

City of Milton-Freewater
Budget Committee Meeting Minutes
April 30, 2024
For Fiscal Year 2025 Budget
(July 1, 2024 – June 30, 2025)

April 30, 2024

The City of Milton-Freewater Budget Committee met in session on Tuesday, April 30, 2024 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 2025 City Budget.

Roll was called with the following committee members present: Lewis Key, Steve Irving, Brad Humbert, John Lyon, Jose Garcia, Wes Koklich, Damien Reino, Mike Charlo, Emily Holden, Paul Seaquist, Vickie Becker, Julie Culjak, and Kay West.

Staff members present were: Assistant City Manager/City Recorder Leanne Steadman, Finance Director Laurie Bubar, Police Chief Joe Shurtz, Public Works Superintendent Brian Steadman, Fire Chief Shane Garner, Library Director Lili Schmidt and Interim City Planner Kassidy Ruiz.

Citizen/Guest present were: Linda Hall, Jason Schaffner, Patty Key, Donna Sheridan, Krista Gannon, Mike Odman, Arlen Callex, Wendi Daugherty, Doug Boedigheimer, Kenneth Jenkins, Craig Robinson, and Destiny Jensen

There were no press representatives present.

Introductions were made around the room.

ELECTION OF 2024 COMMITTEE CHAIR AND SECRETARY

The first order of business was the election of a Chair for the current year. 2023 Steve Irving opened the floor to nominations.

Mike Charlo was nominated before nominations were closed.

Paul Seaquist motioned to appoint Mike Charlo as the 2024 Chair. John Lyon seconded the motion. Mike Charlo appreciated the nomination but denied the motion.

Steve Irving was nominated before nominations were closes.

Mike Charlo motion to appoint Steve Irving as the 2024 Chair. Lewis Key seconded the motion which passed unanimously.

Chair Irving opened the floor for nominations for secretary. Wes Koklich was nominated before nominations were closed.

Mike Charlo motioned to appoint Wes Koklich as the 2024 Secretary. John Lyon seconded the motion which passed unanimously.

APPROVAL OF 2023 BUDGET COMMITTEE MEETING MINUTES

Julie Culjak motioned to adopt the 2023 Budget Committee minutes as submitted. Brad Humbert seconded the motion which passed unanimously.

PRESENTATION OF BUDGET MESSAGE AND HIGHLIGHTS OF FISCAL YEAR 2025 PRELIMINARY CITY BUDGET

Assistant City Manager/City Recorder Leanne Steadman gave a summary of the budget of FY25. The overall budget was \$56,858,690 which included \$15 million in grant monies, no cuts or reduction in public services, and only 1 rate increase of 3% for Golf Course fees were proposed.

Finance Director Laurie Bubar gave a brief summary of the general fund revenues and expenditures. Revenues that came from taxes, intergovernmental revenue, franchise revenue, fines and forfeitures, and licenses and permits were budgeted based on previous budget year histories. A 3% increase in these revenues had been budgeted. Bubar stated that she did not see any expected significant changes in the expenditures of the municipal court fund for FY25. The expected significant change to the accounting and billing expenditures on page 29-30 of the FY25 preliminary budget book are a \$5,000 increase in fund 420 for the expansion of the City Fiber Project. Bubar continued to say with the departure of the previous Finance Director, Dustin Daugherty, it was decided to combine the Finance Supervisor position with the Finance Director position. The department feels this change was a success. The combination of the two positions, has saved the City's FY25 budget, in wages and benefits, \$87,846. Bubar stated that the department had seen a rise in cost from almost all City vendors. The IT service provided by Hermiston IT to the City is seeing a 3% rate increase, the Caselle software that the City uses for finance transactions is seeing a 4% rate increase. The software used for tracking debt services, which is required for audit purposes, is seeing a 10% rate increase. Those rate increases were taken in consideration and proposed in the FY25 budget. City property rates are increasing by approximately 16.5%, auto insurance is increasing by approximately 18%. With the new police station, additional insurance will be needed for that building.

Fire Chief, Shane Garner gave a brief summary of the City Fire Department's events in the 2023 calendar year. Garner explained the fires that were responded to, total mutual aid calls, training hours by the department, community events and outreach that the fire department took part in, and FY25 highlights. In those highlights, Garner mentioned the replacement of a 34-year-old apparatus, replacement of 5 sets of structural PPE, the replacement of 1,500 feet of fire hose, and replacement of 5 SCBA cylinders.

Police Chief, Joe Shurtz gave a brief overview of the Milton-Freewater Police Department. Shurtz started off by explaining the FY25 highlights for the Police Department. The PD will be moving into the new police station, replacing a twenty-year-old unmarked police vehicle, and the Police Department received a \$30,000 grant from ODOT for a E-Ticketing program to be implemented in July. Shurtz then stated the statistics for the department in FY 2024 (as of April 24th, 2024), which included calls for service, arrests, abandoned vehicle tows, and

hazard vehicle tows. Shurtz stated that in the previous weeks, the department conducted a warrant pick up and sex offender out of compliance operation where the Milton-Freewater Police Department worked with the BENT Team, US Marshalls, and other agencies, to arrest 17 people. Shurtz then explained the Department's community involvement.

Paul Seaquist asked what the E-Ticket program was.

Police Chief Shurtz explained that the department will be changing from a hand written citation to a printed-out copy. All the information inputted in for the citation will then be automatically uploaded to multiple software's including the court software and the records software for the department.

Paul Seaquist asked what the \$30,000 grant covers.

Police Chief Shurtz explained that the grant monies cover the equipment, implementation, and the first years' service agreement of the E-Ticket Program.

Library Director Lili Schmidt gave a brief summary regarding the Milton-Freewater Library. Schmidt explained that the library is considered a special revenue fund due to the department receiving almost 70% of their funding from the Umatilla County Special Library District. The Special Library District is funded by Umatilla County property tax monies. Schmidt explained that a few years ago the Milton-Freewater Zip Code was incorporated into the fund amount decision instead of just the city limits perimeter. As part of the agreement with the District, the City agreed to supplement the district funds in a variety of ways. The City of Milton-Freewater covers the costs of the library building, janitorial costs, utility costs, most building maintenance, accounts payable services, and payroll services. Additionally, the City covers any short finance falls from the general fund. Other funds that the library is expected to see are donations from the community and the Friends of the Library group. In FY24, the Milton-Freewater Library received \$5,000 from the Friends of the Library group for special projects and \$5,700 in counting from local businesses supporting the Summer Reading Program. Schmidt then explained what the library program included, giving examples of school aged programs, adult art events, book club meetings, major parties for children, and the Summer Reading Program.

Chair Steve Irving stated that the Library Director is very hands on in the library events that he has witnessed and been apart of. Chair Irving thanked Library Director Lili Schmidt for her service.

Interim City Planner Kassidy Ruiz gave a brief overview of the Planning Department in FY24. Ruiz stated that 80% of Milton-Freewater Businesses have renewed their Business Licenses. 207 of the 261 businesses renewed their license, 39 businesses were no longer active, and 15 did not respond to the renewal information that was sent out. The Planning Department processed and approved 49 Zoning Permits since July of 2023. 17 of those permits were fence permits, 16 were new homes, 4 were residential demolishes, 10 were residential construction, and 2 were commercial construction. Ruiz continued to state the projects that the city was looking forward to, which included the Wine Production Facility, Vista Ridge Subdivision, MF Rural Fire & Ambulance Station, and the Northwest Steel Business Building. Ruiz stated that the Planning budget was similar to the budget prepared in

FY24, but that the increase in the FTE was increased due to the reallocating of employee time from Public Transportation to the Planning Department. The Planning Department only has one contracted transportation service, which is the Senior and Disabled Taxi Service. The grants that help fund this program only cover a portion of employee time. The portion that is not covered was moved to the Planning Department. Ruiz also stated that an increase in funds in the communication portion of the budget was noticeable. The increase was due to the rise in cost for communication costs for the voiceover IP in City Hall.

Interim City Planner Kassidy Ruiz then gave a brief overview of the Public Transportation Program. Ruiz explained the removal of the fixed route bus service, but stated that the Senior and Disable Taxi service was still being managed by the city. Ruiz then explained the adjustments in the Public Transportations budget. With removing of the bus service, a decrease in contracted services was noticed, as well as a decrease in FTE time. Ruiz explained the decrease in ARPA funding, which was due to the expiration of the COVID monies previously granted.

Kay West asked if the Public Transportation Department coordinates taxi rides with GOHBI out of the Dalles, Oregon.

Ruiz stated that the Taxi does not coordinate with the group, but if customers are looking for other transportation options, GOHBI is included in information that is given.

Kay West asked if the ADA van is still being used and who holds the Taxi contract.

Ruiz confirmed and stated that the Taxi Service uses the ADA van if wheel chair assistance is needed. German Graves DBA GG Taxi holds the taxi contract.

Wes Koklich asked if Kayak Public Transit now maintains the bus shelters. Ruiz confirmed.

Assistant City Manager/City Recorder Leanne Steadman gave a brief update to newer committee members about the history of where Milton-Freewater receives its power. Steadman then shared highlights from the Electric Department's portion of the preliminary budget which included SCADA Master Station Server and software upgrade and \$7,000 in Energy Assistance which matches funds donated by customers for low-income energy assistance bill paying with help from the Public Works Department. It creates a matching total of \$14,500 for the total program. Additional highlights included \$5,000 for graffiti cleanup and continued membership with many groups and organizations. Steadman stated the capital projects for the Electric Department included the subdivision on Milton Hill, MF Rural Fire and Ambulance Station, Commercial RV Storage, the Wine Production Facility, Northwest Steel, and the proposed replacement of the breaker at Freewater Substation that was quoted at \$50,000-\$60,000 to fix. The proposed replacement of the 50-year-old Power Transformer #1 at Freewater Substation that was quoted \$1 - \$1.2 million with the lead times estimated at 60 to 80 weeks.

Julie Culjak asked how the city would cover those proposed costs.

Steadman stated that there was money in the reserve fund, but it would be up to the City Council to decide to transfer those funds.

Kay West asked if there was a life expectancy for the new transformers.

Steadman with the help of Mike Charlo said the Milton-Freewater Sub Station transformer was about 50 years old.

Steadman continued to say that the City of Milton-Freewater has an agreement with BPA for conservation projects. City staff administers the current BPA sponsored energy conservation program and the City's Energy Loan Program, which has been in place since 2002. Budgeted are financial incentives for approximately 20 heat pumps, 20 weatherization projects, 5 commercial buildings, and 1 agricultural project.

Steadman stated that the city is still seeing long lead times on materials.

Julie Culjak asked if city staff inputs a contingency fund to cover the expense increase in materials due to the long lead times.

Steadman explained the bid process and purchase order process for materials.

Emily Holden asked if the city was increasing their stock on products that have longer lead times, so the city is not without or have to pay a larger bid price due to the delay.

Steadman confirmed, but stated that each department would need to work within their budget.

Steadman then displayed photos from the Drone Program, which has been successful in locating electrical hazards.

Public Works Superintendent Brian Steadman gave a brief overview of the Public Works South Reservoir, well #9, and the Middle Reservoir. The Middle Reservoir is located above 8th Street. Anderson Perry is working on the 30% design phase of a new 2-million-gallon reservoir to be constructed northwest of the Middle Reservoir. April 15th, staff submitted a CBBG grant application requesting \$1,487,500 for the final design for Well #10.

Steadman referenced to a PowerPoint slide showing the last City project of House Bill 2017 on Robbins Street. June is estimated as the completion month of this project. Other projects that were completed with the HB2017 funding were sidewalk improvements on North Elizabeth Street from NE 5th to City limits, Dalia Street to NW 8th Avenue, which included street overlay improvements, and Chestnut Street, SE 12th, and Powell Road, which included bridge improvements.

Steadman then referenced a PowerPoint slide showing the Public Works Warehouse located on Lamb Street. Steadman explained what was stored in the building with examples of vehicles, maintenance equipment, and utility equipment. Steadman also mentioned which offices were located at that site. Public Works is proposing to replace a 1994 Ford Ranger and a 1998 Chevy pickup in FY25.

Superintendent Brian Steadman gave a brief update to the progress of Yantis Park. Public Work crews had finished installing rubber mulch around the new playground equipment and crews are working on completing the natural log and stump structures and are proposing to be completed with the project in the next few weeks. Asphalt repairs along the back walking path were mentioned to be finished soon. Public Works staff are preparing to bid quotes to replace the asphalt where the tennis/basketball courts are currently and installing a walking path on the north side of the park. Most of the improvements to Freewater Park are hoping to be completed before Winter of 2024. Public Works Technician Steven Patten has prepared a grant application for updates at Marie Dorian Park.

Steadman then referenced the PowerPoint slides that showed the newly lined Golf Course Pond and a PRV valve at the Golf Course that was recently installed.

Steadman then gave a brief summary of the Milton-Freewater Aquatic Center's 2023 season and updates. New stainless-steel countertops were made for the Concession Stand, the actual structure of the large umbrella at the pool was replaced, and new chairs were bought for the 2024 season. Steadman stated that if the chairs held up, additional ones would be purchased for the season.

Steadman then gave a brief overview of the Sewer Department of the City explaining the newly updated Braeburn Lift Station.

Paul Seaquist asked why the life of the pump at the lift station was so short.

Steadman stated he couldn't explain why events happened years ago, but stated that when the lift station was installed back when the subdivision was created, it would not be something the current Public Works would install today. Steadman explained that the previous lift station was a hazardous, being a confined space, and a risk for staff to work in and maintain.

Steadman gave a brief overview of the Solid Waste Department within Public Works. Steadman referred to a PowerPoint slide showing the existing #1 garbage truck for the City of Milton-Freewater. A new garbage truck was ordered in July of 2023 and staff is hoping the vehicle will be delivered in September or October of 2024.

Steadman then gave a brief overview of the Milton-Freewater Landfill. Steadman referenced to a PowerPoint Slide showing Cell #6 at the Landfill that staff began digging in 2018. Cell #6 is approximately 129,000 cubic yards of material that was removed until April of 2023 when Cell #6 began being used. Material from Cell #6 is being used to cover contents in Cell #5. It was estimated that Cell #5 could be finished in November of 2024, then Anderson Perry would conduct a closure report on the Cell.

Paul Seaquist asked if City Crews dig the cells at the landfill.

Steadman confirmed that City crews do all the labor to dig out the Landfill Cells. If the City were to contract out the labor for this work, it could cost an estimated \$4.00 per cubic yard.

Paul Seaquist asked what the expected life of the cells are.

Steadman stated that it was originally thought to be 10 years, but with recycling procedures being required, the life expectancy would be stretched longer than 10 years.

Brad Humbert asked if Public Works Superintendent Brian Steadman could explain how the 20-ton limit works for the Milton-Freewater landfill and how it was calculated.

Steadman stated that how the permit with DEQ is written, the City of Milton-Freewater cannot exceed more than 20 tons of material per day on average. The city garbage truck runs to the landfill at least twice a day for 5 days of the week. Steadman estimated that the city is at around 17 tons of material per day on average.

Paul Seaquist asked what the long-term plan was for the Landfill.

Steadman stated that the next phase of the landfill is to design Cell #7 and #8 in the next 4-5 years.

Paul Seaquist asked if the landfill has room for the additional cells.

Steadman confirmed and added that each time a new cell is created the irrigation pivot has to be slightly moved and the city loses a little bit of farm ground.

Steadman continued to give a brief summary of the Wastewater Ponds for the City of Milton-Freewater. Steadman referenced a PowerPoint slideshow showing both wastewater ponds. The south waste water pond holds 37.5 million gallons of wastewater and the wastewater pond to the north holds 79.5 million gallons of wastewater. In 2023 the City of Milton-Freewater irrigated 186 million gallons for the farm ground. The Public Works crew maintains 4 pivots and two-wheel lines and provides irrigation for JC Farms from March 15th to November 15th.

Paul Seaquist asked if all the irrigated water is going onto City land.

Steadman confirmed and added the Key property pays a fee for the irrigated water.

Paul Seaquist asked what the revenue for the sold irrigated water.

Steadman stated he couldn't remember the exact amount that the Key's paid, but he could get that information, they also pay all the electric utilities to pump the water as well.

Julie Culjak asked if the property owners only pay for the electrical portion to pump the water, but not pay for the water itself.

Paul Seaquist asked if the revenue and cost for the water was a "wash". That the property owners pay the electric costs, which is about the same as to what it costs to irrigate the property.

Steadman said that the property owners do pay the utilities and pay for the water, but he couldn't answer what the exact amount was as he would have to look at the agreement the city has with the Key's.

Brad Humbert directed a statement to Paul Seaquist stating that the cost would be an offset because the City of Milton-Freewater has to get rid of its wastewater and pump it somewhere.

Paul Seaquist stated that water is a valuable resource.

Brad Humbert agreed but included that the city would have to pay for the electric cost to pump the wastewater elsewhere.

Paul Seaquist agreed and included that he didn't understand why this process was a "wash".

Lewis Key stated that it is not a wash and that the property owner pays for the water, but that Public Works Superintendent Brian Steadman did not have the revenue number at that moment.

Assistant City Manager/City Recorder Leanne Steadman concluded the slide show and gave a summary of the presentation by stating that the City of Milton-Freewater staff presented a conservative balance budget and that the City of Milton-Freewater was in good financial shape with \$13,460,000 in investment funds and bank accounts.

PUBLIC HEARING: STATE REVENUE SHARING

Chair Irving 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 \$95,000 for the proposed use of Public Safety purposes. Assistant City Manager Leanne Steadman reported the hearing had been published according to law and there were no written comments on file. Chair Irving then opened the floor to citizen comments.

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

There were no committee comments.

Paul Seaquist motioned to accept the State Revenue Sharing funds for the proposed use of Public Safety purposes. Julie Culjak seconded the motion which passed unanimously.

PUBLIC HEARING: CITIZEN COMMENTS ON PROPOSED FISCAL YEAR 2025 BUDGET

Chair Irving 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 2025.

Assistant City Manager Leanne Steadman reported the hearing had been published according to law and there were written comments on file which are attached in their entirety to the meeting minutes. At which time city staff read the questions and answers aloud.

Chair Irving declared the hearing to be closed. He then opened the floor to committee questions.

Brad Humbert asked why account 371 on page 21 of the FY25 preliminary budget book, City Council General Fund, was listed on the narrative portion of the budget but missing in the Expenditure Summary.

Assistant City Manager/City Recorder Leanne Steadman stated that the fund is Community Support budget that is not funded by the City Council budget anymore.

Brad Humbert asked why the funds were moved to the Electric Department Community Support program.

Linda Hall explained that the General Fund has a lot less money than what Utility Funds have. The General Fund ends up contributing to the Utility Fund anyways. Hall included that no matter where those funds are located City Council still has power to determine what projects are being funded out of those monies.

Brad Humbert then referenced to the Police Chief's budget on page 38 of the FY25 preliminary budget book and asked why the budget went up to \$1,066,644 for payroll for 11 officers, which is what the city has had in the past. Humbert included that the payroll increase for the officers is about 20%. Humbert added in the projected overtime rate was an increase about 11% and the projected increase in benefits is about 15%. Humbert asked if the Police Department could decrease their overtime rate if another police officer was hired and if that could be afforded.

Police Chief Joe Shurtz explained that he would gladly take more employees, but that once an officer is hired, they aren't able to be a solo officer until 11 – 12 months later. The officers have police academy and other trainings before they are ready.

Brad Humbert then asked about the Electric Department's Budget on page 91 of the FY25 preliminary budget book. Humbert asked if the project amount of \$263,168 of surplus power is the expected revenue.

Linda Hall from the audience was approved to speak and stated that those funds come in the spring.

Mike Charlo agreed and stated that the bulk of the surplus power comes in the spring due to the water runoff.

Brad Humbert asked what an estimated number of electric meters the city had and how many does the city audit.

Assistant City Manager/City Recorder Leanne Steadman stated her estimate was around 4,000 electrical meters. Steadman stated that the Electric Department just received a new meter tester which will help with the testing and testing 10% of the meters annually is the benchmark.

Brad Humbert then asked how often are audits done on City wells.

Assistant City Manager/City Recorder Leanne Steadman stated recently one well meter was checked due to it not functioning correctly. Steadman continued to state that those meters would be in the 10% audit with the electrical meters.

Paul Seaquist referenced page 21 of the FY25 preliminary budget book and asked why the funds for advertisement were eliminated from the City Council General fund.

Assistant City Manager/City Recorder Leanne Steadman stated that the budget was eliminated in the City Council General Fund, but was added to the City Manager/ACM-Recorder General fund.

John Lyon then asked Police Chief Joe Shurtz and referenced page 37, Regular Services, of the FY25 preliminary budget book and asked him to explain the budget comments.

Finance Director Laurie Bubar stated that an additional Police Officer was requested by the Police Chief Joe Shurtz, but the budget could not be balanced with those requested fund, so the requested item was eliminated. Bubar stated that when she removed the expenditures from the budget, she did not remove the budget comments, but that they would be removed.

John Lyon then referenced page 57, Personnel, in the FY25 preliminary budget book and asked why two Public Works technicians are needed.

Public Works Superintendent Brian Steadman requested for the Council and Budget Committee to reference page 6 of the FY25 preliminary budget book. Steadman explained that the department had tried to get an additional technician for many years. Back in the early 90's, Electric Technicians helped the Public Works Technician, but that is not the current situation. Steadman continued to explain how Public Works employees were taking on more and more responsibilities resulting in additional employee time. Another technician was requested to help the department keep up with the additional projects and responsibilities.

John Lyon stated that for him to support the FY25 budget, he would like to have the newly appointed City Manager to make the decision of approving or denying the additional Public Works technician.

John Lyon then wanted confirmation that the city was not proposing any additional costs for utility rates, in which Assistant City Manager/City Recorder Leanne Steadman confirmed, but stated the only rate increase was the Golf Course.

John Lyon then referred to page 120 of the preliminary FY25 budget book and asked why there were projected revenue in Residential Sales if there was not a proposed utility increase.

Brad Humber then stated that there needs to be a utility increase.

Assistant City Manager/City Recorder Leanne Steadman stated that City staff would look into the displayed revenue in that budget item.

Finance Director Laurie Bubar stated that the budget item was not a proposed utility rate increase, but staff wasn't sure what the difference was at that moment.

John Lyon then asked when an answer would be given.

Finance Director Laurie Bubar responded with the following day.

John Lyon stated that for him to support the FY25 budget, the answer that was compiled better be good.

John Lyon then asked Public Works Superintendent Brian Steadman why two additional drop boxes were needed. Lyon stated for him to support the FY25 budget, he would need the approval or denial to be at the discretion of the newly appointed City Manager.

Public Works Superintendent Brian Steadman stated that when the budget was originally constructed, it was a time where a lot of projects were happening and the Public Works Department was short drop boxes.

John Lyon then asked why a new excavator was being requested from the Electric Department. Lyon asked if the backhoe was being given up. Lyon stated again that he could not support the FY25 budget if this line item was incorporated in the budget.

Assistant City Manager/City Recorder Leanne Steadman stated that the Electric Budget was compiled by the previous Electric Superintendent prior to his retirement on March 1st as the budgets were due to the finance director February 20th

John Lyon stated that he needed an explanation as to why the Electric Department needed a mini excavator when the department has two backhoes that could do the same job.

Finance Director Laurie Bubar stated that she would have to look back to see if the previous Electric Superintendent left an explanation, but from what she remembered; the mini excavator would leave a smaller footprint when installing underground lines in the public.

John Lyon stated a shovel would be less of a footprint.

Destiny Jensen from the audience stated that using a shovel would take more time.

John Lyon confirmed but stated that it is less of a footprint, which was the concern of the Electric Department.

Destiny Jensen responded that if crews used shovels, it would take more time and the workers would have to be paid for that time creating additional costs.

John Lyon responded that the Electric Department is now asking for a \$80,000 mini excavator when a backhoe could dig the same hole.

Secretary Wes Koklich asked how a bid could have been estimated for the Police Station, when the project started roughly 4 years ago and since then, the economy and cost of materials have changed so much. Secretary Koklich referenced page 88 of the FY25 preliminary budget book.

Finance Director Laurie Bubar stated that her recollection was that the grant was applied for and not knowing how long the process was going to take for the monies to be approved and then be distributed. Staff applied the \$3,000,000 to the 2022-2023 budget in case the monies were applied to the city. The actual funds came in the 2023-2024 budget. That is why on page 88 of the FY25 preliminary budget book, the budget shows two amounts of \$3,000,000 in both years. There was a chance that the fund would have been available in 2022-2023, but were actually available in 2023-2024, so the funds had to be accounted for in both years.

Secretary Wes Koklich asked what the final cost of the Police Department construction was or if bills were still coming into the city.

Finance Director Laurie Bubar stated that the bills are still coming into the city.

Secretary Wes Koklich asked if there was an estimated final cost. Secretary Koklich added that the newspaper stated that the Police Department's cost was \$7.7 million and the budget showed that the building was \$10.7 million.

Linda Hall from the audience stated that she was the Project Manager of the Milton-Freewater Police Station. Hall stated that the bond sales were for \$7.7 million and the grant was for \$3 million, combining for a total of \$10.7 million. Hall stated that when staff was interviewed for the newspaper article, costs as of that date were \$7.7 million. \$400,000 was only one of the cost savings and the city has saved money in several different areas in the building since then.

Emily Holden referenced page 168 of the FY25 preliminary budget book. Holden references a number close to the \$48,000 in revenue from the Milton-Freewater Unified School District buses. Holden then referenced the expenditures on page 172 of the FY25 preliminary budget book, which showed \$120,338. Holden asked if there were funds that were not being accounted for or if the City was expecting that much money in revenue.

Public Works Superintendent Brian Steadman stated that these expenditures have been the same for many budget cycles. Steadman stated that a correction that could be made would be the FTE for the mechanics should not be as high for School Bus Maintenance and be moved over to the vehicle maintenance programs. The school district pays for what mechanical fixes have been done at an hourly rate and an extra 30% for parts.

Assistant City Manager/City Recorder Leanne Steadman stated that the mechanics time could be more exact.

Emily Holden asked that what is proposed in the budget is not exactly the correct staff time for maintenance. Assistant City Manager/City Recorder Leanne Steadman confirmed.

John Lyon asked about the financial discrepancy in the water rate increase.

Assistant City Manager/City Recorder Leanne Steadman stated the preliminary budget does show an increase in revenue, but the intention of the city was not to have a utility rate increase and will be adjusted in the budget book.

Brad Humbert stated that he wasn't sure if the city didn't need the rate increase. Humbert asked what will happen to the extra budgeted funds if they are removed.

Assistant City Manager/City Recorder Leanne Steadman stated again that the City's intent was not a rate increase.

John Lyon asked what will happen to the contingency monies and if the budgeted amount was based off of the \$1.8 million shown in the preliminary budget book.

Brad Humbert stated the longer the city waits to raise the utility rates the higher the rates will be in the future.

Paul Seaquist added that not raising the rates is false economy.

Assistant City Manager/City Recorder Leanne Steadman asked if the committee and council wanted to keep the rate increase in the FY25 budget for water.

Brad Humbert stated he would like to.

Emily Holden stated that it is not financially responsible to keep rates low when the city doesn't have the money it needs to provide the service or to prepare for the future.

Chair Steve Irving added that it was also not responsible to keep rates low when the city doesn't have the money to repair infrastructure.

Assistant City Manager/City Recorder Leanne Steadman asked for clarification, stating she was understanding that the Budget Committee wanted the water rate increase to remain in the proposed budget.

There was a committee consensus of the rate increase remaining.

John Lyon motioned to approve and recommend the fiscal year 2025 City budget as presented to the City Council with the amendments of striking the Electric Departments request of a mini excavator from the FY25 budget proposal and the requests from the Public Works Department to hire an additional Public Works Technician and purchase two additional drop boxes should be under the approval or denial of the newly appointed City Manager, 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 \$300,000 for General Obligation Bond for the Police Station. Paul Seaquist seconded the motion which passed unanimously.

There being no further business the Committee was adjourned at 9:50 p.m.

Budget Meeting Minutes Approved on_____