

Budget Committee Meeting Minutes

THURSDAY, MAY 30, 2019

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 Wheeler at 6:00 p.m.

MEMBERS PRESENT:

Lyle Bluhm
Karli Ebert
Barbara Gordon
Sally Ann Marson
Charles Ramsdell
Gordon Thistle
Casey Wheeler
Gina Wilson
Sue Ziglinski

MEMBERS ABSENT:

Rebecca Pickering

ALSO PRESENT:

Michael McGlothlin, City Administrator/Recorder

A quorum was present and due notice had been published.

AGENDA ITEM 2 **ELECTION OF OFFICERS:**

Mayor Wheeler opened the nominations for the position of Chair.

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

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

Mayor Wheeler turned the meeting over to Chair Gordon.

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

MOVED (WHEELER) AND SECONDED (EBERT) TO NOMINATE GORDON THISTLE AS VICE-CHAIR.

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

Chair Gordon opened the nominations for the position of Secretary.

MOVED (WHEELER) AND SECONDED (MARSON) TO NOMINATE GINA WILSON AS SECRETARY.

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

AGENDA ITEM 3

BUDGET MESSAGE 2019-20:

Committee Members indicated they had read the budget message, as well as reviewed the 2019-20 budget document, prior to the meeting. Michael gave a brief overview of the budget message. He noted that there are no proposed increases in water rates, but a 3% increase in sewer rates is proposed for July 1. He said financial projections show that the 3% sewer rate increase is needed to generate the amount of revenue required to pay for operation and maintenance costs, make annual debt payments, meet loan debt coverage requirements, and complete necessary capital improvements. He said this increase is in keeping with current inflation rates as well as the rate study that had been conducted on behalf of the City. He said projections show that another 3% sewer rate increase may be needed next year too, as well as a projected 3% water rate increase based upon the aforementioned factors and the referenced rate study. Michael also said that the projections are very conservative and the need will be re-evaluated again this time next year.

Michael said service levels are projected to remain about the same as the current year. He discussed the assumptions that were used during the development of the budget and gave an overview of how the projected beginning fund balances are arrived at. He noted that this year the estimated beginning fund balance for the General Fund falls slightly short of meeting the Fund Balance Policy that calls for at least 3-months operating expenses, but these projections are conservative and the actual fund balance may end up exceeding 3-month operating expenses. He said long-term projections predict that the fund balance shortfall will be corrected by the end of the 2019/20 fiscal year. He said the on-going infrastructure improvement capital projects were the primary cause of the shortfall.

Michael recommended the Budget Committee approve the following changes to the budget:

- Page 5 – Budget Message (Strong reserve policies will protect the future of the City) – change total contingency operations of \$236,304 are equal to 14% of the total operating budget, from 5%.
- Page 30 – Budget Message (Budget Calendar) – the budget calendar was updated to reflect changes in timeline within the budget process.

AGENDA ITEM 4

PUBLIC HEARING: To receive comments from the public on the proposed budget for fiscal year 2019/20.

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 2019/20.**

Public Hearing opened.

No comments were heard from the public.

Public Hearing closed.

AGENDA ITEM 6 **REVIEW OF PROPOSED BUDGET FOR FISCAL YEAR 2018/19:**

Members concluded, after noting typographical and formatting errors for correction to the City Administrator, that no further discussion or review would be needed at this time.

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

MOVED (WHEELER), SECONDED (ZIGLINSKI) AND CARRIED UNANIMOUSLY TO APPROVE THE 2019/20 PROPOSED BUDGET.

AGENDA ITEM 8 **AUTHORIZE PERMANENT TAX RATE LEVY EQUAL TO \$1.1346 PER \$1,000 ASSESSED VALUE AND LOCAL OPTION LEVY EQUAL TO \$0.67 PER \$1,000 ASSESSED VALUE AS PROVIDED FOR IN THE PROPOSED 2019-20 BUDGET:**

MOVED (MARSON), SECONDED (THISTLE) 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 2019/20 PROPOSED BUDGET.

AGENDA ITEM 9 **ADJOURNMENT:**

There being no further business to come before the Committee, the meeting adjourned at 6:26 p.m.

APPROVED:

Barbara Gordon
Budget Committee Chair

Gina Wilson
Budget Committee Secretary

ATTEST:

Michael S. McGlothlin
City Administrator/Recorder
Budget Officer