



CITY OF LYONS

PHONE: (503)859-2167
FAX: (503)859-5167

449 5TH STREET
LYONS, OREGON 97358

BUDGET COMMITTEE MEETING MINUTES May 30, 2017

Council Present: Mayor Troy Donohue, Councilor Mark Orr, Councilor Lloyd Valentine, Councilor Mike Wagner, Councilor Jessica Ritchie

Council Absent: none

Budget Committee Member Present: Pam Brown, Jerry Tabler, Jesse O'Dell

Budget Committee Member Absent: none

Employees Present: Micki Valentine – City Recorder & Budget Officer

Public Present: Barbara Orr and unnamed person

Opened w/pledge @ 6:30pm by Troy Donohue

Introductions: Mayor Troy has those present introduce themselves.

State Revenue Sharing Hearing

Troy Donohue reads the explanation of the two resolutions. The budget committee approves the state revenue sharing hearing. Troy closes the state revenue sharing hearing.

Open Budget Committee Meeting @ 6:37 by Troy Donohue

Elect Presiding Officer and Secretary

Jerry Tabler motions Mayor Troy Donohue as the presiding officer and seconded by Jesse O'Dell – motioned carried with all in favor – no nays. Jerry motions Mark as secretary and seconded by Pam Brown – motioned carried with all in favor – no nays.

Budget Message

Micki Valentine reviews the year. She explains the necessary supplemental budgets and how the budget is balanced as required by Oregon Budget Law. She reads that council will adopt the budget on June 27th during the regular meeting. Mark asks a question about the State Revenue Sharing Fund being abolished and Micki explains that it was done on last year's budget and is included in the general fund instead of a separate fund. Micki asks for questions before moving on – none asked.

Page 1 – Resources Allocated General Fund (LB-20)

The line item changes are reviewed. Micki asks for questions – none asked.

Page 2 – Requirements Allocated General Fund (LB-30)

The allocated expenses that include personnel services, materials and services, and capital outlay are reviewed.

Page 4 - Detailed Requirements General Fund (LB-31)

Micki refers committee to page 4 (Form LB-31). Mike asks about what LGIP is – Micki explains it stands for Local Government Investment Pool and it earns us interest. Jessica questions the Linn County Sheriff's Contract increase and was verified by Micki. Jessica asks if there will be another increase next year – Micki says we should expect one, it will be reevaluated each year. Jerry says there will probably be a cost of living somewhere also. Mark asks about the city engineer and consulting which went down – how does this affect consulting for library – Micki says most of city engineer cost comes from the street fund which is different than the general fund. Jerry says the consulting stayed the same. Mark asks about the health benefits and Micki explains it needs to be budgeted for even though the employee isn't using it at this time. Mark asks about PERS and it was discussed by the committee members.

Page 3 – Requirements Not Allocated General Fund (LB-30)

Micki reviews the non-allocated requirements shared by different organizational requirements. Mark asks about a couple of months ago when some money was transferred and Micki verifies that it was transferred to our equipment reserve with a supplemental budget.

Page 5, 6, & 7 – Resources & Requirements Library Fund (LB-20) (LB-30)

The library is reviewed. It is not self-supporting. It is supported by transfers from the general fund. Jessica asks how much the library is bringing in – what does it cost the city to run the library. Committee discusses that library costs \$81,000. Jessica says about resources coming in are \$21,000 or thereabouts so city puts out \$60,000 to have the library. Jessica asks what the proposed increase is for. Micki explains it is for Unappropriated to help stabilize that fund. Jessica asks if it is not necessarily an increase – Micki says correct. Personnel services, material and services, and the capital outlay are reviewed. Mike asks if equipment is a push – it is for computers, printers, or other items if needed, but nothing is confirmed. Mike asks about the unappropriated balance – Micki explains to cover costs for the time period between July 1st and November when taxes start coming in. Mike says it is a cash balance to carry over – Micki confirms and committee discusses. Micki says the operating funds should all have a guaranteed cash balance carryover.

Page 8 – Resources Street Fund (LB-10)

The street fund is reviewed. The fund is to account for the state gas tax. Mike asks how we get the state gas tax and Micki says it is based on population. Mike says if our population grows we get more/decreases we get less – yes. Mike asks about the capital outlay – money is set aside for future capital projects. Troy responds that it's for paving, repairs of streets, etc. Mark asks about maintenance and repair – it covers things like weed maintenance. Mike asks where the cracksealing comes out of – maintenance and repair general. Troy says we stay on top of cracksealing, and a couple of roads in the next 5 years will need to be repaved due to age. Jessica asks if we want to decrease it or is there any that need to be done this year. Mark says the winter caused the roads to take a pounding and not decrease it. Micki says there is a contingency that could cover if something comes up.

Page 9 & 10 – Resources & Requirements Cemetery Fund and Cemetery Trust Fund (LB-10)

The cemetery fund resources and requirements are reviewed. Jesse asks about the projects budgeted for and Micki explains the costs for the radar and donated land. Troy asks if it includes the fencing – Micki confirms it does. Mark explains that the land has been donated and the committee discusses the costs. Mike explains that the cash on hand is high because some of the projects didn't get done last year so the money is carried over. The cemetery trust fund is

reviewed. Troy asks if we need to notate that the money for the families is in the trust fund – Micki says the money is noted here in the trust fund \$7,500 and \$7,289.05 which is in a money market account and the interest is just a few cents every month. Mike asks if it is possible to transfer to governmental investment fund – Micki says the money for the Rhoda Trust has to be in a separate account and we would have to open a new LGIP account. Jessica asks if the money is never taken out of that – Micki confirms that the only money spent can be the interest earned, for maintenance and flowers.

Page 11 – Resources & Requirements Building Reserve Fund (LB-10)

The building reserve fund was created to accumulate funds for building improvements and requirements. Mark says it is generic enough that it could entail many different things if needed.

Page 12 – Resources & Requirements Equipment Reserve Fund (LB-10)

Resources and requirements of the building reserve fund are reviewed.

Budget Committee Discussion and Review

Chart for all funds is reviewed. Troy asks the projected revenue this year for general fund for city income. It is anticipated that the General Fund will be \$706,714 which includes beginning cash on hand. Excluding cash on hand it is \$331,714. Library fund is \$21,200, excluding beginning cash on hand and transfers in. Jesse says Troy wants to know how much money we're going to bring in compared to how much is going out – Mike says you would have to go through the revenue portions of each one of the funds and figure out the expenses. Jerry says that the city has \$1.5 million and change in place. Committee members discuss that includes everything – all the reserve funds, etc. Pam adds that they are doing a great job compared to what she has seen in other places. Mike says it is presented wonderfully but they just want to know how much is coming in versus how much is going out. Jerry says we are adding to our fund by about \$60,000 a year and yet, have more personnel. He says he would be worried if it was a negative number. Mike congratulates Micki for how it was presented. Committee has discussion about sewer, personnel costs and growth. Committee discusses annexation when all available building spots are taken. Jerry suggests bringing up at a council meeting to look at annexing because it could take 7 to 10 years before you actually gain it. Troy asks if there are any revisions recommended to our budget documents – none.

Public Comment

Troy asks for any public comment – none.

Additional Budget Meeting

Troy says if budget committee and council are in approval of our 2017-2018 budget he doesn't foresee having to schedule an additional budget meeting.

Approve the Budget, property tax rate to be imposed and bonded debt service tax

Committee reviews and discusses the property tax chart on page 12. Jesse asks about the potential of property tax increases – Troy explains that we have reached the maximum that the state allows. Troy asks for a motion to approve the budget proposal. Mike asks if we could have an election to change property tax or is it regulated. Troy explains that is the maximum allowed – we could choose to lower it but that is the maximum rate the state will allow. Mike asks if we would have to pass a bond for the library – Troy says correct. Mark says that the number is the same as last year so the only additional we would gain is from new homes or if property values went up – Troy verifies that we are at the cap. Jessica asks if we are at the 3% increase or is it

split with the county – Troy says that is our estimated increase of revenue to the city is a 3% increase of the value of our property. Committee discusses that it is 1.8926 per \$1000 not 3%. Jesse said if the money we had left over started growing exponentially then at that point as budget committee members we would have to reduce our rate but we have a lot of projects and issues coming up that we need to have a reserve – committee agrees. Troy asks the budget officer if there is anything left to add before requesting motion – none. Committee discussed there weren't any revisions or changes. *Troy looks for a motion to approve our budget proposal – he moves that the City of Lyons budget committee approve the proposed budget as presented for the 2017 – 2018 fiscal year at the rate of 1.8926 per \$1000 of assessed value for operating purposes – he asks for a motion to accept that. Pam motions to accept – Mike seconds – carried with all in favor – none opposed.*

Adjourned 8:05 pm

Transcribed by Carol Hendricks, Assistant City Recorder

