

CITY OF SILVERTON

**BUDGET COMMITTEE MEETING – May 21, 2019 at 6:00 p.m.**

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**Silverton Community Center – Council Chambers – 421 South Water St.**

*American With Disabilities Act (A.D.A.) – The City of Silverton intends to comply with the A.D.A. The meeting location is accessible to individuals needing special accommodations such as a sign language interpreter, headphones, or other special accommodations for the hearing impaired. To participate, please contact the Finance Department at 503-873-5321 at least 48 hours prior to the meeting.*

*A copy of the preliminary budget is available for review Monday through Friday 8:00 am to 5:00 pm in the Finance Department at the Silverton City Hall, located at 306 South Water Street. All documents will be available on the City website at [www.silverton.or.us](http://www.silverton.or.us).*

**AGENDA**

- I. Opening Ceremonies: Call to Order, Roll Call and Pledge of Allegiance**
- II. Approval of the minutes from the meeting held on May 16, 2019**
- III. Review/discussion of the Budget; continuing with Page 74 – Street Improvement SDC**

***Motion:** I move to approve the Budget of The City of Silverton as amended for Fiscal Year 2019-2020 in the amount of \$55,924,706 and levy taxes at the permanent rate of \$3.6678 per \$1,000 of assessed valuation, and levy \$275,000 for the Pool Operating Levy.*

- IV. Adjournment**

1 CITY OF SILVERTON  
2 **BUDGET COMMITTEE MINUTES**

3 **Silverton Community Center – Council Chambers – 421 South Water St.**

4  
5 **MAY 16, 2019 – 6:30 p.m.**

6  
7 **I. Call to Order, Roll Call and Pledge of Allegiance**

8  
9 Chairman Kyle Palmer called the meeting to order at 6:30 p.m.

Present	Absent	
X	_____	Jim Sears
X	_____	April Newton
X	_____	Crystal Neideigh
X	_____	Kyle Palmer
	Excused	Aaron Koch
X	_____	R Walker Yeates
X	_____	Dana Smith
X	_____	Ammon Benedict
X	_____	Matt Plummer
X	_____	Rick Bittner
X	_____	Laurie Carter
	Excused	Chris Childs
X	_____	Jason Freilingner
X	_____	Micole Olivas-Leyva

10  
11  
12 **Staff Present:**

13 City Manager, Christy Wurster; Finance Director, Kathleen Zaragoza; Chief of Police, Jeff Fossholm;  
14 Community Development Director, Jason Gottgetreu; Water Quality Division Supervisor, Steve Starner;  
15 Account Clerk II, Sheena Kroker; Maintenance Division Supervisor, Travis Sperle; Assistant to the City  
16 Manager/HR Coordinator, Elizabeth Gray; and Assistant to the City Manager/City Clerk, Angela Speier

17  
18 **Election of Officers**

19  
20 Member Carter made a motion to elect Kyle Palmer as Chair and April Newton as Vice Chair. The motion  
21 was seconded by Member Freilingner. There were no other nominations or discussion and the motion  
22 passed unanimously (12-0).

23  
24 **II. Approval of minutes from the meeting held on May 17, 2018**

25  
26 Member Freilingner made a motion to approve the minutes from the meeting held on May 17, 2018 as  
27 presented. Member Carter seconded the motion. There was no discussion and the motion passed  
28 unanimously (10-0) with Members Neideigh and Yeates abstaining.

29  
30 **III. Presentation of the Budget Message**

31  
32 City Manager Christy Wurster presented the budget message for fiscal year 2019-2020. The total  
33 proposed budget is \$54,584,305 (an increase of \$10 million over the last fiscal year budget) due to a  
34 number of large capital projects planned such as the McClaine Street project, the Silver Creek Water  
35 Line, and sewer improvements associated with the screw press. She reviewed additional factors that  
36 were considered when developing the budget, such as new home builds, additional FTE, a three percent  
37 cost of living increase, PERS, and insurance rates. She highlighted the general fund reserve fund,  
38 contingency funds and made reference to the contingency and reserve page highlighting more detail of

1 the major funds. She thanked the Budget Committee and staff for their time and input in the budget  
2 process for FY 2019-2020.

3  
4 Member Sears made a motion to adjourn the meeting at 9:00 p.m. or before reviewing another fund.  
5 Member Freilinger seconded the motion. There was no discussion and the motion passed unanimously  
6 (12-0).

7  
8 Member Carter made a motion to review the budget using a page by page method. Member Smith  
9 seconded the motion. There was no discussion and the motion passed unanimously (12-0).

#### 10 **IV. Public Comment on the Proposed Fiscal Year 2019-2020 Budget**

11  
12 There was no public comment on the proposed budget.

#### 13 **V. Public Hearing**

##### 14 **5.1 Public Hearing on Election to Receive State Revenue Sharing**

15  
16  
17 Chairman Palmer opened the public hearing at 6:48 p.m. to receive public comment on the election to  
18 receive State Revenue Sharing. There was no public testimony on the election to receive State Revenue  
19 Sharing for general purposes.

20  
21  
22 Member Freilinger made a motion to close the public hearing. Member Sears second the motion. There  
23 was no discussion and the motion passed unanimously (12-0). Chairman Palmer closed the public  
24 hearing at 6:49 p.m.

25  
26  
27 Member Freilinger made a motion to receive State Revenue Sharing Funds for general purposes.  
28 Member Sears seconded the motion. There was no discussion and motion passed unanimously (12-0).

#### 29 **VI. Review/discussion of the Budget; beginning with the General Fund**

30  
31  
32 The Committee began reviewing the budget page by page and asked clarification questions as they  
33 progressed through the budget.

34  
35 On page 23 Member Benedict asked if the City has a specific fund for facilities replacement where  
36 citizens could see exactly what is being spent for a new building that would be tied to a building life cycle.  
37 Director Zaragoza explained that there is a reserve fund for building improvements, but not specifically for  
38 city buildings such as the Public Works Shops or the Wastewater Treatment Plant. City Manager Wurster  
39 explained that the building capital improvement reserve fund accumulates funds for capital improvement  
40 projects. Director Zaragoza said after the Civic Center is built the City could look at adding reserve funds  
41 for the replacement of other facilities such as the shops.

42  
43 On page 27 member Yeates asked how the interest earned is invested. Director Zaragoza explained the  
44 interest is invested in the Local Government Pool and currently earns 2.75 percent. The Committee  
45 discussed the Oregon Garden debt repayment line item and when the City will receive additional money.

46  
47 On page 29 Director Zaragoza explained that non-departmental represents expenses that are incurred  
48 citywide not by just one department, such as legal services. She also pointed out that staff has  
49 recommended a reduction to the contingency amount by \$3,000.

50  
51 On page 32 City Manager Wurster noted that staff will correct the FTE change to the Assistant to the City  
52 Manager/City Clerk in the narrative to reflect a .90 percent allocation in the City Manager Department with  
53 the other .10 percent coming from the Community Development Department.

54  
55 Chief of Police Jeff Fossholm distributed additional information about what services are included in the  
56 contracted services line item 010-050-61059 for the Police Department. Chief Fossholm explained that he

1 learned today that the City is a finalist for a live scan grant which would allow the City to purchase an  
2 infrared fingerprint scanner. It is connected to the state system and also includes mug shots. The cost for  
3 this piece of equipment is \$30,000; the grant is for 90 percent of the cost, so the City share would only be  
4 \$3,000. This will need to be reflected in the budget.  
5

6 Member Freilinger made a motion to receive the grant for the new police fingerprint equipment and  
7 increase the capital new by \$30,000, decrease the contingency by \$3,000, and increase the police  
8 equipment grant by \$27,000. Member Carter seconded the motion. There was no discussion and the  
9 motion passed unanimously (12-0).  
10

11 On page 47 Member Yeates asked for additional information about line item 010-190-62600 regarding the  
12 Pettit property. Staff explained that property taxes will need to be paid since the City is currently renting  
13 the property. The line item also includes funds for unforeseen expenses related to two wells on the  
14 property and the house. The tenant is responsible for the lawn maintenance and pays \$1,500 per month.  
15 The plan is to continue renting the house until City Council decides what to do with the property.  
16

17 On page 59 Member Yeates inquired about the STIF Grant. Director Gottgetreu explained it is a new  
18 funding source that was passed through House Bill 2017 and it will help fund new and expanded services.  
19 The City will be conducting a study to figure out what the new transit services will be.  
20

21 Water Quality Division Supervisor, Steve Starnier directed the Committee to page 62 and explained that  
22 the narrative for account #81003 needs to include \$4,000 for the replacement of the recirculation pump  
23 and \$3,000 for a VFD motor control which supports the motor of the pump. He directed the Committee to  
24 page 65 where that change would increase the capital replacement line item 016-210-81003 by \$7,000  
25 and decrease the contingency line item 016-210-90001 by \$7,000. Member Sears asked about the  
26 \$75,000 grant from the Energy Trust and projects listed in the narrative, because it doesn't seem to  
27 reflect the Council discussion related to the pool projects. Mr. Starnier explained that Council approved  
28 the double layer canvas and the other projects listed are on hold until the slope stability study is  
29 completed. Staff will follow-up with Energy Trust on the potential grant amount. If Council decides to  
30 move forward with projects listed in the narrative after the slope stability study there are sufficient funds to  
31 do so in the pool levy.  
32

33 Member Carter made a motion to add \$4,000 for the replacement pump and \$3,000 for the frequency  
34 drive in the capital replacement line item 016-210-81003 and decrease the contingency line item 016-  
35 210-90001 by \$7,000. Member Freilinger seconded the motion. There was no discussion and the motion  
36 passed unanimously (12-0).  
37

38 The Committee discussed the YMCA management contract and potential changes to a new contract in  
39 the future. City Manager Wurster explained some of the longer term analysis taking place including a  
40 slope stability study and the possible formation of a Parks and Recreation District which will be factored  
41 into a long term plan for the pool.  
42

43 The Budget Committee took a break at 8:05 p.m. and returned to their regular meeting at 8:13 p.m.  
44

45 On page 67 Member Smith asked if the City is collecting transient occupancy tax (TOT) from Air B&B's  
46 and VRBOs. Director Zaragoza explained that some are paying, but she is working with the League of  
47 Oregon Cities to get Air B&B to pay the TOT directly to the City. Staff explained how the Oregon Garden  
48 Foundation line item 017-017-61060 is really a pass through account. The City receives TOT money from  
49 the Oregon Garden Resort and then 60 percent of that money is passed through to the Oregon Garden  
50 Foundation which is used to pay the outstanding debt that is owed on the property.  
51

52 Director Zaragoza indicated a staff recommended change on page 73. Staff is recommending reducing  
53 the safe routes to school line item 020-020-81030 by \$50,000 and increasing the sidewalk  
54 construction/repair line item 020-020-81031 by \$50,000. This will give City Council greater flexibility when  
55 deciding locations for additional sidewalks and/or repairs to existing sidewalks.  
56

1 Member Carter made a motion to move \$50,000 out of the safe routes to school #81030 to #81031  
2 sidewalk construction/repair. Member Smith seconded the motion. Member Freilinger asked why this is  
3 necessary. City Manager Wurster explained Council directed staff to add a line item for safe routes to  
4 school, but the amount was not defined. This change would allow for greater flexibility when determining  
5 the location for a sidewalk project. The definition of a safe route to school project is that it must be within  
6 ½ mile or one mile to a school, but there could be a project that needs to be done a little further away  
7 than that. Staff applied for a safe routes to school grant last year, but was unsuccessful. Staff will apply  
8 during the next grant cycle and this money could be used as a match if the application is successful. The  
9 Committee discussed the importance of sidewalk projects especially areas heavily used by children and  
10 pedestrians and expressed their opinions on the funding levels. Staff is taking an inventory of sidewalks  
11 which will help City Council prioritize projects and Member Plummer provided an update on the  
12 Transportation System Plan (TSP) project ranking and how that will help set budget priorities in the future  
13 related to all modes of transportation. Staff explained other ways to fund sidewalk projects including  
14 forming a Local Improvement District (LID). The motion passed 9-3 as follows: Yes: Members Sears,  
15 Neideigh, Palmer, Yeates, Smith, Plummer, Bittner, Carter, Olivas-Leyva and No: Members Newton,  
16 Benedict, and Freilinger.

17  
18 The Committee stopped on page 73 and will continue their review on May 21, 2019 on page 74-Street  
19 Improvement Fund.

20  
21 The meeting adjourned at 9:22 p.m.

22  
23 Respectfully submitted,

24  
25  
26  
27 /s/Angela Speier  
28 Assistant to the City Manager/City Clerk  
29