

City of Lafayette
Budget Committee Meeting Minutes
April 25, 2022 at 6:30 p.m.

I. Welcome and Call To Order: Chair Jeffery ‘JJ’ Olson called the meeting to order at 6:31 p.m.

II. Roll Call: City Administrator Preston Polasek called the Roll.

Present: Marie Sproul, Christine Brungardt, Jim Drebin, Lee Gilgan, Greg Goularte, Kayla Paulsen, Lillian Barnett, Joseph Carswell, Jeffery Olson, Doreen VanTyne, Shirley Burkett, Hannah Velazquez **Absent:** None

Excused: Sheila Neuman

City Staff Present: Preston Polasek, City Administrator; Kevin Perkins, Assistant City Administrator; Jamie Rhodes, City Clerk

III. Follow-up Items from April 18 Budget Committee

City Administrator Preston Polasek reviewed the follow-up items from the April 18 meeting:

- Budgeted amount for volunteer firefighter stipends was increased by \$5,000, to make available for overnight and weekend shifts. The amount of the stipends is not increasing at this time.
- The first three annual debt service payments for the Fire Station bond levy are interest only. The first payment applied toward principle will be this fiscal year.
- Fund transfers to the Vehicle Replacement Fund were increased from \$3,000 to \$6,000, for a total budget increase of \$12,000.
- Revenue and expenditure line items for building permits and inspections were each increased \$50,000.
- Parks Department expenditures increased \$10,000 for bark chips; capital outlay was decreased to offset this adjustment. This is a maintenance item, not part of the CIP.
- Capital Improvement Project #8, Madison Street Improvements, was increased \$35,000 from the Street SDC Fund. This project contract was awarded by City Council on April 14.

JJ Olson asked if the fund transfer amounts going to the Vehicle Replacement Fund should be equal. Preston stated that the vehicles do support multiple funds, so it is an equitable way to contribute. Smaller equipment items (mower) are paid for out of the operating funds.

Jim Drebin asked Preston when the price for the new reservoir went up. Preston stated that the price did not go up. The construction costs are \$2.5 million, which are covered by grant funding. Other costs, such as site development and contingencies, are funded by City system development charges. Jim commented that what was presented to Council at their November meeting said the project costs were \$2.5 million, and he doesn’t appreciate the bait-and-switch and the omission of \$500,000. Marie Sproul mentioned that she thought the grant covered the whole project as well; however, the site development costs are estimates and may not have been able to be included in the grant funding. Preston clarified that the information sheet the Council received at their meeting is what was provided to the State and Federal delegation, for a project to construct a reservoir. The amounts are accurate and there was no bait-and-switch. The project will still have to go before the voters for approval, and the full project costs could be less. He stated that he has provided for contingency in the project, as there could be additional costs arise during site development. Geo-technical studies and surveys of the site are

being conducted, and the additional amounts are based on consultant and engineer estimates. JJ Olson commented that reservoir projects are always difficult and there are often additional costs with site development. He recommended not lowering the recommended amount of \$3 million.

Jim Drebin asked JJ Olson about his thoughts on the utility rate increase. JJ stated that the Budget Committee doesn't set the rates; he feels the 3% increase in the recommended budget should stay, as it's likely the rate study later in the year will suggest a larger increase.

Jim Drebin asked if the City had received an update on the Sheriff's contract. Preston stated that the Council will be presented with a one-year contract reflecting a 1.3% increase. He noted that the Sheriff's Office is still conducting negotiations, so that is why this contract is only for one year.

Jim Drebin asked to discuss the intergovernmental agreement with Carlton Fire District for fire services, as he doesn't see the benefit to either Lafayette or Carlton. Preston commented that under the current IGA, the City and the District share one full-time Training Officer; Lafayette pays their percentage of salary and expenses. Under the proposed new IGA, the City and District would share the services for Fire Chief, and each entity would have their own full-time firefighter; there would be no change to overall FTEs. He stated that this agreement provides for efficiency, as the Carlton Fire District specializes in managing fire volunteers and providing essential fire and emergency response. He said this is another step toward formalization of regional fire services. Lee Gilgan asked if this would be a separate IGA requiring approval by City Council. Preston indicated that was correct; it would replace the existing rather than be an amendment. He stated that while oversight and management of personnel would shift to the District, they would still be collaborating with the City on services and equipment procurement. Fire personnel would still be accountable to the Fire Chief, as they are now. JJ Olson asked if this was of budgetary concern, since the number of FTEs is not changing. He stated if the budget isn't changing, he feels this is a topic for discussion by City Council, not the Budget Committee. The committee was in agreement.

IV. Public Hearings on FY 2023 Budget

a. Possible Uses of State Revenue Sharing

Chair JJ Olson opened the public hearing at 7:05 pm. There was no public comment. He closed the public hearing at 7:06 pm.

b. Fiscal Year 2023 Budget

Chair JJ Olson opened the public hearing at 7:06 pm. There was no public comment. He closed the public hearing at 7:06 pm.

V. Committee Deliberation

Marie Sproul commented that State Revenue Sharing funds have always been placed in the General Fund, and wondered if the committee wanted to continue with that. Preston stated that there is no requirement to dedicate shared revenue funds, other than dedicated State Highway taxes which are in the Street Fund. Jim Drebin mentioned that doing repairs on Bridge Street could be a good use of the funds. Marie Sproul stated that those repairs can also be done with SDC funds. She recommends leaving the shared revenues for use in the General Fund.

Lee Gilgan asked about the difference in the debt service amount of \$306,790 noted on the Revenue and Expenditure Summary page, and the total debt payment amount on the Debt

Summary page. Preston indicated that the loan repayment from the Water Fund to the General Fund is budgeted as a transfer, not debt service.

Jim Drebin asked if it was possible to receive a year-to-year summary of the budget, showing what is expected to carry over into next year and what we expect to have at the end of next year, to show how the City is doing. Preston stated that the budget document contains information required by Oregon Budget Law and doesn't necessarily reflect how the City is doing. A good indication of the City's financial standing can be the beginning fund balances. He commented that while the City overall is in good financial standing, there are weak spots that need to be addressed. He indicated that historical data, including audited actuals, is located in the LB forms (pages 23-53). Beginning fund balances and ending fund/unappropriated balances are noted on these pages.

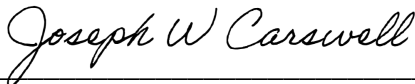
VI. Approval of Budget

Christine Brungardt moved that the Budget Committee of the City of Lafayette approve the fiscal year 2022-2023 budget in the amount of \$15,088,450.00, approve property taxes for the 2022-2023 fiscal year at the rate of \$3.4857 per \$1,000 of assessed value for the permanent rate tax levy, and set the amount of \$221,500 for the general obligation bond levy. Doreen VanTyne seconded the motion. The motion passed 12-1 (Lee Gilgan nay vote).

VII. Adjourn

Kayla Paulsen moved to adjourn the Budget Committee meeting. Christine Brungardt seconded the motion, which passed unanimously. The meeting adjourned at 7:26 pm.

CERTIFIED:



Joseph Carswell, Secretary