

The budget meeting was called to order by Mayor Chet Phillips at 6:35 p.m. and roll call was taken:

Budget Committee Members:

Chet Phillips, Christie Perry, Neil Livingston, Mark Pratt, Ed Glenn, Jill Pambrun, Steve Doherty, Dan Daltoso, Ray Michael (6:40 p.m.), Blaine Ganvoa, Kathie McGowan, and Ted Lieurance

Absent: Julie Gisi

Staff: Karen Pettigrew-City Manager, Lila Killingbeck-Recorder, and Tom Kligel-Budget Officer, Loren Dieter-Interim Chief, Brett Cook-Building Official

Committee Member Phillips opened the Budget Meeting and explained that the first order of business was to elect a Budget Chairman.

Committee Member Dan Daltoso nominated Committee Member Steve Doherty as chairman. Committee Member Christie Perry seconded the nomination. All were in favor.

Budget Officer Kligel explained that Chairman Doherty and the Budget Committee should set some ground rules before beginning the budget review. The ground rules were: two minutes maximum for each item, the budget review would last no more than 1.5 hours with a break if needed, the Committee decided to start at the General Fund and work their way through all Funds.

Budget Officer Kligel began the review of the General Fund for the 2011-12 Budget. The General Fund had a strong year last year. There had been an increase in taxes as PGE-Coyote Springs facilities came on the tax rolls and their valuation became included in the valuation of property for Morrow County tax assessment. This along with frugal spending has allowed the General Fund to have strong reserves, contingency, and cash carryover. On the other hand some of the franchise fees and state revenue sharing revenues are continuing to decrease. Committee Member Pambrun asked about the sale of property that had been budgeted in the Other Revenue line item. This has been estimated to be \$800,000 and Budget Officer Kligel is expecting the revenue from the Tower Road sale to be received in September. Committee Member Glenn stated the Petition is still pending review at the Oregon State Supreme Court and it could be 6 or 8 months. Depending on the outcome of that decision, there may be a new opportunity for Devin Oil to re-appeal at the County level.

Budget Officer Kligel stated that Code Compliance has plans to building a dog kennel at the Wastewater Lagoon this next year to improve efficiency for that department.

6:40 p.m. Budget Member Michael joined the meeting.

Budget Officer Kligel explained that in the Public Safety section the Committee would see a reduction in the salaries. This line item has 8 officers budgeted and the funds for the 9th position has been moved to contingency in case the Council decide that the 9th position should be filled. There is an increase in the Service Contract line items to accommodate the change in service provider for the City's computer maintenance contract. As the review continued through the Public Safety section Committee member Daltoso asked City Manager Pettigrew about the

Assessment of the Police Department. He also asked when she thought the study of citizens' view of the Police Dept. would be complete. City Manager Pettigrew explained about some of the legal issues that are involved with Morrow County Sheriff's Dept. providing services. Committee Member Perry asked about the funding for consultant fees. At this time the City is using the Chief's Association as a consultant, if there should be a need for consultant there is contingency funds that could be moved.

Committee Member Glenn asked Budget Officer Kligel about the cost of an officer position that has not been refilled. Budget Officer Kligel explained that it cost between \$70-75,000 for an officer and that amount has been moved to the contingency line item until decisions are made regarding number of officer positions that are needed in the Police Department.

Councilor Pambrun asked about the change in the liability/property insurance cost. Budget Officer Kligel explained that City County Insurance Company has given a discount of \$15,000 this year. This discount can be taken over the next two years, so Budget Officer Kligel decided to take \$7,000 this year and \$8,000 next year. Budget Officer Kligel pointed out that \$24,200 has been budgeted for 2 patrol car leases and funds for a new lease to replace a patrol car if needed in the next budget year.

Budget Officer Kligel pointed out that there has been \$7,000 put in the Seminars and Training line item which has been increased by \$500 from last year. Committee Member Ganvoa asked Interim Chief Dieter about training requests and scheduling for officers to be gone to trainings. Interim Chief Dieter explained that most of the trainings are in Oregon and there are some training put on locally. Committee Member Phillips asked about the cost of officers going to the Police Academy. There isn't a cost to the City for sending new patrolmen to the Police Academy, except the City pays wages and benefits while they are attending the 16 weeks of training. Committee Member Phillips asked about the comparison cost between the City and a quote from Morrow County Sheriff's Dept. City Manager Pettigrew stated that the cost for contracting will always be lower, but the question is does the City have the funds to operate their own Police Department. The City does have the funds and Committee Member Perry stated the she feels the citizens of Boardman want their own Police Department. There was a question about budgeting for the Police Department. Budget Committee Chairman Doherty stated that at this time we have a Police Department so we need to budget for it. If there is a change in operation of the department, then we will have to change the budget.

Committee Member Michael asked about the expenses that are budgeted for in the Community Development line item. This line had increased by \$30,500 to \$150,500. Budget Officer Kligel explained that the Transient Room Tax payments to the Boardman Chamber of Commerce come out of line item and community enhancement projects for the city parks. Committee Member Pambrun asked about Other Grants. Budget Officer Kligel stated that \$10,000 had been budgeted in case a School Liaison could be funded through Morrow County Schools, Morrow County, and the City of Boardman.

Budget Officer Kligel explained that the Water, Sewer, Garbage funds are enterprise funds which means that they generate the funding with which to operate. The transfers to Reserves Funds depend on Cash Carryover from the year before. Committee Member Pambrun asked about funds for large items such as Backup Generators. Budget Officer Kligel said that those large items are usually purchased out of Reserve funds.

Committee Member Daltoso asked for a percentage of employees that are paid for out of each fund. Budget Officer Kligel stated that many of the employees are paid out of several funds by percentage of work done in each department. Budget Officer Kligel passed out a worksheet that he had prepared showing positions, the departments each position is budgeted in and what percentage each department pays.

The Sewer Funds has similar expenses, but there are bigger transfers and contingency this year. Budget Committee Member Daltoso asked about the percentage that is determined for contingency in each fund. Budget Officer Kligel stated that he had calculated what the percentage was this year, but it is not a consistent percentage for each fund.

The Garbage Fund has a few expenses for employees, but most of the garbage fund expense is for the contract with Sanitary Disposal for garbage service. Committee Member Daltoso thanked the City for budgeting the funds for the Fall and Spring Cleanup with free dumping at Morrow County Transfer Station and Finley Butte Landfill. He feels that this is a great service for the citizens.

The Street Fund is funded with road taxes that are collected from the State of Oregon and Morrow County. There is an increase in the amount in the repair and maintenance of \$30,000 and it will be used for crack sealing and striping. There is reduction in transfers due to lower cash carryover and expenses for the South Main project last year. Budget Officer Kligel stated the Annual Upgrades included items such as snow removal, weed control, etc. Committee Member Daltoso would like more money spent on weed control.

The Building Fund revenues and expenses are very difficult to estimate. Of the revenue that is received for permit fees thirty-five percent is paid out to other entities. The expense for permits has to be estimated on an educated guess by the Building Inspector and Finance Director Kligel. Committee Member Pambrun asked about the Building Department having \$9000 for training budget when the Police Department has \$7000 for a lot more people. Building Official Cook explained that all of his trainings are in Eugene, Salem, Portland, or Bend. They are expensive and he has to have annual trainings for each of his certifications (9). Budget Officer Kligel also explained that the Police Department Training budget has been set on past history and if there needs to be additional funding in that line item there is contingency funding available.

Budget Officer Kligel explained that this year the Budget Committee will see a transfer of \$300,000 which will come from the sale of property at Tower Road in the General Reserve Fund. He has placed \$215,000 in a Reserves line item for use as next years cash carryover. By placing this amount in a Reserves line item this gives the Council more flexibility of use in case of unforeseen needs during the budget year.

The Water, Sewer, and Street Reserve Funds revenues are made up of a combination of cash carryover and transfers. Budget Chairman Doherty asked Budget Officer Kligel about Capital Improvement Projects that are projected for the next budget. He explained that there are two: Olsen Road upgrades which began this year and will be completed next year, and Tatone Street. There was a discussion regarding generating revenues into Street Reserve Fund. City Manager Pettigrew informed the Budget Committee that other cities have Transportation System Development Charges which Boardman doesn't have at this time.

Budget Officer Kligel explained that the Bond Debt drops between \$4,000 and \$5,000 each year. The City of Boardman will need to levy \$475,000 this year to pay the Bond payments. This year the collection rate will be \$1.34 per 1000 of assessed value which is down from \$2.20 per 1000 of assessed value eight years ago.

Budget Committee Chairman Doherty asked if there was any further discussion, Committee Member Glenn asked to speak. Committee Member Glenn stated that in the years past he had been critical of the budget because he feels General Reserve is very important. He is glad to see this included in this years budget. There were no other comments.

Committee Member Glenn moved that the City of Boardman Budget Committee approve the proposed City of Boardman budget for the 2011-12 as presented in the amount of \$9,093,151.00 and approves the tax rate of \$4.2114 per \$1000 of assessed value, with Bond levies in the amount of \$475,000. Committee Member Phillips seconded the motion. The vote was 12 in favor and 2 absent. Motion carried.

Budget Meeting was adjourned at 7:55 p.m.

Chet Phillips-Mayor

Lila Killingbeck, Recorder