

The Budget Hearing was called to order by Mayor Ed Glenn at 6:38 p.m. and he led the group in the Pledge of Allegiance. Roll call was taken:

Budget members:	Ed Glenn, Jim Hollandsworth, Jill Pambrun, Christie Perry, Steve Doherty Dr. Boss, Dan Daltoso, Paul Beagle, Lavern Gertlar, and Ray Michael (10 present)
Absent:	Randy Yates, Pam Docken, Tom Meyers, and Blaine Ganvoa (4 absent)
Staff:	Karen Pettigrew-City Manager, Lila Killingbeck-Recorder, Tom Kligel, Barry Beyeler, and Brett Cook

The first order of business was to appoint a Chairman for the 2008-09 Budget Committee. Mr. Lavern Gertlar was nominated for the Chairman. Mr. Daltoso recommended that a unanimous ballot be cast in favor of Mr. Gertlar nomination as Budget Chairman. All were in favor

The ground rules were set: There will be a 2 hour limit on the meeting, Review each fund's expenses and revenues, and ask questions regarding budget items.

Mr. Gertlar asked Mr. Tom Kligel, Budget Officer, to begin with the budget message highlights. Mr. Kligel explained there would be a General Fund revenue shortage this budget year because of the PGE Coyote Springs plant coming on the tax rolls in January 2009, but not receiving any tax money until November, 2009. Since the PGE plant will no longer be in the tax exempt status we would not be receiving in-lieu-of-taxes this budget year either. Another challenge would be the number of capital improvement projects that could be needed this year, with limited Reserve Funds. He asked if there were any questions from the committee.

Mr. Paul Beagle asked about the assessed value decreases. Mayor Glenn explained that most of the decrease comes from the State Revenue Dept depreciation on assessed value for Utility Industry facilities. Mr. Kligel also pointed out the elimination of the Sale of Assets that had been in last year budget. There hadn't been any Sales of Assets last year and there hadn't been any indication that there might be any this year. There was a question regarding the way the budget spread the line items throughout the budget and was there a way to group them by each line item. There is a way of seeing this information after the budget had been approved and posted in our financial software, but not at this time.

Mr. Gertlar called on Dr. Boss. He had concerns regarding the cost of the Police Dept. He congratulated Budget Officer Kligel for physical responsibility regarding the reduction expenses in other funds and felt that Police Dept. should show that same responsibility by reducing their expenses. The Police Dept expenses have been reduced in all areas but payroll. They are at full staff, union contract has been finalized, and benefit increases have added together to increases above last year. Budget Officer Kligel explained that these expenses are requirements and can not be reduced unless there is a reduction in staff. Dr. Boss suggested that we reduce the salaries and payroll costs back to last year's budget. Budget officer Kligel explained that overall the increase in the Police Budget was \$16,000.00.

Councilor Doherty explained that the only way to reduce the Police Budget is to reduce personnel. The Budget Committee wouldn't be able to reduce personnel but they do have the option to reduce funding. City Manager Pettigrew pointed out that this Police Dept. budget is

an estimate of expenses. In the past the budget has been under spent, including this current year. Mr. Dan Daltoso expressed his feeling about the staffing and expenses and how he feels that the Council knows the needs of the City. Therefore the Budget Committee should go with the suggestions of the Council/Budget Officer.

The Committee reviewed the Water and Sewer funds. There will be an increase in rates in both of these funds plus an increase in the Port water rates. These increases are reflected in the revenues. There was a discussion regarding the need to do pump repairs in the coming year. Over the last few years the pumps have been repaired/rebuilt so maintenance has been completed, but there is funding budgeted in case repairs are needed. There are some one time transfers in both water and sewer to reserves to build up funds for future capital improvement project. The Garbage fund is a pass through fund so there is a same adjustment for increased residential/industrial needs. The Street Fund is reduced from last year in repairs and maintenance section. There was a question regarding the line item for annual weed spraying. Budget Officer Kligel assured the Committee that it is included in Annual Upgrades. The Building Fund probably will remain the same with the number of industrial project in Morrow County, which will keep the revenues high. A percentage of this revenue is in turn sent out as expense to pay Morrow County 25% of collections and State of Oregon 12% of collections for Surcharge. There was a discussion regarding the option of borrowing money from an enterprise fund like the Building Fund during a budget year. Budget Officer Kligel cautioned the use of this option, because there can be problems with paying the loan back later.

There was a recess called at 7:35 p.m.

Meeting reconvened at 7:45 p.m.

The Reserve Funds are used to fund capital improvement and major repair problems. City Manager Pettigrew explained that this is the last year of the In Lieu of Tax payment from Avista (Coyoto Springs) which is in the Enterprise Zone. It will be coming out of this zone this next year, but we will not receive the tax money until the following year. Then there will be more options for cash carryover and reserve funding in the next few years.

Water and Sewer Bonds payment requirements will have a 2 cent increase per \$1,000 this year because of a time issue for a double interest payment in 2008-09. The total amount that will need to be levy is \$425,000.

The total budget is \$6.2 million

Mayor Glenn moved that the City of Boardman Budget Committee approve the proposed City of Boardman 2008-09 Budget as presented and approve the tax rate of \$4.2114 per 1000 of assessed value, with bond levies in the amount of \$425,000.00. Councilor Hollandsworth seconded the motion. Roll Call vote was taken: Gertlar-yes, Beagle-yes, Pambrun-yes, Daltoso-yes, Hollandsworth-yes, Michael-yes, Perry-no, Dr. Boss-no, Doherty-yes, Glenn-yes. Motion carries with 8-yes and 2-no.

**Budget Committee Meeting was adjourned at 8:30 p.m.**

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F.E. Glenn-Mayor

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Lila Killingbeck, Recorder