



595 Main St. Aumsville, Oregon 97325
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Aumsville Budget Committee – Agenda 5/14/24

7:00pm – 9:00pm

ZOOM MEETING LINK – [CLICK HERE](#)

WEBINAR ID – 810 1839 1122

PASSCODE - 113244

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE
2. Elect 2024-25 Budget Officers:
 - Nominations for Chair & Vice Chair
3. Approval of Minutes from Meeting held on May 9, 2023
4. Budget Message & Presentation - Budget Officer Harding
5. Public Comment on the Proposed Fiscal Year 2024-2025 Budget
 - A. Open Public Hearing
 - B. Accept Public Comments on Proposed Budget
 - C. Close Public Hearing
6. Public Hearing – State Revenue Sharing:
 - A. The budget committee will take public comment on possible uses for State Revenue Sharing money. Any visitor who wishes to comment can request to be acknowledged. We have also taken written testimony leading up to the meeting date, which will be considered and entered into the public records.
 - B. Accept Public Comment on uses of State Funds
 - C. Close Public Hearing
7. Review & Revise Budget Document
 - General Fund (10)
 - Police Fund (11)
 - Water (12)
 - Sewer (13)
 - Street (14)
 - Park (15)
 - PW Equip (16)
 - Special Projects Fund (17) – INACTIVE, propose removal
 - Sewer Improvements (19)
 - Vehicle Replacement (20)
 - City Reserve (22)
 - Water SDC (24)



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- Maj. Off. Equip Reserve (27)
- Water Improvements (28)
- Sewer SDC (29)
- Transportation SDC (30)
- Bikeway/Pedestrian (31)
- Park SDC (32)
- Storm Drainage SDC (34)
- OPRD Grant Fund (35) – INACTIVE, propose removal
- IIAF&C (36)

Recommended Motion:

I move to approve the fiscal year 2024-25 budget as reviewed and amended, and to recommend the city levy taxes at the permanent rate of \$3.6327 per \$1,000 of assessed value.

8. ADJOURNMENT

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities must be made at least 48 hours prior to the meeting. Please call (503) 749-2030 and leave a message or Oregon Relay Service for TDD at (800) 735-2900.



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AUMSVILLE BUDGET COMMITTEE

May 9, 2023 Meeting Minutes

Budget Committee Chair Karla Willmschen called the meeting to order at 7:08PM.

Present in-person were Councilors Nico Casarez, Scott Lee, Della Seney, Katie Wallace, Douglas Cox, Walter Wick, Chair Karla Willmschen, Tammy Bennett, Austin Gallup and Ray Mandyck. Present via Zoom: Mayor Angelica Ceja and Kim Ferguson. Staff present: City Administrator (CA) Ron Harding, Finance Officer Joshua Hoyer, and City Clerk Traci Nichols.

CALL TO ORDER:

Chair Karla Willmschen called the meeting to order at approximately 7:08PM. Equipment difficulties created a communication breakdown between in-person and Zoom committee members, so the meeting and recording were stopped, then restarted at approximately 7:16PM.

ELECT 2023-2024 BUDGET OFFICERS:

Chair Willmschen nominated Kim Ferguson as Budget Committee Chair. Councilor Lee seconded. Kim Ferguson accepted the nomination. Committee present voted unanimously in favor of Kim Ferguson as Budget Committee Chair.

Councilor Casarez nominated Ray Mandyck as Vice Chair. Councilor Lee seconded. Ray Mandyck accepted the nomination. Committee present voted unanimously in favor of Ray Mandyck as Budget Committee Vice Chair.

APPROVAL OF MINUTES FROM MAY 10, 2022 MEETING:

Councilor Seney moved to approve the minutes from last year's Budget Committee meeting [on May 10, 2022]. Councilor Cox seconded. Committee present voted unanimously to approve the minutes. Minutes approved with no corrections.

BUDGET MESSAGE AND PRESENTATION:

City Administrator/Budget Officer Ron Harding and Finance Officer Joshua Hoyer began a verbal presentation explaining factors that led to the 2023-2024 Budget. CA Harding said things of note were: personnel costs have gone up, and medical costs have gone up between 5-17%, which the City does not have control of. A 6% cost of living adjustment has been incorporated, which is what we had last year. The west coast CPI (Consumer Price Index) is 5.9%. The PERS (Public Employees Retirement System) rate contribution has risen, which again is not something the City has control of.

The City's total budget this year, with all the capital projects, is \$21,000,000. A lot of that is driven by grants the City has received. A little over \$1,000,000 is from property tax. There are a few project highlights in the budget - a couple of those are ongoing water projects. The City is facing a huge challenge with the Wastewater project, so Staff has continued to talk about that in the budget message. Another big project that has been funded through grants and loans is the new Public Works facility. The development of the new Eastside Park is a milestone project for the City. The updated Parks Master Plan should be adopted soon, and Staff will begin the work of bringing the Eastside property into the City [limits]. The Council would like to see some small, attainable projects that align with Council goals - specifically geared toward outreach.

PUBLIC HEARING AND PUBLIC COMMENT ON THE PROPOSED FISCAL YEAR 2023-2024 BUDGET:

Chair Ferguson opened the Public Hearing at 7:26PM.

There was no Public Comment on the proposed budget in person, via Zoom or via correspondence sent directly to City Hall by email or other means.

Vice Chair Mandyck expressed concerns regarding potential steep increase in water rates. CA Harding said the City is depending on additional grants and funding for the Wastewater Treatment project. Staff are trying to leverage as much funding as possible for the community.

Councilor Casarez said [Council] is doing everything they can, talking to officials on the Federal and State levels, trying to secure funding to defray costs to the community.

Member Willmschen asked to clarify information on the water rates potentially increasing. She asked if it would be this next fiscal year. CA Harding said the City had leveraged \$4 million in grants of the \$28 million needed for the Wastewater Treatment project. Staff are using that money to get the project engineered and have everything shovel-ready and loan ready. He said Staff was currently positioning the City to get the most favorable rates and terms through fiscal funding agencies.

Chair Ferguson closed the Public Hearing at 7:45PM.

PUBLIC HEARING – STATE REVENUE SHARING:

Chair Ferguson opened the Public Hearing at 7:46PM. She announced that the Budget Committee would take public comment on possible uses of State Revenue Sharing funds.

There was no Public Comment on State Revenue Sharing in person, via Zoom or via correspondence sent directly to City Hall by email or other means.

Chair Ferguson closed the Public Hearing at 7:46PM.

REVIEW AND REVISE BUDGET DOCUMENT:

CA Harding gave a brief overview of the budget review process. He said typically the Committee goes over the worksheets, and then they look at the budget using the Forecast Model. The Forecast Model gives a picture of the cause and effect over time of the revenue and expenditures.

CA Harding and Finance Officer Josh Hoyer began presentation of the Proposed 2023-2024 Budget using the Forecast Model. The Model shows previous years' expenditures, the current year, and the Proposed Budget for the upcoming fiscal year. CA Harding explained the City utilizes a 'hold the line' budgeting technique, meaning that the same amount is budgeted each year unless there is a reason to change the number.

CA Harding went over the General Fund budget, stating that not much has changed [from the previous year]. He explained that a couple of the debt service numbers were different, as the City was required to factor in a 5% 'non-collection rate' because there was always a small amount of property taxes that were not collected. The Park Fund was increased a little bit, to keep the Fund moving in the right direction. That number fluctuates over time, depending on the expenses moving forward. In Police Services, the revenue streams are somewhat predictable – property taxes, public safety fee, and grants and fees. In expenditures, wages and benefits are set. Dispatch and records went up a few thousand dollars. Telecommunications was changed because we are required by law to make some operational changes. Radio Repairs funds were increased due to the age of many of the radios. Staff will try to purchase a couple out of this year's budget, then a couple more from next year's budget. IT Services was increased a bit, due to body camera monitoring. The Ballistic Vests line item has been increased, as the vests are officer-specific and fitted. Building Improvements have been increased, as the City is looking to make changes to the Customer Service desk. Weapons Systems has been increased, as some of the weaponry must be changed out. Councilor Casarez asked for clarification on the Legal Fees line item. CA Harding explained this was due to the formation of a union for the police. Legal Fees are for attorney consultation on collective bargaining agreements, etc. Staff do not anticipate this being a line item every year. The Vehicle Replacement Fund has been increased. It takes about a year to get a vehicle, and the current vehicles are reaching their maximum age. Staff is hoping to purchase 2 vehicles next fiscal year.

CA Harding went into the Water Fund budget, explaining what each fund meant. He indicated that the Water Fund Interest had jumped from \$2,900 to \$14,500. He said it didn't meet the rate of inflation, but it did keep some of the cost down. In the Materials & Services section, Insurance went up (as it did in all funds). Telecommunications went up a bit. Fuel went up a bit. Maintenance & Repairs was raised so Staff was prepared if there was a major breakdown. Finally, Water Testing went up a little bit. There is nothing budgeted for the Major Office Equipment, as there were allocations last year for new software programs. It will be another year implementing those programs.

CA Harding transitioned to the Sewer Fund. The revenues are the Ending Fund and customer payments. In Expenditures, Insurance is a bit higher (as it did with all the funds). In Sewer, there are spikes in energy. The sewer uses a lot of energy – there are giant aerators which consume a lot of energy, the cost of which has really increased. In Consultant/Professional Services, more was budgeted. There is no expenditure associated, but with all the work being done with sewer Staff wanted to have a buffer if there was something not project-specific (like grant applications and requirements for them). Maintenance & Repairs has increased this year, as we had a huge repair last year and the costs of those are considerable. Under Debt Service, the only debt in the City is in the Sewer section. It was refinanced a few years ago, saving the City \$40,000 yearly. There is nothing budgeted for the Major Office Equipment, as with the

Water Fund. There is a budget this year for Vehicle Replacement Fund – there was nothing last year as the funds were shifted elsewhere, so Staff brought that back this year.

CA Harding moved to the Street Fund. This is a dedicated revenue fund, meaning the City receives money from the State. But, that money has to be spent on street-related projects or repairs. In Expenditures, Insurance is increased. Everything else is close to the same, except Street Improvements. Last year, not much was done with street improvement as there were other things going on. There will be changes on how the City handles street projects. The City has been told it's being brought into the Metropolitan Planning Organization (MPO), which is referred to as SKATS (Salem-Keizer Area Transportation Study). Population/area are used as a guide, and that's how who is in the MPO and who is out is determined. The City will have to meet all the Federal standards for projects that we fund through the MPO, which makes the cost of projects escalate. However, being part of the MPO gives the City a larger pool of funding resources. Those are not guaranteed, though. CA Harding mentioned he wanted to apply to the Small City Allotment Fund through ODOT for a \$250,000 grant, *before* the City is brought into the MPO. Under budget law, if we get a grant we aren't anticipating, there is a budget amendment process done through Council. It would probably go to Delmar Drive, as there is an improvement project they would like to do, which would make another cut-through to 11th. It's probably a \$2,000,000 project in total, so the City could possibly do part of it this year if we received a grant, then finish up next year.

Councilor Casarez and Member Willmschen inquired on the interest rates for Wastewater Treatment facility. CA Harding said it was 1.92% through DEQ, but with USDA it's 3.59% - but USDA will offer \$5,000,000 in grants. It's more in interest, but the City would get more grants. The payments are comparable.

CA Harding transitioned to the Park Fund. The State Revenue share money as well as the Telecommunications Lease funds go right into the Park Fund – not the General Fund. Those are the 2 main income streams, which is augmented with General Fund money if needed. Park expenses haven't changed a lot. Site Improvements have had a large chunk of money added, which will potentially go to aging playground equipment.

CA Harding moved to the Public Works Equipment Fund. The amount of cash on hand shows the \$900,000 in grant funding [for the new Public Works facility], which the City is holding onto until the rest of the funding can be secured. The funds are broken up under this header to track the grant funding.

CA Harding addressed the Special Projects Fund, indicating there was nothing in there.

CA Harding explained the Sewer Improvement Fund. There will be 3 utility funds for both water and sewer: operational, improvement (flexible fund – can be spent on any project that relates to sewer) and system development (restricted fund – can only be spent on growth-related projects). The Sewer Improvement Fund has a \$1,000,000 grant from Marion County, and a direct Covid payout grant of \$900,000. The expenditures in this fund are project-specific allocations.

The Vehicle Replacement Fund is used for Police and Public Works. CA Harding pointed out the beginning balance is getting down there (around \$60,000). The revenue that comes from transfers is how the money is allocated to each of the various operations funds.

City Reserve Fund is essentially a reserve/emergency fund. There is a policy that says money cannot be spent from this fund without Council preauthorization. An example of how this fund is used is the ice storm a few years ago. It took a year and a half to go through the claim process with FEMA (Federal Emergency Management Agency). The City had to use some of these funds to have debris cleared and hazardous trees trimmed, and then voucher for reimbursement. When making a FEMA claim for something that has been declared an emergency, the reimbursement rate is only 75% for some items. The next budget year, the funds used for ice storm damage remediation were replaced.

Water System Development Charge Fund (SDC) is a growth-related fund. This can only be used for projects that benefit or accommodate growth. Part of this fund will be utilized for new wells and a 1,000,000-gallon water reservoir.

Major Office and Equipment Reserve Fund isn't budgeted to have anything put in. Last year, Staff put in \$50,000. The City has a big project that most of the funds are committed to: the new Caselle software, which is being built right now. The new Caselle system should provide the City with a tool to better serve the community, due to the great ability of the software.

Water Improvement Fund is the unrestricted transfer money, the bulk of which will be used for the reservoir project. The reservoir tank is 90% designed, and Council just approved the contract to drill the 2 new wells associated with it.

Sewer System Development Charge Fund is allocated to the sewer project. These are restricted funds, but building the new facility provides growth capacity so we can use this fund for that project.

Transportation System Development Charge Fund is the same concept – the funds are restricted to growth-related projects. Some of this money was spent last year on the Delmar Drive west alignment project. That project has been designed, and Staff is waiting to secure funding before the project goes out to bid.

Bikeway/Pedestrian Fund is a dedicated revenue stream. The City tries to save this up for a project: a sidewalk, a pathway or something mobility-related. The last time this was used was on Michael Way – a couple of ADA ramps. There is a time limit on spending these funds.

Parks System Development Charge Fund doesn't have a lot in it, as the City hasn't had a lot of new construction until now. The City anticipates building on this fund this year. There is some money allocated to consultant fees for special projects, such as bringing the Eastside Park property into the UGB (Urban Growth Boundary). The Eastside property was purchased on an owner contract that was very favorable to the City. The agreement says that payments will be made on the property when money comes in through SDCs. CA Harding stated he thought the property was about halfway paid off.

Storm Drainage System Development Charge Fund has no activity. The City will have to invoke it when brought into the MPO. There are some new TMDL (Total Maximum Daily Load) requirements through DEQ that require the City to pick up all the metals and mitigate that in the road system. The fund has a little bit of interest in it currently.

Investing in Aumsville Families and Children Fund is used for the summer kids' program, and to supplement some of the events around that (such as Superhero Carnival). The City typically puts about \$5,000 in the Fund to keep it going, but because there are thrifty volunteers aiding in the implementation of the programs and events, the financial burden on the City has been much less.

City Administrator Harding explained the Forecast Model. He indicated that years ago, the City did not have sustainable finances. Part of that was because Staff couldn't really look at what was coming – Staff could only look at what they were doing that particular year, and the compounding effects of revenue and expenses. He and Finance Officer Hoyer developed the Forecast Model, which has proven to be accurate over the years.

CA Harding and FO Hoyer covered how the budget projections and fund forecasts are calculated in the Forecast Model in the major City funds.

Vice Chair Mandyck moved to approve the Fiscal 2023-2024 Budget as reviewed and amended, and to recommend the City levy taxes at the permanent rate of \$3.6327 per \$1,000 dollars of assessed value. Member Gallup seconded. Committee present voted unanimously in favor of approving the Budget.

ADJOURNMENT:

Chair Ferguson adjourned the meeting without prejudice at 9:07PM.

Kim Ferguson, Chair

Ron Harding, City Administrator