

**CITY OF SILVERTON  
BUDGET COMMITTEE MINUTES**

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

**May 21, 2019 – 6:00 p.m.**

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

Chairman Kyle Palmer called the meeting to order at 6:02 p.m.

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

**Staff Present:**

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

**II. Approval of minutes from the meeting held on May 16, 2019**

Member Smith made a motion to approve the minutes from the meeting held on May 16, 2019. Member Plummer seconded the motion. Member Smith asked about the status of the slope stability study and if that work had been completed. Staff explained that the study has been completed, but there is still work that needs to be done. The motion passed unanimously (10-0).

**III. Review/Discussion of the Budget; continuing with Page 74 – Street Improvement SDC**

The Budget Committee continued their review of the FY 2019-2020 Proposed Budget. Member Smith asked about fund 021-021-81801 Developer SDC Credits and why it was budgeted at \$33,087, but only \$5,000 was expended and then this year it is only budgeted at \$5,000. Finance Director Kathleen Zaragoza explained that some of the credits disappear after ten years and are no longer an obligation.

On page 78 Member Bittner asked what MS4 stormwater compliance and design standards are and how they will impact the budget next fiscal year. City Manager Christy Wurster explained they are related to certain stormwater enhancements and once a city in the Willamette basin reaches a population of 10,000 it triggers more rigorous stormwater requirements. Silverton has reached the population threshold and is beginning to prepare for those requirements which become official with the 2020 Census.

Member Freilinger made a motion to credit the contingency line item 030-010-91001 by \$15,000 and debit the sewer system maintenance line item 030-030-61048 by \$5,000 and to credit the legal line item 030-030-61058 by \$5,000 and debit the chemical supplies line item 030-030-62525 by \$15,000. Member Smith seconded the motion. There was no discussion and the motion passed unanimously (10-0).

Member Smith noted the budgeted amounts for System Development Charges (SDCs) last year were significantly higher than what was collected and the budgeted amount this year is lower than what was collected last year. She asked whether the City anticipates lower growth in the upcoming year. Community Development Director Gottgetreu explained that it can be difficult to estimate, because you are trying to predict the future number of homes that will be built. He explained last year the City budgeted for 50 new homes and this fiscal year is budgeting for 40 new home builds.

Finance Director Zaragoza reviewed the following staff recommended changes to the Water Fund:

- Increase the beginning fund balance (040-000-49090) by \$55,901
- Decrease contingency (040-010-90001) by \$69,000
- Increase contracted services (040-040-61059) by \$35,000
- Increase the water meter program (040-045-61051) by \$39,000
- Increase contracted services (040-045-61059) by \$10,000
- Increase capital-new (040-045-85003) by \$40,901

Member Plummer made a motion to accept the changes to the Water Fund as listed in the handout provided by staff. Member Freilinger seconded the motion. There was no discussion and the motion passed unanimously (10-0).

Member Benedict noted on page 12 the budget message states that necessary treatment facility upgrades for both water and sewer are among the most critical improvements needed within the next five years. He asked what those upgrades are and what the estimated cost will be. Water Quality Division Supervisor Steve Starnier explained the Wastewater Treatment Plant will be 20 years old in November and staff has been incrementally replacing important parts in the system. He explained the digestion system is at capacity and will need to be replaced within the next three to five years which is about \$3 million. Currently the City has capacity to treat four million gallons per day. Right now on peak days the City is treating 3.2 million gallons and does not anticipate reaching the four million mark until 2029, but the City needs to be ready for that. The cost to make the necessary upgrades will be approximately \$4 million and will be needed in 5-10 years. Member Benedict asked how the City is going to fund these improvements. Finance Director Zaragoza explained SDCs can be used for capacity increasing projects. She directed members to page 107 and noted the transfers that are being made into the Water CIP Fund in order to start accumulating funds. City Manager Wurster noted this budget includes a water transmission line project of \$2.3 million with \$1.15 million coming from the federal government as a matching grant. The City portion of the project will come from SDCs and not from the rate payers. City Manager Wurster indicated that Mr. Starnier was instrumental in obtaining the grant and he also worked on a pilot project for the Water Treatment Plant which would save the City several million dollars. Mr. Starnier further explained the MS4 permit process.

Member Bittner inquired about the engineering services expenditure listed on page 137 and when Phase II for the Steelhammer Project will occur. Director Zaragoza explained the project timing will depend on when the City has enough SDC funds to pay for the project.

The Budget Committee discussed the Civic Building Fund. Staff explained the priority is to build the Police Station and if the budget allows City Council would like to build the entire civic building at the same time. This would include the City Hall, Police Station, and a Council Chambers that could be used for meetings and court. Member Benedict asked if there has been a cap set for the amount it will cost. City Manager Wurster explained current cost estimates per square foot, financing options available, and the need to have a space needs analysis done for City Hall and an updated one for the Police Department.

Member Freilinger made a motion to add \$1,150,000 into the grants line item 340-000-34021 for the EDA Water Transmission Line Project and debit the construction costs line item 340-340-85020 by \$1,150,000.

Member Neideigh seconded the motion. Member Bittner asked to amend the motion to change the grant line item to read 340-000-43021, because the numbers were transposed. Members Freilinger and Neideigh were agreeable to that correction. There was no further discussion and the motion passed unanimously (10-0).

Member Freilinger made a motion to increase the beginning fund balance line item 610-000-49090 by \$107,500 and to debit the capital equipment replacement line item 610-610-81003 by \$107,500. Member Neideigh seconded the motion. There was no discussion and the motion passed unanimously (10-0).

Finance Director Zaragoza noted that the narratives will be updated to reflect the Budget Committee's approved monetary changes.

Member Freilinger made a motion 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. Member Benedict seconded the motion. There was no further discussion and the motion passed unanimously (10-0).

Member Freilinger said the budget document continues to evolve and improve overtime and thanked staff for the amount of detail that was provided this year. Chairman Palmer indicated the narratives improve every year and staff continues to respond to the items that seem to raise the most questions. In closing, he thanked the members of the Budget Committee for their time spent reviewing the budget and participating in this important process.

#### **IV. Adjournment**

Member Freilinger made a motion to adjourn and Chairman Palmer adjourned the meeting at 7:00 p.m.

Respectfully submitted,

/s/Angela Speier  
Assistant to the City Manager/City Clerk