

City of Creswell
Budget Committee Meeting
June 4, 2008

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

Budget Committee Members Present:

Bill McCoy	Keith Morgan
Martin Heymann	Mike Dubick
Bob Millam	Tim Demanett
David Case	Mike Ufford

Budget Committee Members Absent

Michelle Thielke – Is moving out of town
Betty Beckner – Resigned
Pete Nelson – Has moved out of Town

Staff Present:

Mark Shrives	City Administrator
Layli Nichols	Finance Director
Roy Sprout	Public Works Director
Roberta Tharp	City Recorder

Press: 1

Audience: 2

1. Budget Committee Elects Chair

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

2. Review and Approval of last year's minutes

Committee Chair, Mike Dubick reviewed the minutes of the May 23, 2007 Budget Committee Meeting. Bill McCoy moved Bob Millam seconded to approve the minutes as presented. Voted on and carried unanimously.

3. Review Proposed FY 2008-09

Committee Chair Mike Dubick complimented City Administrator Mark Shrives for the message at the beginning of the budget docket.

City Administrator Mark Shrives thanked the City Council and members of the Budget Committee for the opportunity to present the Fiscal Year 2008/2009 budget. Mr. Shrives stated the overall budget for FY 2008-09 is \$19,248,714.00, with expected property tax revenue at \$606,950.00, and all other revenue totaling \$18,641,764.00. Total Appropriations for this year budget is \$16,383,971.00 which is projected to leave an unappropriated ending fund balance of \$2, 864,743.00. Mr. Shrives addressed and touched on significant points within each fund.

General Fund:

The General Fund Mr. Shrives explained does not have any significant changes. Under materials and Services the line item Lease Payments and Moving Costs of \$52,000.00 has been carried over from the previous year which will be used to move City Hall and Staff into a temporary office during the construction of the City Hall Project. Under Culture and Recreation materials and services Mr. Shrives explained the city intends to enter into an Intergovernmental Agreement with Lane Council of Governments to hire a University of Oregon student working through a program called Resource Assistance to Rural Environments (RARE) who will work with the City and community members in order to determine the best use of the Community Recreation Building located at 364 Cobalt Lane. The budgeted amount of \$17,000.00 is a match and the grant amount provided is \$10,000.00. Mr. Shrives said in the

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planning and land use category, the line item for contractual service, planning has been increased by \$5,000.00 up to \$80,000.00 in order to allow the city planner to be on site two days a week at City Hall in order to relieve staff from being the go between for public questions. The \$367,076.00 budgeted for Public Safety includes two full time deputies and a one and one third time sergeant. Councilor Bill McCoy suggested we look for another way to fund public safety as approximately seventy eight percent of our tax revenue is going to public safety. Mr., Shrives pointed out the transfers to other funds where he has budgeted \$250,000.00 to the capital improvement fund for the City Hall Project and \$40,000.00 to the Airport fund to help with Legal Fees. Budget Committee Chair, Mike Dubick asked about the airport becoming self-sustaining? Mr. Shrives responded with the waterline going in it will allow for expansion at the airport with the potential of other revenue sources. Discussion ensued regarding tax money subsidizing the airport and the number of years the city has had to move money from the general fund to the airport fund.

Water Fund:

Mr. Shrives explained the County will put out the Harvey Road Improvement Project for bid sometime this fall and of the \$925,000.00 budgeted under Wells and Pipelines, \$603,000.00 is allocated to replace the water pipeline along Harvey Road.. There is currently no debt service scheduled in the Water Fund but with the start of the new water treatment plant improvement project look for debt service to be budgeted for next year. Mr. Shrives also touched on the line item of Loan Proceeds in the water reserve fund stating the \$1,668,000.00 budgeted is the balance of the water system project.

Sewer Fund:

Mr. Shrives reported in the sewer fund debt service reflects an additional \$200,000.00 payment on debt issued in 2005-2006, and is the City's intention to buy down this debt as funds are available on the new sewer treatment plant.

The \$100,000.00 transfer to the sewer reserve fund is money scheduled for future capital projects. Mr. Shrives explained the \$150,000.00 scheduled amount to be transferred under Capital Improvement Fund is \$75,000.00 for equipment and land and \$75,000.00 for the City Hall project.

State Highway Street Fund:

Mr. Shrives pointed out the money dedicated to the Harvey Road project for the street portion of that project is listed under Road Construction. He went on to explain that the project will not take all of the \$755,940.00 budgeted as some of that is for Public Works use on other projects that come up

A discussion ensued regarding the cost of the Harvey Road Project and Finance Director Layli Nichols answered questions from the committee and Council about how each employee is paid out of different funds and how it is split as to how they allocate their time. She also explained that there has been money budgeted for the hire of temporary employees for the summer until the new public works positions can be filled permanently.

Building Department:

Mr. Shrives said the Building Department Resources Fund was based on the anticipation of the build out of eighty new units during next fiscal year, although, in budgeting for system development charges in the water, sewer, parks and transportation funds they were based on a sixty unit build out. Mr. Shrives said this was done in case new construction is greater than anticipated within the next year. A discussion ensued regarding the decrease in construction during the past year. Mr. Shrives also pointed out under Capital Outlay the \$150,000.00 budgeted for the City Hall Construction Project and \$2,500.00 for Office Equipment.

Airport Fund:

Mr. Shrivess said in the Airport Fund the \$25,000.00 budgeted under FAM Grant Proceeds and the \$540,000.00 budgeted under AIP Grant Proceeds will be used to construct the waterline project to Creswell Airport Hobby Field. Mr. Shrives said the bids for the waterline project were opened approximately two

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weeks ago with the lowest bid coming in at \$187,000.00 so he may need to make some adjustments due to the fact the FAA probably will not offer us the whole \$540,000.00 if not needed. Mr. Shrives also pointed out he has budgeted \$40,000.00 as a transfer from the general fund but with the intentions to transfer only if necessary, and \$12,000.00 in legal services which is equivalent to a simple average of the monies spent the past three years. Mr. Shrives said as authorized by the leases with the airport users this years increase on the rental rate by a CPI of 3.55 percent. A discussion ensued regarding airport related business conducted at City Hall such as billing and accounts payable are charged against the appropriate line items in the airport fund. Mr. Shrives said at the last City Council meeting, the Council agreed to move \$10,000.00 from Operating Contingency to Materials and Services within the Airport Fund, for the purchase fuel, but as of today's report there is 1,500 gallons of fuel left and no money left in the budget to purchase fuel during this fiscal year.

Capital Improvement Fund:

The Capital Improvement Fund reflects money earmarked for large equipment such as a vac truck, jet rodder, and improvements to the public works shop as well as the City Hall project. Mr. Shrives said he tries to set money aside each year for the larger items to try and avoid debt or additional cost to the taxpayers.

Local Improvement District Fund:

The Local Improvement Fund reflects money set aside for a future project the city may do not yet identified.

Bicycle/Foot Path Fund:

Mr. Shrives said there is \$52,991.00 in the Bicycle/Foot Path that by State Statue the City is at a deadline this year to choose a project and expend the money.

Parks Development Fund and Transportation Enhancement Fund:

These two funds show a reduced amount of revenue which Mr. Shrives explained earlier is in line with the reduced rate of construction.

The Budget committee complemented the City Staff for working hard over the years to set money aside for large projects instead of asking the voters for money. Budget Committee Chair Mike Dubick said he would like to see staff look at making the airport self-sustaining. Mayor Tim Demanett said the budget reflects a large portion of our money going to public safety, and the rate the City has been recently growing some research needs to be done to look at means to fund policing services.

4. Formal recommendation to the governing body to adopt the budget as presented or amended
Keith Morgan moved Bill McCoy seconded to recommend to the Creswell City Council to adopt the budget as presented. Voted on and carried unanimously.

Bill McCoy moved Tim Demanett seconded the approval of the ad valorem tax rate of 2.6705% to be certified by the tax assessor as presented. Voted on and carried unanimously.

Budget Committee Chair Mike Dubick asked if there were any other comments or questions. Bob Millam moved Keith Morgan seconded to adjourn the meeting. Voted on and carried unanimously.

Robert A. Hooker, Council President

Roberta J Tharp, City Recorder