

CITY of LA GRANDE

Budget Committee Regular Session

Immediately Following Urban Renewal District Budget Committee Meeting

Wednesday, June 1, 2022

AGENDA

The meeting will be available for viewing via the City's scheduled Charter Communications channel 180 that will begin at 6:00 p.m. on June 1, 2022, on the La Grande Alive website at <https://eoalive.tv/city-events/> or on the Eastern Oregon Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

1. ROLL CALL

- a. Call to Order
- c. Roll Call

- Per ORS 192.670(1), members of the Budget Committee may be participating in this meeting by electronic communication.

2. AGENDA APPROVAL

Announce that this meeting of the City of La Grande Budget Committee is for the sole purpose of approving the Minutes from the May 16 and 17, 2022, City General, Enterprise and Other Funds Budget Hearing.

3. CONSENT AGENDA

The Consent Agenda includes routine items of business which may be approved by one Motion of the Committee.

- a. Consider: Approving City General, Enterprise and Other Funds Budget Hearing Minutes; May 16 and May 17, 2022

4. ADJOURN TO URBAN RENEWAL AGENCY REGULAR SESSION

Stacey M. Stockhoff
Acting City Recorder

CITY of LA GRANDE

BUDGET COMMITTEE ACTION FORM

Council Meeting Date: June 1, 2022

PRESENTER: Robert A. Strobe, City Manager

COUNCIL ACTION: CONSIDER CONSENT AGENDA

1. MAYOR: Request Staff Report

2. MAYOR: Entertain Motion

Suggested Motion: I move we accept the Consent Agenda as presented.

OR

Suggested Motion: I move we accept the Consent Agenda as amended.

3. MAYOR: Invite Council Discussion

4. MAYOR: Ask for the Vote

EXPLANATION: A Consent Agenda includes routine items of business with limited public interest, which may be approved by one Motion of the Council. Any Councilor may, by request, remove any item of business from the Consent Agenda.

a. Consider: **Approving City General, Enterprise and Other Funds Budget Hearing Minutes; May 16 and May 17, 2022**

Reviewed By: (Initial)

City Manager _____
City Recorder _____
Aquatics Division _____
Building Department _____
ED Department _____
Finance _____
Fire Department _____

Human Resources Dept _____
Library _____
Parks Department _____
Planning Department _____
Police Department _____
Public Works Department _____

COUNCIL ACTION (Office Use Only)

Motion Passed
 Motion Failed; _____
 Action Tabled: _____
Vote: _____
 Resolution Passed
Effective Date: _____
 Ordinance Adopted
First Reading: _____
Second Reading: _____
Effective Date: _____

CITY OF LA GRANDE

Budget Committee Meeting

May 16 & May 17, 2022

6:00 PM

Colleen F. Johnson Community Room
F. Maxine and Thomas W. Cook Memorial Library
2006 North Fourth Street

The meeting was available for viewing via the City's scheduled Charter Communications channel 180, on the La Grande Alive website at <https://eoalive.tv/city-events/> and on the Eastern Oregon Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

Monday, May 16, 2022

MINUTES

MEMBERS PRESENT

Stephen E. Clements, Mayor
Gary Lillard, Mayor Pro Tem
John Bozarth, Councilor
David Glabe, Councilor (arrived at 7:14 p.m.)
Nicole Howard, Councilor
Mary Ann Miesner, Councilor
Justin Rock, Councilor

ABSENT/EXCUSED

Greg Ammer
Mat Barber
Cori Brewster
Corrine Dutto
Max Koltuv
Scott McConnell
Joyah Wong

STAFF PRESENT

Gary Bell, Police Chief
Lyle Bridge, WWTP/Sewer Superintendent
Josie Boyk, Public Works Admin. Assistant
Kyle Carpenter, Public Works Director
Jake Dixon, Water Superintendent
Carla Greenough, Police Admin. Assistant
Rob Harnack, Senior Accountant
Cari Markham, Human Resource Specialist
McKayla Rollins, Aquatics Superintendent
Robert Strope, City Manager/District Manager

Timothy Bishop, Economic Development Director
Michael Boquist, Community Development Director
Carrie Bushman, Interim Library Director
Emmitt Cornford, Fire Chief
Joe Fisher, Building Official
Ronda Griffin, Communications Manager
Jason Hays, Police Lieutenant
Heather Rajkovich, Finance Director
Stacey Stockhoff, Acting City Recorder
Ryan Tsiatsos, Street Superintendent

ROLL CALL

Mayor CLEMENTS called the meeting of the City of La Grande Budget Committee to order at 6:34 p.m. Roll Call was taken and a quorum was determined to be present.

AGENDA APPROVAL

There were no additions or changes to the Agenda.

DECLARATIONS

Justin ROCK declared a potential conflict of interest because the City of La Grande has had, and may have again, competitively awarded contracts for towing services which might have included a business in which he has an interest that could receive payments from the City of La Grande's

General Fund Budget or other City Budgets. ROCK does not believe this potential conflict of interest would influence his decisions regarding the City's budgets and that he could remain impartial; therefore, he would be participating in the discussion and voting on the budgets.

Scott MCCONNELL declared an actual conflict of interest related to the City's General Fund Budget and stated that he had a relative who was an employee of the City of La Grande, who received salaries and benefits from the Library Department. Based on this actual conflict, he was not going to participate in the discussion or vote on any elements of the City's General Fund Budget.

**NOMINATION OF CHAIR
AND VICE CHAIR**

Mat BARBER was elected to serve as Chair;
Greg AMMER as Vice Chair.

Chair BARBER opened the Budget Hearings on the Proposed Budgets and State Revenue Sharing at 6:37 p.m.

Chair BARBER announced that Public Testimony would be accepted on Tuesday, May 17, 2022, and asked the Budget Officer for the Budget Message.

BUDGET MESSAGE

Robert A. STROPE, Budget Officer

Since the start of the COVID-19 pandemic in 2020, STROPE stated that City Staff has done an exceptional job providing services in La Grande. As we emerge from the restrictions of COVID-19, we are facing new challenges with rising inflation, higher fuel costs, and supply chain issues. In an effort to maximize our resources, while remaining balanced in terms of services and economic development efforts, the City Council again reinforced the desire to act upon the recommendations of the Fiscal Committee. These include not reducing service/staffing levels and seeking to increase revenues in the General Fund. The proposed General Fund budget reflected this intent as it relates to the programs and staffing as well as the Urban Renewal under levy which would provide an estimated \$357,754 of additional revenues without impacting our core economic development programs.

STROPE noted that the Proposed Budget for the 2022-23 Fiscal Year for the City of La Grande generally maintains the staffing levels provided last fiscal year except as noted under the Executive Summary. The Proposed Budget included a total of

133.45 Full Time Equivalent (FTE) employees based on a 2088-hour year, of which 113 are full-time employees. For the General Fund, the budget reflected a higher level of expenditures than anticipated revenues, which was consistent with our projections through 2023 that were discussed with the City Council and Budget Committee at a Work Session in April, 2019. There continues to be more capital and maintenance needs than the City can meet with our existing resources and are using cash on hand to bridge this gap between revenues and expenses to maintain services as well as purchase much needed capital items such as a new ambulance.

When the FY 2021-22 Budget was adopted, STROPE added that it included a beginning cash estimated balance of \$4,884,501 and a budgeted ending cash balance of \$3,442,125 which included contingency and reserved for future expenditures. Through a combination of conservative revenue estimates, and a variety of factors that resulted in lower expenditures than budgeted the previous year, the beginning General Fund cash on hand for FY 2021-22 was actually \$5,756,778. This amount included carried forward funds that have been previously committed and the remainder were one-time funds that can be used to address budget requirements but should not be considered for continuing money expenditures. Regarding the unanticipated increase in cash balance, it was determined that \$464,255 was funding that was not dedicated for projects and can be used for any purpose. The City Council passed a Resolution that established a fiscal policy that dedicated 50% of these unrestricted, unanticipated increases in cash to the General Reserve Fund for capital projects and 25% of these funds to other capital needs. The Proposed Budget included designating the remaining 25% of these funds to be used for Street and Road Infrastructure. This would require a change to the Fund Balance Classification Policy contained in Resolution 4781, Series 2019. The Proposed Budget also included allocating 100% of the estimated increase in General Fund revenues from an Urban Renewal Under Levy to also be used for Streets. In addition to the budget priorities and constraints related to our available resources, the goal was to maintain sufficient ending cash balances to allow the City's funds, the General Fund most notably, to enable the City to meet all operating expenses without the need for short-term borrowing from other funds. For the General Fund, this amount was between \$1.5 and \$1.7 million annually, given the operating expenses and the timing of the first receipt of property taxes each fall.

STROPE stated that the City's Proposed FY 2022-23 General Fund budget estimated revenues of \$12,728,173 including transfers in, compared to \$16,243,537 of estimated expenditures, for a net deficit of \$3,515,364. Labor costs in the General Fund account for the vast majority of the total expenditures (67.84 % excluding the \$3,022,172 of ARPA funds), which would not change given the makeup of the organization. The plan was to address the \$3.5 million deficit by using fund balance as recommended by the Fiscal Committee to avoid service cuts. The resulting General Fund ending fund balance would be \$3,594,541 which included \$750,000 of contingency funds and \$750,000 reserved for future expenditures. The amount shown on the reserved for future expenditures line can only be accessed through a supplemental budgeting process, which was not anticipated. Contingency funds could only be accessed by Council Resolution.

There was \$3,022,172 of Federal funds from the American Rescue Plan Act of 2021 (ARPA) in the Proposed Budget. (Received \$1,511,936 in FY 2021-22 and will receive remaining \$1,511,086 in FY 2022-23). The restrictions on the use of these funds initially required they be used for wage premiums, revenue replacement, water and wastewater infrastructure projects, pandemic response, and/or broadband projects. Recently, the Federal rules were modified to allow cities to declare a standard deduction of revenue replacement of up to \$10 million of the total funds allocated. Declaring this standard deduction as revenue replacement would allow the City to use the full \$3.02 million of ARPA funding for a much wider range of governmental uses. The City Council would ultimately determine the specific uses of these funds.

EXECUTIVE SUMMARY—ALL FUNDS - (includes Urban Renewal) Compares Proposed FY 2022-23 Budget (PROPOSED) to the Adopted FY 2021-22 Budget (CURRENT):

- **SERVICE LEVELS** – Staffing levels remain essentially the same other than the addition of an Assistant Fire Chief and three grant-funded firefighters (grant period FY 2022-23 through FY 2025-26).
- **LABOR COSTS** – Proposed \$13,013,675 across all funds, as compared to \$12,284,830 CURRENT, an increase of 5.93%.

- **MATERIALS AND SERVICES** – Proposed \$12,409,553 as compared to \$10,924,996 CURRENT, an increase of 13.59%.
- **CAPITAL OUTLAY** – Proposed \$10,702,066 as compared to \$8,668,953 Current, an increase of 23.45%.
- **PROPOSED General Fund Capital Outlay** including transfers to the General Reserve total \$801,025 and includes Municipal Court software upgrade, two new police patrol vehicles, a Code Enforcement vehicle, a new ambulance, and Parks Department vehicle. This total is up from \$404,800 Current. (The \$801,025 includes \$275,025 of carried over funds for vehicle purchases)
- **DEBT** –The CWSRF (Sewer Loan) was paid in full in July 2019.

AMMER asked for clarification on the beginning cash figures stating they did not match the audit numbers, to which STROPE stated he would provide him a detailed answer at the meeting on Tuesday, May 17, 2022, if he would like.

AMMER asked why the proposed resources for FY 2022-23 were up by 26.68% compared to FY 2021-22, to which STROPE answered the increase was spread across several funds and it could be explained further as they continued through the budget presentation.

BUDGET REVIEW

STROPE briefly reviewed each fund, noting any major increases or decreases of either \$5,000 or ten percent (10%) which ever was greater, in each. The estimated amounts shown for the current fiscal year reflect the Staff's projections through the remainder of the Fiscal Year. Labor cost in the General Fund accounted for the vast majority of the total expenditures in that Fund.

STROPE provided the Budget Committee with an overview of the Proposed Budget as follows:

GENERAL FUND:

The overall Budget for the General Fund has not changed significantly; however, the following changes in revenues are reflected in the Proposed Budget:

- **Interest:** Decreased as interest rates continue to decline.
- **Admin & Overhead – Trans in:** This number fluctuates each year as actual expenses in the administrative divisions charged out changes annually in addition to time spent by each

division performing specific work for other funds.

- Hotel-Motel Taxes: Increased as there has been an increase in new Air BnB's.
- Hotel-Motel Tax – Union County: Increased as there has been an increase in new Air BnB's.

GENERAL FUND CONTINGENCY, RESERVE FOR FUTURE EXPENDITURE & UNAPPROPRIATED BALANCE: Objective: The City targets a minimum cash carryover of \$1.5 million - \$1.7 million to cover operating costs from the beginning of the fiscal year until the receipt of the property tax revenues without the need to borrow funds. This amount is reflected as the unappropriated ending fund balance. As the operating budget changes, this figure will also change.

The overall Proposed Budget for the General Fund Contingency, Reserve for Future Expenditure and Unappropriated Balance has not changed significantly. The City Manager and the Management Team have prepared the City's 2022-23 Proposed Budget with \$750,000 in Operating Contingencies, \$750,000 in Reserved for future expenditures with an Unappropriated Ending Fund Balance of \$2,094,541.

A discussion was held regarding how ROW License Fees and Franchise Fees were accounted for starting in year 2020, to which STROPE referenced the memo dated May 13, 2022, *Budget Questions and Answers*, where the answers to this question was broken out in detail. This memo was provided to each of the Budget Committee Members prior to the meeting as well as posted on the City website for reference; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.

(Note: Councilor GLABE joined the meeting at 7:14 p.m.)

In response to KOLTUV's comment regarding the revenue collected from taxes on the Air BnB's, STROPE confirmed that the only revenue collection showing on this budget document was for Air BnB's located within the city limits.

MIESNER asked what was collected in the *Planning Fees* line, to which STROPE answered that the Conditional Use Permit fees would be an example of what was in that line item.

In response to MIESNER's question regarding the *Parking Permit* line, RAJKOVICH explained that the estimated number was much higher because after discovering an agreement between the City and NK West, that pertained to the parking and the parking easement, it was found that the owner was supposed to be paying the City on an annual basis for parking. Since that did not happen annually, a settlement was made and that was why it was showing in FY 2021-2022 in the estimated column with a higher amount.

CITY COUNCIL/CITY MANAGER:

Council and City Manager Goals for 2022 – 2023:

- **American Rescue Plan Act (ARPA) Funding:** Develop a recommendation list of potential uses and/or projects for the City's ARPA funds to maximize the use of the funds for City Council consideration.
- **Street and Road Infrastructure:** Develop recommendations for a long-term strategy to address the condition of the infrastructure to include potential funding options for City Council consideration with the intent of implementing the strategy upon approval.
- **Housing:** Implement the Comprehensive Housing Productions Strategy (HPS) as adopted by the City Council.
- **Economic Development:** Continue to implement the Urban Renewal Plan and economic development strategy as approved by the City Council/Urban Renewal Agency.
- **Staffing:** Take necessary actions to address critical staffing issues including, but not limited to, hard to fill positions and succession planning for key positions.
- **Fiscal Management:** Continue to manage the City's finances within limited resources to provide highest possible level of services to the City of La Grande.
- **General Fund Capital Improvements:** Identify funding sources and strategy to address major capital needs.
- **FEMA Maps and Land Use Code Amendments:** Complete the submittal to FEMA requesting the City's Floodplain Maps be updated and respond to any requirements as needed throughout the process. Complete the revisions and adoption of the City's Land Use Codes as necessary.
- **Wildland Urban Interface:** In concert with Union County and other agencies, take actions to assure La Grande is prepared in the event of a wildfire or other natural disaster, such as the

ones that devastated other communities in Oregon in 2020.

Proposed changes City Council, City Manager, and Personnel:

- Legal - Increased due to labor negotiations.
- Computer System Maintenance/Repair: Decreased by \$25,642 IMESD IT services additional day now distributed to all departments.
- Computer System Maintenance Agreements - Increased by \$5,364 for Civicplus and Municode's annual service fees.
- Professional Services - (CMO) - Decreased due to completion of Website. (PSNL) Decreased due to completion of the compensation study.
- TRT allocations - \$143,796 for Parks-Tourism Facilities and \$82,654 Chamber for Tourism Promotion. A review of prior years' TRT revenues expended for tourism related facilities and/or tourism promotion from FY 2017-18 thru FY 2020-21 reflects the City has expended more than is required by ORS requirements and therefore we do not have any unexpended required amount remaining.
- Nuisance Abatement - Increased to \$25,000 to reflect potential for demolition of nuisance properties which may become necessary.
- COVID-19 - Removed COVID-19 support related expenses
- ARPA Funding - \$3,022,172 to reflect the full amount of funding. Specific uses shall be determined by the City Council.
- Animal Control - Increased contribution to \$30,000.
- General Fund transfers to General Reserve for capital projects total \$328,128: Building Maintenance \$8,000; Police \$3,000 for fleet replacement in parking; Fire \$50,000 for future ambulance; Aquatics \$10,000 future pool boiler; Recreation \$20,000 for future fleet replacement; Library \$5,000 for future HVAC units; and \$232,128 of unanticipated increase in General Fund cash capital. An additional \$473,818 transfer to the Street and Road Reserve Fund is proposed using revenues from URA Under Levy and unanticipated increase in General Fund cash.

AMMER asked what has been done to control costs, to which STROPE stated there were several things that he could reference to across the entire City budget during his tenure including addressing the gap between revenues and expenditures by

reducing library hours and pool hours; eliminated positions in certain departments; negotiated wage freezes with bargaining groups; and changed the health care benefits provided to City employees, to name a few. By making these changes already, they have significantly impacted the overall costs that have been incurred. The City was also currently undergoing a Salary Compensation Study with the Management Group and would be undergoing labor negotiations with the other bargaining groups soon.

A discussion was held regarding the number of employees that the City employed and the process of adding certain positions within a department.

FINANCE AND MUNICIPAL COURT: Objective: Continue to stay up to date and knowledgeable about our financial software system. Provide staff support with reports and financial information to City Departments. Prepare budget documents for budget hearings and adoption and compile all information and reports for audit.

- Professional Services & Fees - Increased due to more participation in electronic payments resulting in increased processing fees.
- Computer System (s/h) - Increased for computer switch upgrade.
- Equipment & Improvements - Increased due to a required upgrade of the Municipal Court software.

AMMER asked what has been done to control costs, to which RAJKOVICH explained that the Finance Department started outsourcing the utility billing which cut labor costs in the office by reducing the hours for one of the positions from full time to part time, as well as reduce the expenses for postage and materials. The cost for outsourcing was not a huge difference compared to doing the billing in-house, but by utilizing the other company for billing, the statements were being mailed out quicker and they were bigger, allowing more room for account detail and messages to the customer.

Mayor CLEMENTS asked if a person used their credit card to pay for their water and sewer account, does the City get charged a fee, to which RAJKOVICH stated yes. Those fees were reflected under the *Professional Services* line.

POLICE DEPARTMENT: Objective: Recruitment and retention of staff, as we have lost several police officers to retirement in the last several years.

- Personnel - Decreased due to retirements, medical insurance and workers comp savings.
- Legal - Increased due to labor negotiations.
- Moving, Towing & Storage - Increased for RV towing in Parking/Code Enforcement budget.
- Computer Systems Maintenance Agreements - Decreased as a result of new cost distribution formula, based on actual usage of services.
- Fuel - Increased to cover higher fuel costs.
- Small Tools & Equipment - Increased by \$5,000 last year to begin 3-year phased replacement of officers' portable radios that are over 11 years old. Supply shortages/delays prevented the acquisition of the new radios in FY 2021-22. This budget reflects a carryover of the \$5,000 from FY 2021-22 and an additional \$5,000 this FY 2022-23.
- Capital Outlay - Supply shortages/delays prevented the acquisition of a new patrol vehicle for fleet rotation in FY 2021-22. This budget reflects a carryover of the \$52,025 (as the vehicle is still on order) and an additional \$99,832 (\$59,832 for new patrol vehicle for fleet rotation and \$40,000 to replace 1999 Ford Ranger utility pickup that is at the end of its service life).
- Included with this budget but not shown here is \$3,000 into General Reserves for a replacement parking enforcement vehicle. This transfer is in the City Council/City Manager Budget.

AMMER asked what has been done to control costs, to which Chief BELL stated that the Police Department subscribed to an on-line training program. Though there was an annual cost, it was significantly lower than sending officers out of town for training. He also noted that in the *Materials and Services* line, they would make decisions based on needs of the City, not wants of the City.

AMMER asked if BELL had ever performed an analysis on leasing vehicles compared to purchasing vehicles for the Police Department, to which BELL stated that he has before, just not in this past year. He also stated that even though other entities leased vehicles, he has found that purchasing over leasing worked better for the City's Police Department.

A discussion was held regarding staffing levels, recruitment challenges, hiring incentive offered to experienced officers, and wage scales compared to other entities.

FIRE AND EMS DEPARTMENT: Objective: Continue to deliver high quality fire and EMS services to our citizens. Maintain a high level of preparedness through training in all appropriate fire and EMS fields. Providing for the safety of our members with updated tools and training. Increase paramedic staffing by making available an online training program. Continue to improve department training facilities. Solicit college student involvement in the department by engaging in a resident student program. Increase line staffing to allow for more efficient and effective emergency response. Adding an Assistant Chief position to aide in succession planning along with improving the training and inspection programs.

- Salaries - Increased due to three additional grant funded career firefighters and assistant chief.
- Salaries Part-time- Decreased due to the elimination of the part-time firefighter position but retaining EMT casuals.
- Legal - Increased due to labor negotiations.
- Training, Travel and Meeting Expense - Decreased for the partial completion of training facility and props improvements. As well as the need to not provide some trainings as they are bi-annually required.
- Professional Services & Fees - Increased for recruitment of an assistant fire chief.
- Fleet Maintenance - Increased due to the retirement of a career firefighter that handled most of the departments fleet issues in-house.
- Fuel - Increased due to increase in fuel costs.
- Capital Equipment - Supply shortage has prevented the acquisition of a new ambulance in FY 2021-22. This budget reflects a carryover of \$195,000 for the ambulance.
- Included with this budget but not show here is \$50,000 into General Reserves for the future purchase of an ambulance. This transfer is in the City Council/City Manager budget.

A discussion was held regarding the *Capital Equipment* budget showing a carryover of \$195,000 for an ambulance purchase and why the Fire Department also budgeted \$50,000 into General Reserves for the future purchase of an ambulance.

In response to KOLTUV's question regarding the three (3) firefighters that were grant funded, Chief CORNFORD stated that the grant covered all personnel costs for three (3) years and was hopeful that by increasing revenue, they would be able to keep the firefighters staffed after the grant funds

expired. He also explained some of the things that the Fire Department has done to help with controlling costs within the department; increased ambulance rates; changed outsourced provider used for billing; applied for several different grants to help purchase equipment, to name a few.

A discussion was held regarding the benefits of hiring an Assistant Fire Chief.

In response to AMMER's question, CORNFORD stated that compared to Baker City's Fire Department, he felt that the revenues compared to expenditures looked good. He also added that having the ambulance service helped supplement the fire service.

In response to MIESNER's question regarding the grant for the three (3) firefighters, CORNFORD clarified that they have applied for the grant and were waiting for the results. A discussion was held regarding staffing levels.

In response to DUTTO's request for clarification on the *Training, Travel, and Meeting Expense* line, CORNFORD explained that the \$45,000 in the proposed line was typical. This line would cover training costs for online paramedic school, travel for out of state training, training facility improvements, and a student tuition reimbursement program.

PARKS: Objectives: Install restroom building at Morgan Lake. Purchase a 3/4 ton pick-up, plow and backhoe attachment. Complete the Riverside Greenway Trail loop expansion project.

- Capital Outlay - Includes \$28,000 carry over from FY 2021-22 for new 3/4 ton pickup that was unavailable due to supply chain issues, a v-plow for pickup (snow removal), and backhoe attachment for tractor.

A discussion was held regarding the budgeted amount in the *Capital Overlay* line for a new 3/4 ton pickup to be used for the Parks Department and what the pickup would be used for, to which STROPE referenced the memo dated May 10, 2022, *Budget Questions and Answers*, where the answers to this question was broken out in detail. This document was provided to each of the Budget Committee Members prior to the meeting as well as posted on the City website for reference; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.

AQUATICS: Objectives: Retail expansion, Launch new Jr. Lifeguard program and expand pool event offerings.

- Salaries - Decreased due to the Aquatics/Recreation Superintendent position getting split between Aquatics and Recreation budgets.
- Professional Services and Fees - Decreased by \$9,000. Of which \$8,000 of that is being moved to Facilities Repair (633500). Electrician and plumbing contractors will be paid from Facilities Repair from now on.
- Included with this budget but not shown here is \$10,000 into General Reserves for future pool boiler replacement as requested by the Parks Commission. This transfer is in the City Council/City Manager Budget.

RECREATION: Objectives: Develop a standard program evaluation tool to improve future program offerings. Develop youth, teen and family excursion programming.

- Other Rentals - Decreased by \$8,700 due to After School program rent being waived by the School District.
- Departmental Supplies - Increased \$8,800 for youth/teen program expansion in Master Plan and more community event offerings.
- Included with this budget but not shown here is \$20,000 into General Reserves for future purchase of recreation van/bus as requested by the Parks Commission. This transfer is in the City Council/City Manager Budget.

DUTTO asked if the revenue covered the cost from the After School Program, to which ROLLINS answered yes, and explained how community partnerships were helping with expenses.

URBAN FORESTRY: Objectives: Provide education and support to the community regarding trees and urban forestry including pruning and removals. Increase the density and diversity of the urban forest with the goal of planting a minimum of 100 shade trees annually. Maintain Tree City USA status and coordinate Arbor Day events. Recognize exceptional landscaping efforts with seasonal awards through the Beautification Awards Program. Encourage community support through the Memorial Tree and Sponsor a Tree programs and volunteer opportunities.

Revenue in support of the Urban Forestry Program includes: Street and Roads, \$45,511; Urban Renewal Program, \$5,000; and other fees and charges.

(Editorial note: due to a scheduling issue, the Budget Committee reviewed the Building Inspections and Building Inspections Reserve Fund Proposed Budgets which are Enterprise Funds before continuing with the City's General Fund to accommodate the Building Official)

BUILDING INSPECTIONS: Objectives: Provide fast response; provide fair treatment; provide friendly service; provide flexible solutions. We are committed to seeking methods by which we could improve our processes and services. We will continue to staff and provide a full-service, professional Building Safety Division to our community. The Building Safety Division is committed to effective and efficient operation receiving 100% of its support from the collection of permit fees.

- Computer System Maintenance and Repair - Increased as a result of new cost distribution formula, based on actual usage.

AMMER commented that he did not agree with leaving \$1.6 million in Unappropriated Ending Fund Balance and suggested reducing fees to lower the cash balance to around \$300,000, to which FISHER stated those fees were only to be used for the administration and enforcement of the building inspection program. (Editorial note: See document dated May 10, 2022, *Budget Questions and Answers*, where the answers to this question was broken out in detail. This document was provided to each of the Budget Committee Members prior to the meeting as well as posted on the City website for reference; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.)

A discussion was held regarding the Plumbing Inspector position. FISHER explained that the Plumbing Inspector was currently cross training to be able to do any residential inspection and was working towards receiving commercial certifications where he could inspect commercial and mechanical jobs.

LILLARD asked how the fees compared to other cities of similar size, to which FISHER stated they were very comparable. The Oregon Building

Officials Association was currently evaluating fees for comparison between jurisdictions. In the last two (2) years, there have been approximately twenty (20) other jurisdictions that have increased their fees. The last increase in the City's Building Department was in year 2010.

BOZARTH also felt that having \$1.6 million sitting in reserve was too much, to which a discussion was held regarding the options to lower the fees or maintaining the fees. STROPE stated that if the City adjusted the fees, the County Commissioners would also have to agree with the fee structure which could be a challenge. After further discussion regarding the money in the \$1.6 million in Unappropriated Ending Fund Balance, it was suggested that this should be a discussion of the Council at a later date.

A discussion was held regarding the three (3) permit lines listed under Resources.

BUILDING INSPECTION RESERVE FUND: Objective: Expenditures from the Building Inspection Reserve Fund are for capital expenditures that will be determined each year through the budget process and the needs that arise.

(Councilor HOWARD left the meeting at 8:12 p.m.)

LIBRARY: Objective: Provide full 21st Century library services to the residents of La Grande.

- Computer System Maintenance and Repair - Increased as a result of a new cost distribution formula, based on actual usage of services.
- Facilities Repair - Increased \$8,000 for the installation of new automatic flushing toilets/urinals in the library building and to install a second water bottle filling station.
- Included with this budget but not shown here is \$5,000 into General Reserves for the future replacement of the HVAC system. This transfer is in the City Council/City Manager Budget.

In response to AMMER's question, BUSHMAN answered that she would estimate around 6,000 to 7,000 patrons per month were visiting the Library.

AMMER asked what has been done to control costs, to which BUSHMAN stated there was a small decrease in materials since they stopped mailing overdue notices to patrons.

KOLTUV commented that he liked how the Library section showed fun facts and statistics on their *Mission and Overview* section and suggested that the other departments think about adding more to their sections in the future. He felt it would help answer some of the questions in regards to the efficiency of each department.

PLANNING: Objectives: Continue to work with the City Manager and other City Departments toward the accomplishment of the City Council Goals. In FY 2022-23, the Planning Department will continue pursuing the completion of floodplain map amendments and working towards adopting and implementing Housing Production Strategies as required in Oregon HB2003 which supports the City's recently adopted Housing Needs Analysis.

- Consultants - Increased for the Goal 9 economic needs analysis per Council's direction for the Economic Development Strategy. Total cost of the project is \$65,000. \$50,000 is in the Planning Department budget and \$15,000 in the Economic Development budget. A significant amount of our existing commercial space is in the District, and is part of the project and therefore warrants some level of participation by the Agency.

AMMER asked why the City would not allow a beer bottling company to locate in a location on Jefferson Street, to which BOQUIST explained that because of the nature of the business, it did not fit within the criterion of the zoning codes. He added that Economic Development Director BISHOP and himself were currently looking at ways to reevaluate the current zoning codes.

LILLARD asked how much the criterion was controlled by the State, to which BOQUIST stated that the City established the land use rules. Currently, the Planning Commission was working on updating the land use rules and they were hopeful to bring to the City Council in late Fall during a Work Session to discuss further.

DUTTO asked if there could be any sort of lawsuit filed against the City or the business owner if the rules were not followed, for example: allowing an industrial business to locate within a commercial zone, to which BOQUIST stated potentially, if the City was not enforcing the Code. There would also be consequences for the business for not following the Code.

BUILDING MAINTENANCE: Objectives: Preventative maintenance is a program of scheduled work to extend the serviceable life of equipment and systems, reduce downtime due to failure incidents, and reduce cost of routine maintenance. This includes inspection, lubricating, adjustments, replacement of components, performance testing, and analysis. Routine maintenance is a program of unscheduled, day-to-day repairs that restore equipment and systems to operation. Activities that fall within this category are typically accomplished quickly.

- **Waste Removal/Janitorial - Increased by \$14,100 from the prior FY 2021-22 for additional contracted janitorial services. The additional services include added monthly or bi-monthly contracted janitorial for deep cleaning of City Hall and Library facilities due to increased transient activity in both facilities. This increase also covers an anticipated leave of the staff that regularly performs this work.**
- **Facilities Repair - Decreased by \$58,000 from the prior FY 2021-22 for removing asbestos tile and carpet replacement in the main hallway of the second floor of City Hall and the Building Division office, upgrading the City Hall alarm system from a 3G to 4G service, and upgrading/replacing the HVAC system in City Hall.**
- **Included with this budget but not shown here is \$8,000 into General Reserves for future projects. This transfer is in the City Council/City Manager Budget.**

A discussion was held regarding the increase in salary costs, which was due to an annual step increase and cost of living increase each year.

BOZARTH commented that he did not believe that the salary for this position was sustainable and suggested hiring a third party, to which BOQUIST stated that this position does way more than just Janitorial duties.

A discussion was held regarding how the labor rates for all positions were determined, STROPE and RAJKOVICH explained how the labor negotiations worked for each bargaining group.

A discussion was held regarding what this employee does for their job and if there would be a possible savings for eliminating this position and hiring a third-party source to do the job.

ECONOMIC DEVELOPMENT: Objectives: Continue to work with the City Manager and other City Departments toward the accomplishment of the City Council Goals, with special emphasis on those included on the City Manager's Top Priorities. Specific Goals established for Economic Development Department are as follows: Implement the Urban Renewal Plan; Continue proactive recruitment of priority industry sectors identified in the strategic plan; Retail recruitment and downtown redevelopment; Continue business assistance, retention, and expansion efforts; Develop and implement a targeted retail business attraction program; Work with other partner organizations to develop a culture of entrepreneurialism; and Develop a tactic for developing/attracting small scale manufacturing

Economic Development Department Goals were as follows: Continue to implement Economic Development Strategy for La Grande, to include: Provide resources to small business through implementation of the Ignite Center for Entrepreneurship, conduct downtown retail attraction, utilize a comprehensive retail market analysis; implement strategies for non-retail business recruitment to the Business Park and other commercial/industrial areas; conduct regular annual visits to local key employers; facilitate urban renewal training for the City Council, Urban Renewal Agency and URAC; implement the Urban Renewal Plan to include a 2022 Call for Projects.

- **Consultants** - Increased for the Goal 9 economic needs analysis per Council's direction for the Economic Development Strategy. Total cost of the project is \$65,000. \$50,000 is in the Planning Department budget and \$15,000 in the Economic Development budget. A significant amount of our existing commercial space is in the District, and is part of the project and therefore warrants some level of participation by the Agency.
- **Other Professional Services** - Decreased due to not having a RARE participant.
- **Advertising** - This line includes General Fund carry over of \$35,000 from prior years in anticipation that promotion and recruitment activities will resume outside the URD.
- **The Grants & Donations fund (005)** is where several grant opportunities are being budgeted. This budget anticipates \$300,000 for CDBG grants or other grant opportunities including the remaining \$30,000 from current ROI Grant. The

City continues to pursue grant opportunities in the amount of \$1,300,000 to be used for the Ignite Center for Entrepreneurship which includes updates to the City's historic firehouse.

Mayor CLEMENTS asked about the Eastern Oregon University intern position, to which BISHOP explained the position was paid through a grant fund.

AMMER asked if there was a plan to fill some of the vacant spaces downtown, to which BISHOP stated that City Council adopted a strategic plan earlier in the year and this budget reflected the changes to support implementing this plan. BISHOP explained the plan included outreach, marketing, site visits, attending trade shows, to name a few.

A discussion was held regarding the fundamental purpose for the Urban Renewal District and how the properties' assessed value in the City have gone up since establishing the District.

STROPE stated that he would continue his presentation to the Budget Committee at the Budget Committee Hearing scheduled for the following evening, Tuesday, May 17, 2022.

ADJOURNMENT

Having completed overview of the General Fund Budgets, the Hearing was adjourned at 8:37 p.m., to be continued the following evening.

CITY OF LA GRANDE
Budget Committee Meeting

6:00 PM

Colleen F. Johnson Community Room
F. Maxine and Thomas W. Cook Memorial Library
2006 North Fourth Street

The meeting was available for viewing via the City's scheduled Charter Communications channel 180, on the La Grande Alive website at <https://eoalive.tv/city-events/> and on the Eastern Oregon Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

Tuesday, May 17, 2022

MINUTES

MEMBERS PRESENT

Stephen E. Clements, Mayor
Gary Lillard, Mayor Pro Tem
John Bozarth, Councilor
David Glabe, Councilor
Nicole Howard, Councilor
Mary Ann Miesner, Councilor
Justin Rock, Councilor

Greg Ammer
Mat Barber
Cori Brewster
Corrine Dutto
Max Koltuv
Joyah Wong

ABSENT/EXCUSED

Scott McConnell

STAFF PRESENT

Gary Bell, Police Chief
Lyle Bridge, WWTP/Sewer Superintendent
Josie Boyk, Public Works Admin. Assistant
Kyle Carpenter, Public Works Director
Jake Dixon, Water Superintendent
Ronda Griffin, Communications Manager
Jason Hays, Police Lieutenant
Heather Rajkovich, Finance Director
Robert Strope, City Manager/District Manager

Timothy Bishop, Economic Development Director
Michael Boquist, Community Development Director
Carrie Bushman, Interim Library Director
Emmitt Cornford, Fire Chief
Carla Greenough, Police Admin. Assistant
Rob Harnack, Senior Accountant
Cari Markham, Human Resource Specialist
Stacey Stockhoff, Acting City Recorder
Ryan Tsiatsos, Street Superintendent

ROLL CALL

Chair BARBER called the meeting of the City of La Grande Budget Committee back to order at 6:00 p.m. Roll Call was taken and a quorum was determined to be present.

AGENDA APPROVAL

There were no additions or changes to the Agenda.

Chair BARBER announced that the Public Hearings on Proposed Budgets and State Revenue Sharing were still open and shall remain open until the close of the hearings.

Chair BARBER asked the City Manager/Budget Officer for a recap of the General Fund Review from the previous night.

STROPE recapped the progress of the Hearing that was held the night before on Monday, May 16, 2022. He stated that the Budget Committee had approved the Urban Renewal Budget and recommended that it be forwarded to the Agency for Adoption at the June 1, 2022, Urban Renewal District Regular Meeting.

STROPE mentioned that he sent an email to all of the Budget Committee Members earlier that day referencing the Urban Renewal Agency's Debt Fund Interest Rates that was mentioned at the Urban Renewal Agency Budget Committee Hearing held on Monday, May 16, 2022; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.

Chair BARBER invited Public Comments in connection with the General Fund Budget only.

PUBLIC COMMENT

None

COMMITTEE DELIBERATION

Chair BARBER announced that discussion in connection with the General Fund Budget only would be taken at this time.

A discussion was held regarding how the numbers were calculated in the *General Fund's Beginning Cash* lines for budgeted and estimated for FY 2020-21 to the current budget.

AMMER commented that he did not support the purchase for the $\frac{3}{4}$ ton pickup in the Parks Department budget, to which a discussion was held in regards to what the pickup would be used for. DUTTO suggested that AMMER speak to Stu SPENCE, Parks and Recreation Director, directly to gain an understanding of what each vehicle in their department would be used for, to which STROPE referenced the memo dated May 10, 2022, *Budget Questions and Answers*, where the answers to this question was broken out in detail. This document was provided to each of the Budget Committee Members prior to the meeting as well as posted on the City website for reference; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.

(Note: Committee Member AMMER left the meeting at 6:23 p.m.)

In response to KOLTUV's question, STROPE stated the General Fund Budget did include \$473,818 that

would be transferred in to the Street Reserve Fund for Street Maintenance.

MOTION

The following Motion was introduced by LILLARD; ROCK providing the Second:

MOTION: I move that the Public Hearing for the City's General Fund Budget for Fiscal Year 2022 – 2023 be closed and that the ad valorem property tax rate of 7.4392 per \$1,000 of assessed value be imposed for the General Fund and that the General Fund Budget be approved as presented and forwarded in its entirety to the City Council for adoption during the Regular Session of the City Council on June 1, 2022.

VOTE

MSC. All TWELVE (12) of the members present voted in the affirmative; AMMER had left prior to the vote; and MCCONNELL was absent excused.

STROPE provided the Budget Committee with an overview of the Enterprise and Other Funds Proposed Budget as follows:

9-1-1 EMERGENCY FUND: Objective: Retention of current staffing and to maintain service levels within the available 9-1-1 funds.

- Personnel - Increased due to COLA's and medical insurance elections, and planned retirement payout.
- Computer Systems Maintenance & Repair - Increased as a result of new cost distribution formula, based on actual usage.

PUBLIC WORKS PERSONNEL SERVICES: Objective: This budget proposes a Contingency Fund of \$182,401 to provide funds in the event of a fluctuation in Worker's Compensation, Unemployment costs, or any other unforeseen costs.

A discussion was held regarding the overview of what this budget's purpose was, which is to capture all the personnel costs for Public Works employees.

In response to MIESNER's question regarding the grant funded position, CARPENTER explained this position was the Safe Routes to School Coordinator that worked out of the Parks Department. The reason this position was noted in the Street Reserve budget and not the Parks Department was the benefit for future grant applications.

A discussion was held regarding Contingency Funds and their function in the budget.

Mayor CLEMENTS asked if the Assistant Public Works Director would be filled sometime soon, to which CARPENTER stated it was not a priority at this time due to the overturn of staff and filling other supervisor positions first.

WATER: Objective: System Rehabilitation: continue upgrading the telemetry and meter reading system (\$600,000) and replace aging steel mainline (18 inch) on 2nd Street (Penn to M) (\$200,000). Transfer to Water Reserve Fund – Continue with transfer of funds to be used for long-term capital improvement projects. These may consist of a new alluvial well, a water treatment plant, or a yet to be determined project (\$900,000).

- Legal - Increased due to labor negotiations.
- Transfer to Water Reserve (019) - Increased in preparation for major future water projects.

A discussion was held regarding \$500,000 in the *Reserved for Future Expenditures* line in the proposed budget.

WATER RESERVE FUND: Objective: Increase the Water Reserve Fund to provide long-term capital improvement projects funding. Water LID's & Main Extensions: \$150,000 for other likely Water Improvement projects.

- Equipment and Improvements - Increased for 8" water main bore project at Riverside Park under the Grande Ronde River.

In response to Mayor CLEMENTS' request, CARPENTER discussed the difference between the Water Fund and the Water Reserve Fund.

In response to DUTTO's request, CARPENTER explained the 8" water main bore project at Riverside Park and what that would entail.

MOTOR POOL: Objectives: Maintain levels of service to existing fleet. Integrate usage of new Asset Essentials software for inventory and cost tracking. Purchase a new 3/4 ton pickup that has reached its useful life.

- Legal - Increased due to labor negotiations.
- Fuel - Increased in anticipation of projected fuel costs.

BOZARTH asked about insuring or not insuring vehicles that were not in use, to which STROPE explained that through the annual renewal process with CIS insurance, each department would review the inventory specific to their department to confirm each vehicle was covered with insurance. Surplus vehicles that were no longer needed would be disposed of.

A discussion was held regarding the fuel cost increase and whether it was enough or should it be bumped up another \$10,000, to which CARPENTER explained the process of purchasing fuel and why fuel was purchased in bulk. All City Departments have access to using the fuel at the Public Works Department and have a key that identifies how many gallons and which department to charge the fuel to. He also noted that if they needed more funds during the fiscal year, they could pull from the *Contingency Funds* line from the Motor Pool budget.

A discussion was held regarding the wording used for the purchase of a new $\frac{3}{4}$ ton pickup that was noted in the *Major Objectives* area. STROPE stated that the language would be updated to read, purchase a new $\frac{3}{4}$ ton pickup to replace one that has reached the end of its useful life.

STREET AND ROAD: Objective: Continue ongoing maintenance programs to the extent allowed with current funding levels. Resurface Miller Drive from Second Street to west end. Work with Union County to repave May Lane. Continue to increase efforts to install and bring existing sidewalk corner ramps up to current standards.

- Legal - Increased due to labor negotiations.
- Paint - Increased to purchase burndown markings for pavement markings to increase durability and longevity.
- Road Maintenance - Increased for planned contractor maintenance contracts, resurfacing Miller Drive, and repaving May Lane.

A discussion was held regarding the strategy on how to fix the roads each budget year where it would be cost effective while maintaining the roads to stay in the best condition possible.

In response to KOLTUV's question, CARPENTER explained the work to be performed between 12th and 16th Streets.

In response to KOLTUV's question on how streets were picked to be paved between the Northside compared to the Southside, CARPENTER stated that some of the funding sources were limited on where they could spend the money depending on the location of the street.

In response to Mayor CLEMENTS' request for clarification, CARPENTER discussed the difference between the *Street and Road Fund*, *Street Reserve Fund* and *Street Maintenance Fund*.

In regards to the *Road Maintenance* line, DUTTO asked why was it increased to \$600,000 for the proposed budget, to which CARPENTER stated they included the cost for completing a couple of overlays alongside the other projects budgeted within that line.

In regards to the *State Highway Tax* line, MIESNER asked why the estimated amount was \$1.2 million and the proposed amount was \$950,000, to which CARPENTER stated they received a check from the State due to loss funds through the pandemic, which was accounted for in a lump sum in FY 2021-2022.

STREET RESERVE FUND: Objective: General Fund - Under Levy Project = \$521,900 (Gekeler Lane 4th to 16th - Grind and Inlay Project); Local Improvement District Improvements = \$150,000; Bike/Ped project from Community Pathways grant = \$165,000; ODOT grant for Adams Avenue ramps = \$150,000; Safe Routes to School Grant = \$285,000 (\$50,000 staff and \$235,000 infrastructure); STP Project Selected by Parking, Traffic Safety and Street Maintenance Advisory Commission = \$165,000 (these projects are Third Street (F to I) and G Avenue (Second to Fourth)); CMAQ Grant Funding = \$590,000 (these projects are Penn Avenue (Pine to Willow), Jefferson Avenue (Second to Walnut), L Avenue (Second to First), D Avenue (First to Second and Fourth to Sixth), Pioneer (Palmer to Park), Pine Street (Jackson to X), and Z Avenue (Depot to Spruce).

The amounts shown are designated as "Existing" for projects that have been confirmed as funded for this budget year, and as "New" for projects that present an opportunity for potential funding within this budget year. New projects will not be completed unless funding is received.

- Existing - Bike/Ped Project (Community Pathways grant) \$165,000; STP Project \$165,000; CMAQ Project \$590,000

- New - ADA Accessibility Grant \$150,000; Local Improvement District (LID) \$150,000; Safe Routes to Schools Grant \$285,000 (\$50,000 staff and \$235,000 infrastructure); and Gekeler Lane 4th to 16th Street \$521,900 (\$357,574 URA Under Levy; \$116,064 General Fund; \$48,262 STP)

A discussion was held regarding the procedure to apply for the CMAQ Grant funding. MAYOR CLEMENTS asked about the Jefferson Avenue (Second to Walnut) project, to which CARPENTER confirmed they already finished the portion between Second and Third.

In response to DUTTO's question regarding the Community Pathways Grant, CARPENTER stated that it was a federal grant and it was already approved. He explained the next steps for implementing the grant.

STREET MAINTENANCE (USER FEE): Objectives: Reconstruct Second Street from Penn Avenue to K Avenue

- Professional Services & Fees - Increased for Second Street (Penn to K) Reconstruction Project.

A discussion was held regarding the 2nd Street project.

A discussion was held regarding 16th Street and the sources available for funding the repair.

BARBER asked if the projects listed for repair included any of the ARPA funds, to which CARPENTER stated no. STROPE stated that the ARPA funds were showing in the Council/CMO budget under the General Fund and explained the actions that would need to be taken by the City Council if they chose to use any of the ARPA funds to repair any street in the City.

STORM UTILITY FEE: Objective: Snow removal and Storm Events, \$200,000; Storm Sewer System improvements, \$100,000; Storm Sewer System improvements (transfer to Storm Utility Reserve Fund), \$150,000; Letter of Map Revision (LOMR) submittal and revision of tax map public notification process (Consultants) = \$75,000.

- Storm Sewer Maintenance - Decreased based on previous year's records and anticipated project budgets.

- Storm Sewer Rehab - Decreased based off anticipated project budgets.

In response to BOZARTH's question, CARPENTER stated that \$152,004 was spent for snow removal this past season.

CARPENTER verified that the *Storm Events* line covered snow removal and flooding event response.

STORM UTILITY RESERVE FUND: Objective: Complete engineering design, permits, and NEPA process for replacement structure at Gekeler Slough (18th Street).

WASTEWATER TREATMENT: Objective: Continue to complete Toxicity Reduction Evaluation (TRE) Toxicity Identification Evaluation Phase III; and preparatory work in anticipation of developing a new NPDES permit.

- Legal - Increased due to labor negotiations.
- Facilities Repair - Increased to replace septage at Tule Lake rental house.
- Computer System (s/h) - Decreased based on planned computer purchases at the Wastewater Treatment Plant.

Mayor CLEMENTS asked what the Tule Lake Rental House was, to which CARPENTER stated that it was a house that the City owned and rented out to Oregon Department of Fish and Wildlife. The house was acquired when the City purchased the land, approximately 1999.

SEWER COLLECTION: Objective: Continue ongoing rehabilitation work to the Sanitary Sewer Collection System to reduce inflow and infiltration. Remain on a five-year schedule of cleaning and inspecting every sewer main in the service area.

- Legal - Increased due to labor negotiations.

SEWER RESERVE FUND: Objective: Improvements to wastewater treatment facilities (blower header pipe replacement; screen, grinder, move headworks with back-up generator; replace SCADA system; replace secondary pumps at headworks and upgrade primary electrical panel; install irrigation pivot for disposal of sludge in the next two years). Improvements to wastewater collection facilities (rehabilitation of Airport #2 lift station - \$150,000; back-up generator for lift station with hookup - \$250,000).

- Equipment and Improvements/Treatment - Increased for backup generator for screen and grinder at headworks and irrigation pivot for sludge disposal.
- Equipment and Improvements/Collection - Increased for anticipated project budgets.

GRANTS AND DONATIONS: Objective: This fund allows departments to budget for special projects that are not considered as normal operational type expenditures. All expenditures in this fund must be offset by grants, donations or reimbursements from other organizations.

The funds could fluctuate a great amount year to year depending on grants applied for or anticipated donations and the timing of the revenues received and the expenditures.

- Economic Development Improvements - This budget anticipates \$300,000 for CDBG grants or other grant opportunities including the remaining \$30,000 from current ROI Grant. The City continues to pursue grant opportunities in the amount of \$1,300,000 to be used for the Ignite Center for Entrepreneurship which includes updates to the City's historic firehouse.
- Fire FEMA Grant - This is anticipation of being awarded a grant to fund three career firefighters.

A discussion was held regarding what the grant funds were going to be used for out of the *Economic Development Grant* line, the *Fire FEMA Grant* line and the *Art Commission Collection* line.

GENERAL RESERVE: These funds can only be used for the acquisition, construction, reconstruction, and furnishing of municipal buildings; and, purchase and repair of equipment and fixtures in municipal buildings.

Expenditures from the General Reserve Fund are for capital expenditures that would be determined each year through the budget process and the needs that arise.

- Capital - General CIP - \$300,000 for potential capital improvements may be required.

STROPE explained that the majority of the funds in this line were already earmarked for specific departments to use towards a specific use within the General Fund.

In response to Mayor CLEMENTS' request for clarification, STROPE explained that by moving \$1.1 million from *Unappropriated Ending Fund Balance* to *Reserve for Future Expenditures* gave the City more flexibility and it was quicker to access the funds if needed through a supplemental budgeting process.

DEBT FUND: The Debt Fund represents the City's long-term obligations to repay borrowed money for improvements to our buildings, water and sewer systems, streets or large equipment.

- These obligations have been paid in full. This will be the last year that this fund and the history will remain a part of the budget presentation.

Chair BARBER invited Public Comments in connection with the Enterprise and Other Funds Budget only.

PUBLIC COMMENT

None

Chair BARBER announced that discussion in connection with the Enterprise and Other Funds Budget only would be taken at this time.

COMMITTEE DELIBERATIONS

LILLARD felt that having \$1.6 million sitting in the beginning cash line under the Building Inspection budget seemed excessive, to which a discussion was held on possibly using some of that money towards a Housing Production Strategy incentive inside the city limits. In order to extend that incentive outside the city limits, but staying within Union County, the County Commissioners would have to be involved in that conversation as well. The Committee seemed to reach consensus that the City Council should have a discussion about what to do regarding the funds at a later date.

KOLTUV suggested adding benchmark comparisons for future reference for all departments similar to the Library Department.

Chair BARBER closed the Public Hearings for the Fiscal Year 2022-2023 Budgets and State Revenue Sharing at 7:13 p.m.

MOTION

The following Motion was introduced by DUTTO; MIESNER providing the Second:

MOTION: I move that the *Enterprise and Other Funds Budgets* for Fiscal Year 2022 – 2023, be approved as presented and forwarded in their

entirety to the City Council for adoption during a Regular Session of the Council on June 1, 2022.

VOTE

MSC. All **TWELEVE** (12) of the members present voted in the affirmative; **AMMER** left prior to the vote; and **MCCONNELL** was absent excused.

ADJOURNMENT

Chair **BARBER** adjourned the Budget Committee at 7:14 p.m. to reconvene during a Regular Session on June 1, 2022, to consider Approval of the Budget Committee Minutes.

Stephen E. Clements
Mayor

Mat Barber
Chair

ATTEST:

Stacey M. Stockhoff
Acting City Recorder

APPROVED: _____