

City of Sutherlin
Budget Committee Meeting
Wednesday, April 20, 2016
Sutherlin Library Meeting Room – 7:00PM

Committee Wes Anderson, Tom Boggs, Rebecca Bright-Jones, Dale Counts, Frank Egbert, David Huntsman, J.A. Johnson, William Lee, Wayne Luzier, Todd McKnight, Karen Meier, Terry Parrish, Forrest Stone, Michelle Sumner

City Staff: City Manager, Jerry Gillham
Finance Director, Dan Wilson
City Recorder, Debbie Hamilton
Deputy City Recorder, Diane Harris
Community Development Director, Vicki Luther
Public Works Utilities Superintendent, Brian Elliott
Public Works Operations Superintendent, Aaron Swan
Chief of Police, Kirk Sanfilippo
Fire Chief, Charles Perdomo

Audience: Linda Lee

Meeting called to order by Budget Chairman, Wayne Luzier, at 7:00pm.

Flag Salute:

Roll Call: Excused – Wes Anderson, David Huntsman, Terry Parrish

Introduction of Media: None present

- **Approval of April 11, 2016 Budget Minutes**

MOTION made by Forrest Stone to approve April 11, 2016 Budget Committee meeting minutes as submitted; second by Karen Meier.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

PUBLIC HEARING – STATE REVENUE SHARING FUNDS

Staff Report – Finance Director, Dan Wilson, reported the public is allowed to comment regarding the use proposed in the budget for State Revenue Sharing Funds.

Chair Luzier opened the Public Hearing at 7:02pm.

Called for public comment: None

Closed Public Hearing at 7:02pm.

2016 – 2017 BUDGET REVIEW

Budget Chairman, Wayne Luzier, thanked Budget Committee members volunteering their time and explained committee's role in the process. Committee members will go through each department, ask questions, state motion, vote and move on to next section. Budget Committee tentatively approves the budget; it is then presented to Council for adoption. Council has authority to change the budget, however it cannot be higher than 10% of the approved budget amount.

Finance Director, Dan Wilson, explained overall budget summary for the City regarding Personnel Services, Materials and Services, Capital Outlay, Transfers, Debt Services and Total Expenditures.

Karen Meier – Concerned with total amount of \$14,744,642 to be received and \$15,528,903 to be spent; nearly an \$800,000 difference. *Wilson – Efforts have been made to start funding reserve funds not only for this year, but for the future, capital purchases have also been increased this year.*

City Manager, Jerry Gillham – Staff was conservative in order to build up the cash carryover providing cushion to establish this goal.

Wilson explained the budget process for committee members to follow during the meeting.

○ **Mayor & Council –**

Wilson – Similar to last year’s budget.

MOTION made by Karen Meier to approve Mayor and Council budget as presented; second by Todd McKnight.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **City Attorney –**

Wilson – Expenses have trended downward this past year.

Boggs – Will there be labor contracts to negotiate this year? *There may be opening discussions later in the year going in to the 2017-18 Fiscal Year.*

Meier – Do attorney’s need to be involved in that process? *Gillham – Recently conducted our own negotiations and settlements without attorney involvement, plan to take care of the bulk of future bargaining in the same manner.*

MOTION made by Karen Meier to approve City Attorney budget as presented; second by Michelle Sumner.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **City Manager –**

Gillham – This budget has stayed similar to last year’s budget.

MOTION made by Karen Meier to approve City Manager budget as presented; second by Tom Boggs.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **City Recorder/Human Resources –**

City Recorder/HR Manager, Debbie Hamilton, explained minimal budget changes.

MOTION made by Michelle Sumner to approve City Recorder budget as presented; second by Forrest Stone.

Discussion: Meier – Comparisons from 2013-14 budget to 2016-17 fiscal year show 24% increase in payroll costs. *Wilson – This department moved up in steps during that time period. Health benefits have also taken a big jump.*

Meier – Concerned with budget’s sustainability regarding these costs.

Gillham – Both employees are at top step, increases from now on will be the COLA (Cost of Living Adjustment).

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None
Motion carried unanimously.

○ **Finance Department –**

Wilson – Budget is similar to last budget.

MOTION made by Tom Boggs to approve Finance Department budget as presented; second by Karen Meier.

Discussion: Stone – Personnel (inaudible) totals? *Wilson – Have not changed number of department's personnel, however have changed the job descriptions. Utility Billing and Payroll are now "Accounting Clerks" and on the same level regarding their duties which can be interchangeable.*

Boggs – The billing clerk will be doing payroll? *Wilson – Finance Director will back up payroll (confidentiality purposes), Payroll Clerk is Utility Billing Clerk's back-up.*

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None
Motion carried unanimously.

○ **Non-Departmental –**

Wilson – This budget accounts for expenses that aren't specific to a department.

MOTION made by Karen Meier to approve Non-Department budget as presented; second by Michelle Sumner.

Discussion: Boggs – Office Machine maintenance is \$45,000? *Wilson – Yes, IT purposes covers maintenance of city-wide system, copier maintenance is also included.*

Boggs – Public Loop System hasn't approached City for this year's funds, is this an assumption they will be doing that? *Correct, in the past they have approached Council during the adoption process.* They have been talking about having a taxing district to support the service, have not heard if they have moved forward with that.

Meier – Believe they did go for a taxing district and do have one, but don't think they want to put it on the ballot for fear of not passing.

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None
Motion carried unanimously.

○ **Police Department –**

Chief of Police, Kirk Sanfilippo – Personnel Services increased by 3%, Materials and Services approximately 8%.

Stone – Still budgeting for a car in the Oakland Contract? *No, went away about 3 years ago.* Are we wasting a car over there then? *There are no wasted cars, currently out of every 10-hour shift, officers spend at least 1 hour patrolling Oakland.*

Frank Egbert – Where are we at on man-power at the department? *Sanfilippo – Currently at full-staff, three of those officers are in training at this time and will continue for the next 9 to 12 months.*

Boggs – Is this why School Resource position has been dropped? *It hasn't been dropped, Officer Sorenson spends any discretionary time available at the schools. Full time status will continue after other officers have completed training.*

Todd McKnight – Is City receiving money from the School District for that position? *No, have discussed with Superintendent, however to date have not seen any revenue from the schools.*

MOTION made by Michelle Sumner to approve Police Department budget; second by Karen Meier.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None
Motion carried unanimously.

○ **Police Reserve Fund –**

Sanfilippo –Not asking for vehicles this year; however will probably ask for two patrol vehicles next year.

MOTION made by Michelle Sumner to approve Police Reserve Fund budget; second by J.A. Johnson.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **Municipal Court –**

Sanfilippo – Reductions in number of full time officers lead to a reduction of Records Clerks' work load. Municipal Court Clerk is currently part-time and backed up by one of the two Records Clerks. At some point may need to go to a full-time Court Clerk. A rate reduction was negotiated with Municipal Court Judge, saving \$6,000 annually. Collections of fines/citations have improved this past year; jail time is managed better, prisoners are not housed longer than needed, therefore reducing those costs.

MOTION made by Karen Meier to approve Municipal Court budget as presented; second by Michelle Sumner.

Discussion: Sumner – Are you saying you have less tickets written due to less officers? *Sanfilippo – We have no quota, can write as many ticket as needed.*

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **Dial-a-Ride Fund –**

Sanfilippo – This program has seen dramatic increases over the last three years increasing approximately 25% each year. Started with 1.5 temp employees and has grown to 2.5 over the last three years due to increased call volume. Currently working towards three full-time call center employees. Will be remodeling, through grants, to accommodate four workstations due to anticipated growth. Dial-A-Ride and Call Center is grant funded and no cost to the City.

MOTION made by Forrest Stone to approve Dial-a-Ride budget as presented; second by Michelle Sumner.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **Fire Department –**

Fire Chief, Charles Perdomo, read a message of appreciation and explained challenges the newly formed Fire Department has faced. Focusing is on four major areas: organizational structure, policy procedure publications, development training and budget efficiency.

MOTION made by Karen Meier to approve Fire Department budget as presented; second by Michelle Sumner.

Discussion: Stone – Last year budgeted for four full-time employees, now budgeting for three, what position was not included? *Perdomo – That was a projection last year due to collective bargaining issues, however ended up sticking with three positions.*

Boggs – Budgeted for \$10,000 for furnishings? *Perdomo – Do not have sufficient furnishings in the training room. Kitchen Tools & Supplies, \$2,000? Volunteers are using the kitchen and have had to*

bring items from home. Also looking at creating resident firefighter recruitment and retention program this next fiscal year. Is that where the resident scholarship for \$7,500 comes in? **No, that is for firefighters who want to continue their training and development.**

McKnight – Are Medical Physicals projected because of increased recruitment? **Federal and State grant funding requires personnel/volunteers go through medical physicals. Cost for this service is between \$650 - \$850; have averaged and budgeted for \$725.** This also includes existing personnel that have not had the physicals? **Correct.**

Boggs – Utilities are budgeted for \$26,000? **Wilson – For combination of utilities, phone, and internet.**

Meier – Web & Email hosting for \$2,500? **Perdomo – That is a projection for social media.** For boosting posts on social media? **Yes.**

Counts – Uniform Allowance for \$19,400 for three employees? **Perdomo – That includes for volunteers. The cost is anywhere from \$500 to \$1,000 per volunteer, budgeted \$611 for each and will meet national safety requirements.**

McKnight – Training increased from \$2,547 to \$16,700? **Perdomo – That is for materials needed to build props for training purposes; \$10,000 of that will pay outside training instructors.**

Egbert – What is the difference between Equipment Maintenance and Fire Equipment? **Equipment Maintenance is for on-going maintenance; trucks, pumps, hose & pump testing, etc., Fire Equipment is for the purchase of equipment.**

McKnight – What is the Volunteer Recognition for? **For the annual recognition dinner.**

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **Fire Reserve Fund –**

Perdomo – Put together a plan with Staff for future projections for apparatus (fire trucks and vehicles) and equipment replacement. Self-Contained Breathing Apparatus are in poor shape and near shelf life expiration, have applied for a grant, if awarded City is required to pay 5% match. Have budgeted for a fire vehicle, this past year have spent over \$6,000 on repairs for current vehicle. Recommendation is to purchase a replacement, have budgeted \$30,000. This will cover \$24,000 for vehicle, remaining amount will outfit the vehicle with equipment needed.

Meier – Have projected funds for 44 portable radios, why that many? **That is for mobile and portable radios and projection is for next year. Motorola will no longer support or supply parts for the radios as of 2018.** But do they need 44? **The radios are for truck seating positions.**

MOTION made by Tom Boggs to approve Fire Reserve Fund budget as presented; second by J.A. Johnson.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **Community Development Department –**

Community Development Director, Vicki Luther – Upgrading GIS Service this next year, will be spreading that cost over CDD, Water, Wastewater, and Parks.

MOTION made by Todd McKnight to approve Community Development Department budget as presented; second by Michelle Sumner.

Discussion: Meier – Concerned personnel services expenses are up 33.5%, overall department is up 40%. **Wilson – This last year restructured the department, brought in an experienced employee from another department and raised her salary.**

Meier – \$50,000 has been budgeted for Land Use Planning; if there are issues with this service, why pay this amount? **Gillham – Have met with [Douglas County Planning Director], Keith Cubic regarding some concerns. There is a lot of new development and critical land use issues coming upon us.**

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None
Motion carried unanimously.

○ **Parks / Facilities–**

Public Works Operations Superintendent, Aaron Swan – Will answer any questions from Budget Committee.

MOTION made by Karen Meier to approve Parks/Facilities budget as presented; second by Forrest Stone.

Discussion: Egbert – Is the “circle drive” still planned behind the Community Center? *Swan – Yes, have budgeted \$20,000 in Park Projects.*

Rebecca Bright-Jones – What is I-5 Interchange Maintenance for? *Receive money from ODOT and pay a maintenance company to maintain that area.* Both interchanges? *No, just for Exit 136.*

Meier – Do the user fees at the Community Center cover the expenses in the budget? *No, not at all.*

Boggs – Park equipment is still budgeted; doesn’t contracted maintenance use their own equipment? *Contracted maintenance is only for a few months in the summer, Public Works Staff still continues to maintain the parks throughout the other months.*

Boggs – Concerned with high utility costs at the library. *The system is very efficient, especially for a building this size.*

Boggs – Parks Surveillance budgeted amount of \$2,000, are you buying new equipment? *Have been replacing existing cameras.*

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None
Motion carried unanimously.

Budget Committee took a 5-minute break before continuing the meeting.

(Recording device not turned at beginning portion of second half of meeting)

○ **Parks / Facilities Reserve –**

Swan – Will answer Budget Committee’s questions.

MOTION made by Tom Boggs to approve Parks/Facilities Reserve budget as presented; second by Karen Meier.

Discussion: Boggs – Budgeted \$25,000 for City Hall paint and \$26,000 for Fire Department? *Swan – Have received an estimate for painting both inside and outside of City Hall and outside of the Fire Department.*

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None
Motion carried unanimously.

○ **State Gas Tax Fund –**

MOTION made by Karen Meier to approve State Gas Tax budget as presented; second by J.A. Johnson.

Discussion: Boggs – How long does a “Slurry-Seal” last? *Swan – 7 to 10 years.*

Meier – Is there a breakdown for Capital Outlay for Street Sidewalk, and Drainage Improvements? *Wilson – Yes, on Page 83.*

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None
Motion carried unanimously.

- **Bicycle / Footpath**

MOTION made by Karen Meier to approve Bicycle/Footpath budget as presented; second by J.A. Johnson.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Street Construction Fund –**

Swan – Street Construction Capital Outlay shows \$130,000 has been set aside for engineering; \$80,000 for Central’s TOA and \$50,000 for Valentine Avenue.

MOTION made by J.A. Johnson to approve Street Construction budget funds as presented; second by Michelle Sumner.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Street SDC Fund –**

MOTION made by Karen Meier to approve Street SDC Fund budget as presented; second by J.A. Johnson.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Parks Construction Fund –**

Meier – Concerned with grant for \$180,000 would like to see the corresponding expense moved to contingency portion of the fund. **Wilson – We can do that.**

MOTION made by Michelle Sumner to approve Parks Construction Fund budget as amended; second by J.A. Johnson.

Discussion: None.

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

(Recorder device started)

- **Central Avenue Reserve Fund & Street Maintenance Reserve Fund –**

These are the two new funds created per Council’s request for monies received for the TOA from ODOT. Anticipate receiving \$1.9 million and using \$80,000 for engineering. Also anticipate receiving \$250,000 to go into the Street Maintenance Reserve Fund.

MOTION made by Tom Boggs to approve Central Avenue Reserve Fund and Street Maintenance Reserve Fund as presented; second by Forrest Stone.

Discussion: Meier – Concerned money from this fund will be used for street lights and trees, can we specify in the title in reserve fund for surfaces and engineering? **Wilson – It does specify that in the resolution, but can make that change in budget.**

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None
Motion carried unanimously.

- **Public Works Operations –**

Swan – This budget does not have any big changes, will answer any questions.

MOTION made by J.A. Johnson to approve Public Works Operations budget as presented; second by Karen Meier.

Discussion: Meier – Why is Workman’s Compensation so high? *Wilson – Rates have increased in the City overall, have had a number of claims the last few years. Public Works Department is one of the highest rated.*

Boggs – PERS is down? *Wilson – Yes, have had a number of retirements, some of the Tier 1 & 2 employees are gone. Some new employees are not in tier system and are starting at a lower salary.*

Bright-Jones – Shop Maintenance shows increase in budget. *Swan – Yes, pavement at City shop yard is deteriorating, planning to bid for some slurry seal at same time City will be sealing other streets.*

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Public Works Operations Reserve**

MOTION made by Karen Meier to approve Public Works Reserve budget as presented; second by Tom Boggs.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Tourism/Motel Tax –**

Wilson – Have seen an increase from motel usage and tax revenue received from online motel bookings. This also increases the amount to be sent to the Chamber of Commerce. \$120,000 will go for the match for the Parks Construction Fund.

MOTION made by Forrest Stone to approve Tourism/Motel Tax budget contingent on Chamber providing a budget to Council; second by J.A. Johnson.

Discussion: Stone – Where does it show the extra 3% tax collected? *Wilson – Page 77 in Contingency and Contingency-Tourism Development. That has to be spent on tourism promotion only? Yes, that is correct.*

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **G.O. (General Obligation) Bond Debt Service Fund**

MOTION made by Michelle Sumner to approve G.O. Bond Service budget; second by Forrest Stone.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Water Operations Fund –**

Wilson – Increased water rates based on CPI (Consumer Price Index) rates expected for this coming year.

Meier – Is that CPI increase for Wastewater rates also? *No, just for water.*

Public Works Utilities Superintendent, Brian Elliott – Cost of Chemicals show a 3.5% increase to operate the two water treatment plants.

MOTION made by Karen Meier to approve Water Operations Fund as presented; second by J.A. Johnson.

Discussion: Stone – Weren't filters installed at Cooper Creek designed to not use as many chemicals? ***Elliott – The raw source from the Cooper Creek Reservoir still requires chemical treatment. Chemical costs increased because plant is being operated for a longer period of time during the year.***

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None

Motion carried unanimously.

- **Water Construction Fund –**

Elliott – Explained proposed increases for Water Master Plan, Nonpareil Improvements and equipment in need of updating.

MOTION made by Dale Counts to approve Water Construction Fund as presented; second by Michelle Sumner.

Discussion: Meier – Didn't we do a Water Master Plan when the new plant was constructed? ***Elliott – Last Water Master Plan was updated in 2006, Oregon Water Resources is requiring an update on Water Master and Water Management Conservation Plans.***

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None

Motion carried unanimously.

- **Water Reserve Fund –**

MOTION made by Karen Meier to approve Water Reserve Fund as presented; second by Michelle Sumner.

Discussion: Stone – What equipment is being purchased? ***Elliott – Purchasing a forklift for CCWTP, currently using a manual pallet jack which is a safety issue when moving heavy chemicals.***

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None

Motion carried unanimously.

- **Water Debt Service Fund –**

MOTION made by Forrest Stone to approve Water Debt Service Fund as presented; second by Karen Meier.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner
Opposed: None

Motion carried unanimously.

- **Wastewater Operations Fund**

Wilson – Budget reflects increase in fees passed by Council this past year in order to handle the future debt service.

Elliott – Primary increase is due to sludge disposal rate increase.

MOTION made by Forrest Stone to approve Wastewater Operations Fund as presented; second by J.A. Johnson.

Discussion: Sumner – On some items a small amount has been projected at year end, however still keeping a large amount for next year: Buildings & Grounds Maintenance, engineering services, and

Inflow & Infiltration. *Elliott – Building Grounds & Maintenance, receiving \$10,000 from Lone Rock Timber for Ford’s Pond, therefore money wasn’t spent and carried over. Engineering to be rolled over into next year, and Inflow & Infiltration “flow poke” was conducted during dry weather and was able to do the wet weather “flow poke”. Smoke testing at Silver Glen/Pineview Estates resulted in minimal issues, therefore funds will be carried over.*

Egbert – Sludge hauling is for a product WWTP is making and disposing? *Elliott confirmed and explained issues with the disposal. New facility will not produce a liquid form to dispose of, but rather a dry cake substance decreasing load disposal and costs significantly.*

Egbert – Is there some way of negotiating the Visa Fee expenses? *Wilson – Have looked into that, City pays about 1.5% collected; approximately .5% comes out of Wastewater and Water per revenue collected for that department.*

Stone – How do we get that money back if City doesn’t charge that to the customer? *Wilson – The benefit is customers tend to pay their bill on time.*

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Step Surcharge Fund –**

MOTION made by Forrest Stone to approve Step Surcharge Fund as presented; second by Karen Meier.

Discussion: None.

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Wastewater Construction Fund –**

Wilson – This fund is largely for financing with DEQ for the Wastewater upgrade.

MOTION made by Karen Meier to approve Wastewater Construction Fund contingent as presented; second by Michelle Sumner.

Discussion: Meier – Have mentioned before that the SDC’s (System Development Charges) for this are way too low for a \$20 million plant.

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Wastewater Reserve Fund –**

MOTION made by Michelle Sumner to approve Wastewater Reserve Fund as presented; second by Dale Counts.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

- **Wastewater Debt Service Fund –**

MOTION made by Karen Meier to approve Wastewater Debt Service Fund as presented; second by J.A. Johnson.

Discussion: Stone – Debt service jumped up to \$250,000 is that because of the payments on the plant?

Wilson – Yes, required building up reserve per DEQ requirements for the next five years.

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **Budget Approval –**

MOTION made by J.A. Johnson to approve 2016-17 FY budget as recommendation to the City Council for \$21,906,982; second by Michelle Sumner.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **Levy of City's General Operating Tax –**

MOTION made by Karen Meier to approve levying the City's General Operating Property Tax Rate of \$5.6335 per thousand dollars of assessed value; second by J.A. Johnson.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **Levy Property Taxes to pay General Obligation Bonds**

MOTION made by Karen Meier to approve levy of property taxes to pay G.O. Bonds, exempt from property tax limitation, in the amount of \$55,000; second by Dale Counts.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

○ **State Shared Revenue**

MOTION made by Forrest Stone to approve the use of State Shared Revenues for purposes proposed in budget, including but not limited to Police, Fire, Streets and Planning services; second by J.A. Johnson.

Discussion: None

In Favor: Boggs, Bright-Jones, Counts, Egbert, Johnson, Lee, Luzier, McKnight, Meier, Stone, Sumner

Opposed: None

Motion carried unanimously.

Budget meeting adjourned at 9:00pm.

Respectfully submitted,

Diane Harris

Diane Harris, Deputy City Recorder

Michelle Sumner

Michelle Sumner, Budget Secretary