

City of Creswell
Budget Committee Meeting
May 23, 2007

The annual Budget Committee meeting was called to order by Mayor Ron Petitti and the pledge of allegiance given.

Budget Committee Members Present:

Bill McCoy	Michelle Thielke
Bob Millam	Betty Beckner
Nathan Marple	Michael Dubick
Alan Brown	Martin Heymann
David Case	Pete Nelson
Tim Demanett	

Budget Committee Members Absent:

Keith Morgan

Staff Present:

Ron Hanson	Interim City Administrator
Layli Nichols	Finance Director
Roy Sprout	Public Works Director
Shelley Humble	Airport Manager
Roberta Tharp	City Recorder

Press: 1

Audience: 1

1. Budget Committee Elects Chair

Mayor Ron Petitti opened nominations to elect a Budget Committee Chair. Tim Demanett nominated Mike Dubick as Budget Committee Chair, Bob Millam seconded. No other nominations were received. Voted on and unanimously carried.

2. Review and Approval of last year's minutes

Committee Chair, Mike Dubick reviewed the minutes of the Budget Committee Meeting of May 22, 2006. Bill McCoy moved Alan Brown seconded to approve the minutes as presented. Voted on and unanimously carried.

3. Review Proposed Budget FY 2007-2008

Interim City Administrator Ron Hanson thanked the Committee for the opportunity to present the budget. Mr. Hanson stated the overall budget for FY 2007-08 is \$24,339,113 including the permanent tax rate of 2.6705%, total revenue less property taxes estimated to be received of \$23,914,174, property taxes estimated to be received of \$564,415, total appropriations of \$21,995,056 and a total scheduled unappropriated ending fund balance of \$2,483,533. He addressed and touched on significant points within each fund.

City of Creswell
Budget Committee Meeting
May 23, 2007

The General Fund Mr. Hanson explained includes an expenditure description titled Lease Payments and Moving Costs in anticipation of moving forward with the City Hall project. He also touched on Code Codification and how it is distributed between many funds. Mr. Hanson explained the City has budgeted \$8,500.00 in this fund to share a position with Lane Council of Governments who will house an individual from Resource Assistance To Rural Environments (RARE), through the University of Oregon, who will work with the City and community members in order to determine what is the best use for the recently donated Recreation Building located at 364 Cobalt Lane. Under Planning and Land Use Materials and Services, \$50,000 has been budgeted for completing necessary tasks for the Comprehensive Land Use Plan Update. In Public Safety, Mr. Hanson pointed out the increase for the 2007-08 FY is approximately 3.5% in order to maintain the same level of police services we currently have.

Councilor Bob Millam asked if Lane County Sheriff's office had agreed to the budgeted amount for the Public Safety Contract and Mr. Hanson stated they had. Councilor David Case asked about the line item training and dues, Finance Director, Layli Nichols explained employees are required to attend training in order to keep certifications up especially in Public Works and some of these trainings are out of the area. She also noted each fund where applicable has a line item for training and dues. A discussion ensued regarding housing for City Staff during construction of City Hall. It was suggested to look into the cost of improvements such as telephone and computer lines, as well as heating to the Parks and Recreation building on Cobalt Lane for temporary housing of staff during construction. Mr. Hanson stated it would save the City money by improving our own facility instead of spending money on leases and needed improvements to conduct business in someone else's facility.

In the Water Fund, Mr. Hanson touched on buying down the existing debt service to save thousand of dollars in interest on loans. He also noted under Capital Outlay \$821,800 has been budgeted for New Wells and Pipelines, in anticipation of Harvey Road Improvements should the County move forward with the project.

Mayor Ron Petitti asked about lost revenue from Foster Farms closing down. Mr. Hanson explained that user fees are not decreasing and discussion ensued regarding water rate increases and the process the Council went through in deciding factors for proceeding with the Water Improvement Project and how to pay down the debt the same as we are doing in the sewer fund. Finance Director Layli Nichols also explained the amount budgeted for Water Connection fees was calculated on the basis of new single family residence permits projected for the FY 2007-2008.

Mr. Hanson said the Sewer Fund has a transfer of \$200,000.00 from the Sewer Reserve Fund in order to pay an additional principal payment of \$100,000.00 on each of the two notes payable in this fund. He also pointed out Legal and Engineering Services budgeted amounts are back to normal as litigation with Slayden Enterprises has been resolved.

Committee Chair Mike Dubick noted that the budget history shows we are paying down the debt in the sewer fund. No other questions or discussion was held on the sewer fund.

In the State Highway Street Fund, Mr. Hanson pointed out there is no scheduled revenue under the Lane County line item as a result of the loss of Secure Rural Schools Funding. Under Capital Outlay in the Street Fund \$755,940.00 has been budgeted for Harvey Road Improvements should the County move forward with the project. The city

City of Creswell
Budget Committee Meeting
May 23, 2007

has also budgeted funds to continue the Harvey Road Project from Scott Street South to "A" Street.

Mr. Hanson stated in the Building Department Fund it is anticipated the build out will be approximately 120 residential units in the upcoming year, building and electrical permits as well as system development charges for water, sewer, parks, and transportation were budgeted on this anticipation. The line item for Fire Marshall Services is new this year due to the loss of a permanent Fire Marshall position with South Lane Rural Fire Protection District. These services will now be provided by Mick Nolte, Senior Inspector and Plan Reviewer for The Building Department. These services will be billed on an hourly basis and passed on to the consumer.

Councilor David Case asked about the line item Information & Compliance Services. Finance Director Layli Nichols stated the City is working with The Building Department to put together an informational packet for people moving into Creswell. The packet will contain information on building, electrical, fence permits as well as telephone numbers to local utilities, and other local businesses. She also noted compliance services are actually budgeted in part for using planning assistance, not necessarily land use but enforcement of building rules.

In the Airport Fund Mr. Hanson pointed out resources of the AIP Grant Proceeds of \$540,000.00 as well as FAM Grant Proceeds of \$25,000.00. These funds are to be used to construct the water line to the Airport. Completion of this project would allow for potential new development at the Airport. He also noted that as authorized by the leases with the Airport Users the rental rate on leases has increased by a CPI of 2.75%. Mr. Hanson also pointed out the last two years the City has spent approximately \$28,000.00 in legal fees to address a variety of issues which the City has no control.

Councilor Tim Demanett asked in regards to maintenance of buildings at the Airport. Manager Shelley Humble stated she is working on keeping maintenance costs down as the City will be installing the water lines this year at the airport and there could possibly be more legal fees.

Mr. Hanson noted the Capital Improvement Fund he has segregated monies earmarked for specific projects under Capital Outlay. The line item for Equipment, Land and Building Improvements will be used for the purchase of large equipment which includes \$175,000.00 for a Jet Rodder for Public Works. He also pointed out a total of \$800,000.00 has been set aside for the City Hall Project and \$225,000.00 has been earmarked for future improvements to the Public Works Facilities. It is Mr. Hanson's hope to set aside additional funding each year for these projects in order to construct these improvements without debt and additional costs to the taxpayers.

Councilor David Case inquired the length of time the City anticipates having to save to update Public Works facilities. Mr. Hanson explained the Council needs to weigh the difference between adding on to the existing facility or to find new housing.

The Local Improvement District Fund Mr. Hanson pointed out has scheduled \$43,000.00 as warrant proceeds in anticipation of the Harvey Road Project.

Mr. Hanson stated the monies budgeted in The State Revenue Sharing Fund will pay for training costs of new Utility Billing Software as well as training for upgrades to the existing software.

City of Creswell
Budget Committee Meeting
May 23, 2007

Committee member Michelle Thielke inquired if the new software would allow City utility customers to pay their bill online as from her experience there would be savings to the city to handle business this way as well as a service to customers.

The Bicycle Foot Path Fund Mr. Hanson explained, according to state statute there must be expenditures from this fund at least every ten years, and during the course of the 2007-08 Fiscal Year the Council needs to identify a project for the use of these funds.

Mayor Ron Petitti asked if a trail at Garden Lake Park would qualify for this project. Mr. Hanson reminded the committee about the A Street project with bike lanes, curbs and sidewalks down "A" Street and 4th Street.

The Parks Development Fund and Transportation Enhancement Fund Mr. Hanson explained were created by ordinances last year for the purpose of collecting and tracking system development charges for capital improvements and maintenance projects. A new appropriation for materials and services has been added to each of these funds for the purpose of covering the cost of credit card discount and service fees.

Mayor Petitti praised the Council for initiating System Development Charges for Transportation and Parks. Mr. Hanson explained the Council should look into the fact of developers paying for System Development Charges with credit cards as this transaction is incurring costs to the city for user fees and credit cards while the contractors are reaping the benefits of vacations from air miles by this process.

This is the last year the Planning and Land Use Fund will appear in the budget. This fund has not been used since the 2003-2004 Fiscal Year.

4. Formal recommendation to the governing body to adopt the budget as presented or amended

Martin Heymann moved Bill McCoy seconded to recommend to the Creswell City Council the Budget and tax levy as presented. Voted on and carried unanimously.

There being no further business to come before the Committee, Committee Chair Mike Dubick adjourned the meeting.

Ron Petitti, Mayor

Attest:

Roberta J. Tharp, City Recorder