

City of Milton-Freewater
Budget Committee Meeting Minutes
May 5, 2022
For Fiscal Year 2023 Budget
(July 1, 2022 – June 30, 2023)

May 5, 2022

The City of Milton-Freewater Budget Committee met in session on Thursday, May 5, 2022 at 7:00 p.m. in the Albee Room of the City Library, 8 SW 8th Avenue, Milton-Freewater, Oregon to review the State Revenue Sharing funds and proposed fiscal year 2023 City Budget.

Roll was called with the following committee members present: Lewis Key, Steve Irving, John Lyon, Wes Koklich, Damien Reino, Donavan Phillips and Mike Charlo.

Committee members absent were: Brad Humbert and Jose Garcia.

Staff members present were: City Manager Linda Hall, City Recorder Leanne Steadman, Finance Director Dustin Dougherty, Police Chief Doug Boedigheimer, Public Works Superintendent Brian Steadman, Electric Superintendent Mike Watkins, Fire Chief Shane Garner, Library Director Lili Schmidt and Sergeant Joe Shurtz.

Citizen present was: Christine Boedigheimer.

There were no press representatives present.

Manager Hall introduced the newest members of the Budget Committee as well as members of city staff.

ELECTION OF 2022 COMMITTEE CHAIR AND SECRETARY

The first order of business was the election of a Chair for the current year. 2021 Secretary Steve Irving opened the floor to nominations.

Lewis Key was nominated before nominations were closed.

Donavan Phillips motioned to appoint Lewis Key as the 2022 Chair. Damien Reino seconded the motion which passed unanimously.

Secretary Irving opened the floor for nominations for secretary. Steve Irving was nominated before nominations were closed.

Damien Reino motioned to appoint Steve Irving as the 2022 Secretary. Donavan Phillips seconded the motion which passed unanimously.

APPROVAL OF 2021 BUDGET COMMITTEE MEETING MINUTES

Secretary Irving motioned to adopt the 2021 Budget Committee minutes as submitted. Damien Reino seconded the motion which passed unanimously.

PRESENTATION OF BUDGET MESSAGE AND HIGHLIGHTS OF FISCAL YEAR 2023 PRELIMINARY CITY BUDGET

City Manager Linda Hall, Budget Officer, delivered her budget message with highlights of the preliminary fiscal year 2023 (FY23) city budget. She gave a summary of this year's budget stating the overall budget total was \$50,314,789 which included \$6 million in grant monies and \$7.7 million in general obligation bond monies for a new police station. There was only one rate increased proposed, 10% in solid waste. There was \$1.4 million in federal stimulus money for Corona Virus Relief Funds promised, with \$785,000 having been received FY22, with the other \$785,000 expected in FY23. An additional \$3 million dollars has been applied for which would come from the federal government, but pass through the State by the sale of bond proceeds. Some of the projects listed for the stimulus funds were (in no particular order) replace playground equipment, walking trails repaired and extended, continue to repair and improve Aquatic Center, which include pool heaters and credit card sale system that have already been approved and ordered, concession stand upgrade, repairs to the golf course that include cart paths and pond liner, establish a modest abatement fund to clean up large messes, replace the 30-year-old phone system, purchase a computer and printer for municipal court, upgrade city's network server to meet cyber security needs, purchase a closed circuit security camera system for the library and camera system for possible graffiti security. The stimulus funds have saved the electric, water and sewer utilities from a rate increase during this time. The Corona Virus has had a huge impact in that we lost one of our beloved friend and employee, Pam Hays who was the Municipal Court Clerk. It has also affected the loss of revenue in the transient taxes, utility payments, general taxes, community building rentals, mobile vendor licenses, permits and other licenses such as liquor. The cost of materials has increased greatly and material shortages continue. One example of the increase in materials is that of a 50 kva pad mount transformer that has increased 427% in the last year along with the lead time in some cases being 100 weeks. Some of the other issues that are closely being watched are the labor shortages, purchasing protocol changes where bids are only good for 24 hours, bid prices not honored and the lack of bids altogether. Fuel prices have increased with the new record high being \$15,000 for one month. Interest rates are up for construction and loans but down for reserve fund earnings. The Consumer Price Index (CPI) has hit an all-time high, currently at 7 – 8% which impacts labor and contract agreements. On-line shopping and cardboard recycling have greatly increased, which has caused staff to re-evaluate the program. Included in the FY23 budget is a proposal to charge a \$100 monthly fee for commercial cardboard pickup. Manager Hall shared that the City of Milton-Freewater has one of the lowest tax rates at \$3.7499/\$1,000 compared to Weston at \$5.6614, Hermiston \$6.0860, Pendleton at \$6.5771 and Athena at \$7.5678 per \$1,000 of assessed value. All of these rates are permanently capped which make it difficult when trying to balance the budget when the cost of services and goods continue to rise. Included in the budget is the renewal of the Parks and Recreation Local Option Tax, \$100,000 per election year for five years. The assessed value has greatly increase in the past five years and the proposed tax rate has decreased five cents per thousand. It was \$.37 cents per thousand and the renewal tax is proposed at \$.32 cents per thousand. This will go before the voters May 17, 2022. In closing she said there

was more good news than bad going on. New development is on the rise with two new subdivisions on the south hill with approximately 123 new homes being planned.

There are new business start-ups, some with major new construction. Even with the COVID-19 Pandemic the city's reserves grew to \$11 million in cash reserves. The budget was balanced with no reduction in services or staff lay-offs. She credited the solid, ethical, high-functioning council and staff. She shared some proposed pictures of the new police station which is on schedule and planned to go out to bid June 10, 2022, with construction beginning August/September 2022.

PUBLIC HEARING: STATE REVENUE SHARING

Chair Key opened and summarized the rules for a public hearing held for the purpose of gaining citizen input towards the receipt and use of state revenue sharing funds of \$90,000. The City Recorder reported the hearing had been published according to law and there were no written comments on file. Chair Key then opened the floor to citizen comments.

There being no citizen comments, the Chair declared the hearing to be closed.

Budget Committee Member Wes Koklich spoke about graffiti and encouraged citizens to write their legislators regarding the nuisance.

John Lyon motioned to accept the state revenue sharing funds for the proposed use of Public Safety purposes. Secretary Irving seconded the motion which passed unanimously.

PUBLIC HEARING: CITIZEN COMMENTS ON PROPOSED FISCAL YEAR 2023 BUDGET

Chair Key opened the public hearing and stated the rules read earlier would remain in effect. The hearing was held for the purpose of gaining citizen input regarding the proposed preliminary city budget for fiscal year 2023.

The City Recorder reported the hearing had been published according to law and there were no written comments on file.

Manager Hall stated she had received a few questions verbally and summarized the questions/comments. She stated there were some typos pointed out that staff will correct. There was a question regarding power purchases and that it appeared there was 10 kwh less demand purchased than the past. A brief discussion ensued regarding demand referenced to the power purchases and that BPA (Bonneville Power Administration) did not have a power rate increase this fiscal year, which was very rare. Another question was asked of what would happen if the city did not receive the \$3 million dollars from the legislature. Manager Hall stated Milton-Freewater was actually written into the House Bill so the chances of receiving the funds were fairly good but it was based on the sale of bonds.

There being no other citizen or committee comments, Chair Key declared the hearing to be closed.

John Lyon motioned to approve and recommend the fiscal year 2023 City budget as presented to the City Council and also to recommend that taxes be levied at the rate of \$3.7499 per \$1,000 of assessed value and \$60,000 for local option tax levy for public transportation, \$100,000 for local option tax levy for parks and recreation facilities and \$275,000 for general obligation bond for police station. Damien Reino seconded the motion which passed unanimously.

There being no further business the Committee was adjourned at 8:04 p.m.

Budget Meeting Minutes Approved on _____