

City of Lafayette
Budget Committee
April 23, 2018
6:30 PM Lafayette City Hall

- I. **Call to Order and Welcome:** Chair Gene Daffern called the meeting to order at 6:30 pm and welcomed the returning and new members to the committee.
- II. **Flag Salute:** Chair Gene Daffern led the flag salute.
- III. **Roll Call:** Assistant City Administrator Angela Speier called roll.
 - a. *Members present:* Chris Pagella, Doug Cook, Marie Sproul, David Sword, Chris Harper, Wade Witherspoon, Jean Mead, Gene Daffern, Daniel Forster, Adam Bertram, Doreen VanTyne (arrived at 6:54 pm)
 - b. *Members excused:* Stan Kosmicki, Becky Demmin (absent), one vacancy
 - c. *Staff present:* Preston Polasek, City Administrator; Angela Speier, Assistant City Administrator; Jamie Rhodes, City Clerk
 - d. *Others present:* None
- IV. **Election of Chairperson and Secretary:** Doug Cook nominated Gene Daffern to serve as Chair. Daniel Forster seconded the nomination. There was no further discussion and the nomination passed unanimously (10-0). Daniel Forster nominated Jean Mead to serve as Secretary. Marie Sproul seconded the nomination. There was no further discussion and the motion passed unanimously (10-0).
- V. **Budget Message and Presentation:** City Administrator Preston Polasek explained the importance of the Annual Budget and the role that the Budget Committee plays in that process. Chris Pagella encouraged committee members to review the data and ask staff questions during the week between the two meetings. Mr. Polasek directed the committee to the Revenue and Expenditure Summary page noting that all fund revenues and expenditures balance. He explained that the City operates on a cash basis and basic fund accounting, all the funds are dedicated to some degree except for the General Fund which is discretionary.

Mr. Polasek directed the committee to the organizational chart and noted that the City has four new employees. He reviewed how the payroll is distributed by fund and the percentage of staff time that makes up the funds. The City will be substantially debt free in the next four years when the wastewater and water system revenue bonds retire. That money could be used to pay off the remaining loans or for other capital projects. Staff is recommending funding community grants at \$8,000 this year, a four percent increase to water, and an increase to the water system development charges, which will likely be effective July 1, 2018. The cost for PERS is expected to increase in 2020 by 5.5%. The Committee discussed the cost factors, including the 9.1 percent increase in medical costs. Staff explained how these increases are spread throughout the local government pool managed by City County Insurance Services.

Staff distributed and reviewed a list of significant activities and accomplishments from the current fiscal year. Mr. Polasek provided the committee with staffing statistics and how Lafayette fits with the other Oregon cities and reiterated the need for a Public Works Director/City Engineer. The committee discussed the staff allocation to parks and how that will change with the new parks maintenance contract. Staff noted that all the public works employees' hours are tracked by fund through their timesheets.

The FY 2019 Recommended Budget includes a Capital Improvement Program (CIP) that is over \$2 million. Mr. Polasek explained that a few of these projects are two-year projects that will be carried over to FY 2020. The Committee discussed the projects, which ones are multi-year, and the budgeted

amount for each. The projects emphasized were Oregon Department of Transportation's (ODOT) rebuild of Highway 99W, various street overlays and repairs, the potential fire station bond, restrooms at Joel Perkins Park, and the emptying of the City's sludge lagoons through a beneficial use agreement with a local farm. There are also a few water projects in the CIP which include the regional water system intertie depending on the outcome of the May 15th election and the installation of water meters and a booster station on transmission mains into Lafayette.

Staff reviewed the reserve funds and the new items in this year's budget, as well as items that didn't make it into the budget. An item that didn't make it into the budget is major street upgrades to Bridge or Madison Streets. Staff explained that these projects will wait until a City Engineer is on board and that a full buildout of Madison Street would be less costly than Bridge Street. It is also more likely that the City could have partners to help pay the cost of rebuilding Bridge. In order to get funding from ODOT the City will likely need to update its Transportation System Plan (TSP), which can be done in conjunction with the UGB development, and this would be a good project for the City Engineer, if that position is funded in FY 2020. That position will also be integral in developing a future Stormwater Master Plan.

- VI. **Comments by Budget Committee:** Mr. Polasek reminded the Committee that the April 30th meeting will include public hearings on state shared revenue and the overall budget. He explained the difference between contingency and reserve funds and which funds are required to have reserves, such as the debt services fund and vehicle replacement funds. Discussion ensued about the amount of fund carry over each year. The committee reviewed the law enforcement fund.

Daniel Forster asked about the city's ability to pay off the water and sewer debt early and if there is a penalty to do that? Staff explained that both the water and wastewater bonds were refinanced in 2010 at the mid-way mark. Due to the fact the City only has a few years of payment left it is unlikely that they can be paid off early, but staff will verify that for the next meeting.

- VII. **Adjourn:** Doug Cook made a motion to adjourn the Budget Committee meeting. Chris Harper seconded the motion. There was no further discussion and motion passed unanimously (11-0).

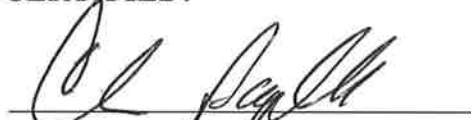
The Budget Committee adjourned at 8:30 pm until April 30, 2018 at 6:30 pm.

CERTIFIED:



Jean Mead, Secretary

CERTIFIED:



Chris Pagella, Mayor