

Budget Committee Meeting Minutes

THURSDAY, MAY 14, 2014

CITY HALL COUNCIL CHAMBERS

CITY OF COLUMBIA CITY, COLUMBIA COUNTY, OREGON

AGENDA ITEM 1 **CALL TO ORDER/ROLL CALL:**

CONVENED:

The meeting was called to order by Mayor Cheryl A. Young at 6:00 p.m.

MEMBERS PRESENT:

Cheryl A. Young
Barbara Gordon
Nell Harrison
Karen Ladd
Sally Ann Marson
Larry Preston
Alexander Reed
Ron Schlumpberger

MEMBERS ABSENT:

Josh Fromm
Lyle Bluhm

ALSO PRESENT:

Leahnette Rivers, City Administrator/Recorder

A quorum was present and due notice had been published.

AGENDA ITEM 2 **ELECTION OF OFFICERS:**

Mayor Young opened the nominations for the position of Chair.

MOVED (MARSON) AND SECONDED (GORDON) TO NOMINATE RON SCHLUMPBERGER AS CHAIR.

There being no further nominations for the position of Chair, Mayor Young closed the nominations and called for a vote. ALL VOTED IN FAVOR OF RON SCHLUMPBERGER SERVING AS CHAIR. Mayor Young declared him duly elected.

Mayor Young turned the meeting over to Chair Schlumpberger.

Chair Schlumpberger opened the nominations for the position of Vice-Chair.

MOVED (SCHLUMPBERGER) AND SECONDED (MARSON) TO NOMINATE BARBARA GORDON AS CHAIR.

There being no further nominations for the position of Vice-Chair, Chair Schlumpberger closed the nominations and called for a vote. ALL VOTED IN FAVOR OF BARBARA GORDON SERVING AS VICE-CHAIR. Chair Schlumpberger declared her duly elected.

Chair Schlumpberger opened the nominations for the position of Secretary.

MOVED (PRESTON) AND SECONDED (YOUNG) TO NOMINATE SALLY ANN MARSON AS SECRETARY.

There being no further nominations for the position of Secretary, Chair Schlumpberger closed the nominations and called for a vote. ALL VOTED IN FAVOR OF SALLY ANN MARSON SERVING AS SECRETARY. Chair Schlumpberger declared her duly elected.

AGENDA ITEM 3 **BUDGET MESSAGE 2014/15:**

Leahnette Rivers reviewed the 2014-15 budget message with the Budget Committee Members and discussed the following highlights listed in the message at length with members:

- A 3% increase in water and sewer rates is anticipated effective July 1, 2014, which is in keeping with the City's recent water and sewer rate study.
- Proposed city services in the coming year are similar to current service levels.
- Fund balance levels are in compliance with current financial policies.
- A new debt issuance related to the City's Sewer Improvement Project is anticipated.
- Several capital projects are included in the proposed budget, and the Community Hall and "L" Street projects are conditioned upon successful grant awards.

AGENDA ITEM 4 **PUBLIC HEARING: To receive comments from the public on the proposed budget for fiscal year 2014/15.**

Public Hearing opened.

No comments were heard from the public.

Public Hearing closed.

AGENDA ITEM 5 **PUBLIC HEARING: To receive comments from the public on the proposed use of revenue sharing funds for fiscal year 2014/15.**

Public Hearing opened.

Leahnette Rivers noted that \$15,000 is anticipated in the coming year from Revenue Sharing. She said historically the City has used Revenue Sharing funds for park maintenance purposes, which is consistent with the proposed budget.

No comments were heard from the public.

Public Hearing closed.

AGENDA ITEM 6 **REVIEW OF PROPOSED BUDGET FOR FISCAL YEAR 2014/15:**

Barbara Gordon questioned the increasing amount that is included in the Non-Departmental sections of the budget as shown on page 47, and asked for further

explanation and clarification. She questioned the difference between contingency and unappropriated ending balance.

Leahnette Rivers explained that there are three major categories used in budgeting - Personal Services, which contains all items associated with payroll and fringe benefit costs, Materials and Services which deals with the day-to-day operational expenses, and Capital Outlay and Construction, which accounts for one-time investments in equipment purchases and capital construction projects. She said the Non-Departmental section is used for all other items that do not belong in one of the three major categories, such as annual debt payments, contingency appropriations, transfers to other funds, and unappropriated ending fund balance.

Leahnette Rivers said that transfers to other funds show up as an expenditure within the Non-Departmental section of one fund, and then as a revenue in the receiving fund. She said the contingency is the amount that is appropriated for the coming year in the event that it might be needed, but it cannot be used until the City Council adopts a resolution to transfer it to an expense account. She said the amount showing in the unappropriated ending balance cannot be used in the coming year - it must still remain in the ending fund balance and carried into the next budget year. She said the Budget Committee will have the opportunity during the next budget cycle to appropriate those funds that are showing in this year's unappropriated ending fund balance. She said the unappropriated ending fund balance is used to reserve funds for future debt payments, capital projects, etc.

Leahnette Rivers further explained that the Non-Departmental appropriations within the "Budget" year columns (2013-14 and 2014-15) will look really high compared to the Non-Departmental amounts showing in the two "Actual" year columns (2011-12 and 2012-13) because there are very few actual expenditures made from the Non-Departmental section - transfers out and debt service payments. She reiterated that the unappropriated amounts cannot be spent and must still remain at year-end, and the contingency funds remain unspent unless they are transferred and appropriated by Council Resolution.

Members commended Leahnette Rivers for a well written and comprehensive budget presentation.

AGENDA ITEM 7 **APPROVAL OF BUDGET OR ANNOUNCEMENT OF NEXT MEETING DATE, TIME AND LOCATION:**

MOVED (MARSON), SECONDED (LADD) AND CARRIED UNANIMOUSLY TO APPROVE THE 2014/15 PROPOSED BUDGET.

MOVED (GORDON), SECONDED (MARSON) AND CARRIED UNANIMOUSLY TO LEVY A PERMANENT TAX RATE OF \$1.1346 PER THOUSAND, AND TO LEVY A LOCAL OPTION TAX RATE OF \$0.67 AS PROVIDED IN THE 2014/15 PROPOSED BUDGET.

AGENDA ITEM 8 **ADJOURNMENT:**

There being no further business to come before the Committee, the meeting adjourned at 6:45 p.m.

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APPROVED:

Ron Schlumpberger
Budget Committee Chair

Sally Ann Marson
Budget Committee Secretary

ATTEST:

Leahnette Rivers
City Administrator/Recorder
Budget Officer