

City of Lafayette
Budget Committee Meeting Minutes
May 13, 2020 at 6:30 p.m.

***Due to the COVID-19 pandemic, this meeting was held via teleconference.*

I. Welcome and Call To Order: Mayor Sproul called the meeting to order at 6:31 p.m.

II. Roll Call: City Clerk Jamie Rhodes called the Roll.

Present: Mayor Marie Sproul, Doug Cook, Chris Harper, Kayla Paulsen, Wade Witherspoon, Jean Mead, Doreen VanTyne, Dewey Burchell, Brian Bartel, Jeffery Olson, Jeremy Rametes

Excused: Christine Brungardt

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

III. Election of Chairperson and Secretary

Doreen VanTyne nominated Mayor Marie Sproul as Chairperson, and there were no other nominations. Councilor Harper seconded the nomination, which passed unanimously.

Doug Cook nominated Jean Mead as Secretary and there were no other nominations. Doreen VanTyne seconded the nomination, which passed unanimously.

IV. FY 2021 Budget Message and Presentation

City Administrator Preston Polasek stated that while this current budget year has been financially stressful, the City has been fortunate to receive favorable bids for larger projects like the new fire station and the water intertie. He commented that the financial audit for the previous fiscal year was outstanding, which is a result of good financial management by staff and Council. Preston discussed some of the highlights for the next fiscal year, including the completion of current projects and the impact of COVID-19 on the City's operations.

Budgetary highlights included:

- The Water and Sewer revenue bonds will be paid off in fiscal year 2020-21, which amounts to approximately \$650,000 in annual savings. The City will have the annual payment to McMinnville Water & Light for the intertie project, which is a ten-year loan term. Repayment of this loan is funded in the Water Debt Service Fund.
- The hiring of a part-time training officer for the Fire Department, scheduled for January 2021.
- Water and sewer utility rate increases have been postponed, in response to the COVID-19 pandemic. This will be reviewed mid-year with the Budget Committee and Council.
- An update to the Transportation Systems Development Charge in the first quarter of the fiscal year, which would increase revenue for future street capital improvements.

The FY 2021 Recommended Budget includes a Capital Improvement Program (CIP) that is over \$4 million, including completion of the new fire station and the water intertie. Several of the program items are multi-year projects, including the water line crossings on Third Street, which are to be completed in conjunction with the ODOT Highway 99 rehabilitation project. The City will begin a Water Risk Assessment and Emergency Plan, which is mandated by the

EPA and is must be completed by the end of 2021. The recommended budget also includes several street and sidewalk projects and park improvements.

V. Law Enforcement Services Contract FY 2021

The Yamhill County Sheriff's Office service contract reflects a 7.5% increase, with no change in coverage levels. Preston Polasek stated that in years past, the contract increases were less than inflationary rates. This year, as with the previous fiscal year, the Sheriff's Office is increasing salaries, per their new labor agreement, to match the current market levels.

VI. Public Hearings on FY 2021 Budget:

- a. State Revenue Sharing:** Mayor Marie Sproul opened the public hearing at 7:16 pm. There were no comments received from the public. Mayor Sproul closed the hearing at 7:17 pm.
- b. Input on the Recommended Budget:** Mayor Marie Sproul opened the public hearing at 7:17 pm. There were no comments received from the public. Mayor Sproul closed the hearing at 7:18 pm.

VII. Committee Deliberations

Jean Mead asked about the \$600,000 loan from the General Fund to the Water Fund. Mayor Sproul explained that this loan was approved by Council to assist with construction of the water intertie, and the first loan repayment is budgeted from the Water Fund in FY 2021.

Wade Witherspoon asked about grant amounts and unappropriated fund balances. Preston Polasek stated that the \$50,000 grant amounts were a placeholder for possible grants the City may receive, appropriating both for revenue and expenditure of grant funds. He stated that unappropriated amounts are monies left over in each fund that have not been marked for a specific use, and would be carried over to the following fiscal year.

Chris Harper asked about the fire training officer position. Preston Polasek stated that the training officer position would be part-time, with full benefits as provided by personnel policies. He stated that there was a need for more day-time staffing to assist with fire and medical calls. There was discussion on the regional fire services study with McMinnville Fire and future needs of the Lafayette Fire Department.

Brian Bartel questioned what the Refund/Pass-Thru fund was used for. It was explained that this fund is for deposits, taxes and other charges that are paid by users for a specific service and are either refunded to the user or are passed on to another local government. Examples are utility deposits, land-use fees, and the construction excise tax.

Jeff Olson asked if the Water Fund was going to be able to cover all of the expenses for operations and debt payments. Preston Polasek stated that funds were available to meet operational needs and cover planned projects. There was discussion on future water infrastructure projects and potential funding sources for these, such as Community Development Block Grant funds.

Jeff asked for an update on the ODOT Hwy 99 project. Preston indicated that the project had been pushed back, with bids going out in August 2020 and has an expected start date of summer of 2021. The project includes new ADA compliant sidewalks and corners, along with street grading and resurfacing. There will be new pedestrian crossings at designated

intersections, rather than at every corner, and a new button-activated crossing will be installed at Monroe Street, which will be the designated school crossing. The City will be constructing two new 8" water lines, crossing Hwy 99 on the north side at Adams Street and Market Street, in FY 2021; the lines will be connected with water mains on the south side of Hwy 99 in FY 2022.

Mayor Marie Sproul asked the remaining members if they had any other questions or comments on the recommended budget. There was no further discussion.

VIII. Approval of Fiscal Year 2021 Budget

Doug Cook moved that the Budget Committee of the City of Lafayette approve the fiscal year 2020-2021 budget, in the amount of \$11,272,798.00, approve property taxes for the 2020-2021 fiscal year at the rate of \$3.4857 per \$1,000 of assessed value for the permanent rate tax levy, and in the amount of \$183,300.00 for the general obligation bond levy. Jean Mead seconded the motion. There was no discussion and the motion passed unanimously.

IX. Adjourn

Doug Cook moved to adjourn the Budget Committee meeting. Wade Witherspoon seconded the motion, which passed unanimously. The meeting adjourned at 8:00 pm.

CERTIFIED:

Jean Mead, Secretary