handed out by the Police Department. There was brief discussion about the server that is being replaced.

Susie decided to move all the personnel services from the Streets Department over to the State Tax Street Fund. Other expenses currently allocated to the Streets Department will also be moved to the State Tax Street Fund.

There are no changes to the Parks Department. Mayor Platt spoke briefly about updates to our parks and about setting aside additional funds for those updates. Diana Bartch asked about why the budgeted amount for utilities is so much higher than actual prior years. Allen Taylor proposed changing the utility amount to \$200 and moving \$750 to equipment for additional park benches.

The monthly stipend for councilors has been increased slightly for the upcoming year. There was a brief discussion about costs of Oregon Mayors Association membership fees. Susie mentioned the different transfers out of the General Fund. Allen Taylor asked about the zero ending fund balance on the General Fund. Susie explained the reasoning behind that amount.

State Tax Street Fund

The major sources of revenue in this fund are the gas tax and the PGE franchise fee. The 4th Street widening project and grant are shown in this fund. Susie talked about some crosswalk updates for the upcoming year. There was some conversation about adding flashing lights to crosswalks by the schools. Susie commented that the \$50,000 she budgeted for the crosswalks should be enough to cover the crosswalk project costs.

Water Fund

In 2013 the council approved a 2.5% water rate increase each year, effective through 2018. Then in 2016 there was a one-time water rate increase. The water master plan should be completed in July 2019 which will give insight into the water rates and if they should be increased further. The water treatment plant will have new siding installed in the 2019-20 fiscal year. There was brief discussion about the cost of painting the plant versus replacing the siding. John Robinson stated that he thought it would be more cost effective to replace the siding rather than painting the existing siding.

Susie discussed the changes in budgeted personnel costs. There was \$132,000 budgeted to replace the aging water meters in town. The second payment for the refurbished water tank will be paid December 2019.

Wastewater Fund

The master plan updates will likely include a rate increase for the wastewater fund. The cost of a new utility tractor is split among the water, wastewater and street funds. Mayor Platt asked about the increase in I&I (inflow and infiltration) line item costs. John explained the process behind the work and replied that the costs for I&I are increasing.

Storm Drain Fund

This fund is funded by user fees. No other discussion was noted.

Other Funds

Water Reserve Fund – This fund was established in 2015 to assist with capital water system repairs. The entire fund balance is set aside for capital repairs.

Police Vehicle Replacement Fund – Two vehicles were recently totaled so there have been significant expenditures in this fund.

Capital Reserve Fund – Susie explained that this fund was created to save funds for capital repairs around the city. There was a short discussion about the use of the old city hall building.

Bikepath Construction Fund – This fund collects interest and \$1000 per year to go toward sidewalk improvements in town.

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

4th of July Fund – Susie and the others discussed the funding of the annual event and its location.

Special Events Fund – This event is mainly funded by the community yard sale. The bike helmets and car seats are purchased out of this fund.

City SDC Funds – The SDC fees are paid when building new homes. Susie estimated there will be three new homes built this fiscal year. There was a brief discussion about the upcoming proposed subdivision near 8th Street.

Debts Funds – Susie outlined any changes in these funds.

7. Approve Budget

Committee Member Allen Taylor made a motion to approve the 2019-20 budget with corrections to the Park Fund to change utilities to \$200 and the equipment to \$750, seconded by Committee Member Andrea Barrera. Motion is unanimously carried and so moved.

8. Adjourn

The Budget Committee Meeting adjourned at 8:32 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