



Approved: April 30, 2024

BUDGET COMMITTEE MINUTES
 May 10, 2023 @ 6:00 p.m.

- A. CALL TO ORDER: Meeting called to order by Chair Mark Raum at 6:00 p.m.
- B. ROLL CALL
 - Councilors Present: Mayor Scott Cowan, Councilors Dave Harms (6:05 p.m.), Mike Hickam, Mark Raum, and John Sullivan
 - Committee Members: Lorri Headrick (virtually), Doug Iverson, Mike Martin, Talley Richardson and Rob Yencopal
 - Staff Present: Kevin Kreitman, City Manager; Janelle Booth, Assistant City Manager/City Engineer/Budget Officer; Forrest Reid, City Attorney; and Sheena Dickerman, City Recorder
- C. INTRODUCTIONS
 - Chair Mark Raum asked the Budget Committee to introduce themselves.
- D. APPOINT CHAIRPERSON
 - Chair Mark Raum opened nominations for Chairperson of the Budget Committee.

Action: **Motion to nominate Mark Raum as the chairperson for the Budget Committee by Mayor Cowan; seconded by Councilor John Sullivan.**

- Mayor Scott Cowan: Aye**
- Councilor Mike Hickam: Aye**
- Councilor Mark Raum: Aye**
- Councilor John Sullivan: Aye**
- Lorri Headrick: Aye**
- Doug Iverson: Aye**
- Mike Martin: Aye**
- Talley Richardson: Aye**
- Rob Yencopal: Aye**

Motion Passed: 9/0

- E. ADOPTION OF MINUTES
 - 1) Approval of April 26, 2022, and May 5, 2022, Budget Committee Meeting Minutes
 Chair Mark Raum pointed out a correction to the April 26, 2022, minutes, on page 1, the motion reads "Mark" Martin and it should be "Mike" Martin.

Action: **Motion to approve the April 26, 2022, and May 5, 2022, Budget Committee meeting minutes as corrected made by Committee Member Mike Martin; seconded by Mayor Scott Cowan.**

- Mayor Scott Cowan: Aye**
- Councilor Dave Harms: Aye**
- Councilor Mike Hickam: Aye**

Councilor Mark Raum: Aye
Councilor John Sullivan: Aye
Lorri Headrick: Aye
Doug Iverson: Aye
Mike Martin: Aye
Talley Richardson: Aye
Rob Yencopal: Aye

Motion Passed: 10/0

F. AGENCY DONATION REQUESTS

6:12 p.m.

Chair Mark Raum explained this was an opportunity for community agencies to request support for their future programs.

Glenda Lonstron, ABC House Development Director said the ABC house is a children's advocate center. She shared the history and purpose of the organization. She highlighted that in the past year they have served 833 children, 38 of those were from Millersburg. She went through the referral process when a child may have been abused and detailed the entire process*. Their goal is to serve as many children as possible and as promptly as possible.

Ryan Lamm, Athletic Director, Boys and Girls Club of Albany, went through the three categories that the City's funds have supported; the Millersburg Park multi sports camp, done annually; a winter basketball program that is the largest program with 112 youth from Millersburg participating; and an annual hoop jam. He said that the annual hoop jam is their fundraiser. The grant would go towards equipment, staffing and other things that would encompass all the programs.

Committee Member Talley Richardson asked how many participated in the summer camp. Lamm replied it averages 25 to 30 kids.

Committee Member Mike Martin expressed his appreciation for the basketball program. Mayor Scott Cowan asked about the location of the hoop jam. Lamm replied it would be at Linn Benton Community College (LBCC).

Cowan asked how many people from Millersburg would be participating. Lamm replied they do not collect information on what school the participants attend.

Cowan asked if the City awards the donation, if Lamm wanted the City to identify which category the funds would go to. Lamm stated that if he were to prioritize, he recommends donating for the Millersburg Park Summer camp and the basketball program.

Nicole Markel, Resource Development Coordinator, City of Albany Parks and Recreation passed around a handout* for the 2024 Art & Air festival. Millersburg supported the 2023 Art & Air Festival this past fiscal year. She expressed her appreciation for the support and partnerships over the years for the festival. She said the festival brings in 50,000 to 60,000 people of all ages and from all over. She explained that the festival is put on by sponsorship funds that are raised and not from taxpayer dollars. It is a free event to attend, besides parking. Those funds are

used to help pay for those that direct traffic. She highlighted that the City has been supporting at the "Gold Level" for the past few years.

Councilor Mike Hickam asked what the cost was to put on the event. Markel replied that everything is bundled between all the summer concerts. She thought it would be under \$400,000. All equipment is used for all summer events. They bring in \$500,000 in sponsorship dollars; half is cash, and the other half is in-kind. Hickam asked if there was a charge to vendors. Markel replied there was a fee for food vendors and artists. The fee is very small to offset the cost of power needs. There are no rental fees.

Randi Moore, Director Senior and Disability Services, Oregon Cascades West Council of Governments (COG), Meals on Wheels program, shared some statistics. She explained that Meals on Wheels is for anyone to receive assistance, it is not need or income based. Those in Millersburg received assistance from the Albany site. In 2022, two consumers in Millersburg received over 211 meals. She explained the program. One of the most important things about the program is the check in to make sure consumers are okay. They have over 350 volunteer drivers over the three counties. She added that they have a pet food program and help consumers feel a sense of community. She said that the overall cost is \$14 per meal.

Martin asked if there was a service for temporary situations such as someone having surgery. Moore replied yes.

Raum asked how a resident learns about the program. Moore replied it was a good question, one of COG's goals is to help people be more aware of who they are and what they do for the community. She listed some of the marketing ideas. City Manager Kevin Kreitman pointed out that on the City's website, under "Our Community", the Senior and Disability Services link will take a person to COG.

Assistant City Manager Janelle Booth said Linn County Fair submitted a letter, it is in the agenda packet. Raum allowed time to review the document and no one had any questions.

Abby Johnson, Timber Ridge Parent Teacher Committee (PTC) President, said there are approximately 300 kids from Millersburg that attend Timber Ridge School. PTC is doing fundraisers to help get families into the school and help teachers with field trips, etc. She said the funds the City gave last year were used to help with the carnival, which had a huge turnout. She said the funds would be used for next school year's carnival.

Committee Member Doug Iverson asked Markel about who the VIP's were. Markel shared that they treat their partners and sponsors as VIP's.

Raum reminded the committee about the donation criteria*.

Kreitman showed a slide of the donation requests and the proposed funding for Fiscal Year (FY) 23-24 based on the FY 22-23 funding. He added that the main discussion will be when they get into the budget itself.

G. OVERVIEW OF STRATEGIC PLAN

Kreitman provided the Committee with a high-level overview of the City's Strategic Plan, including reviewing the mission, vision, and values. He pointed out that everything the City does is online and are detailed in staff reports, minutes and meeting videos on the City's website. He highlighted that the City is limited to three percent growth with the tax base. He explained that without new growth it can limit what the City can do. He said the City is blessed because it has a large industrial base. He went through strategic priorities. He stated that having Community Development Director Matt Straite on staff is valuable and needed. He stated the City would not have the infrastructure it has today without industries. He used Tangent as an example of a city that does not have industry and does not have the infrastructure.

H. REVIEW CAPITAL IMPROVEMENT PROGRAM

Booth went over the overview of the Capital Improvement Program for the upcoming fiscal year. Funding comes from a variety of sources, including System Development Charges (SDCs).

Booth showed each individual project planned/funded or unfunded but focused on the FY 2023-2024. Hickam asked if these were current year dollars or inflated. She said that they are current year dollars and every year it is inflated based on calculation.

Booth explained the Parks projects for 2023-2024. Some funds will come from grants, SDCs, and from anticipated property sales. The list of projects are from the Parks Master Plan and continue to move up on the timeframe. She mentioned the tennis court resurface needs to be done soon and the infield mix is being added to what is already there and will be evaluated before any work is done.

Raum asked about additional drainage. Booth replied that it was for the south field which does have drainage. She said the drainage for the north field is listed under Plan Year: 2025-2026. Raum asked about prioritization. Booth replied that it was based on the original Parks Master Plan that was adopted. These can be changed.

Hickam asked if the north field was being used. Raum said it would be used more if it wasn't holding water. Booth said it was difficult to prepare the north field. Richardson asked if any of the organizations that are using the field have offered to offset the cost. Booth replied yes, but no one has offered to pay for all the drainage that is needed, they helped with the fencing. Hickam suggested putting a small storage out there for coaches to put the field back the way it was before a game or practice. Booth replied they already have a key to the storage.

Cowan suggested having pickleball instead of tennis courts. Pickleball and tennis can be done together, it is a multi-use. Richardson agreed. She said it was

mentioned at a Parks Commission and pushback came from residents in the area that pickleball was a louder sport. She liked it being multi-use. Booth shared that it wasn't the residents that brought it up, but other jurisdictions have had issues with residents where there is pickleball because the sound of the ball. She added that it should be a discussion with the Parks Commission. Councilor Hickam was supportive of pickleball. Kreitman added that he sees a lot of people playing tennis during nicer weather. Members and staff discussed the possibilities, pros and cons, noise, and public outreach. No decisions were made.

Raum asked that the Parks Commission consider which ballpark they address next. Kreitman said that it is not easy to do the drainage and will be expensive. Booth talked about the drainage.

Booth went through Public Facilities projects. She said the County has approached staff about putting in a permanent ballot drop box. There will need to be some reconfiguration. Members and staff discussed the drop box area.

Booth said the generator project is for the cost to put in the generator, the City already owns. The office project is to reconfigure to make efficient use of space. Richardson asked if there was modular furniture that could be reconfigured. Kreitman replied that the furniture was built and not the best from an ergonomic standpoint. Members and staff discussed the front office area.

Hickam asked about the unfunded projects in Parks, with a large ending balance that continues to grow, why not stick some of the unfunded projects in the budget. Kreitman explained that some of the funds are SDCs and the City is restricted on what it can do. Booth explained that when the Parks Master Plan was done the first five years of prioritized projects were the smaller ones that could be done. She said some of the unfunded ones are the bigger projects but are identified as projects that the City wants to do. She explained that these projects count towards what the City collects for SDCs and it is important to maintain the lists. She explained that SDCs can only be used for new capital growth related projects. System Development Charges cannot be used for maintenance or repair. Kreitman added that the City also has to balance the ongoing maintenance. Members and staff talked about the uses of SDCs, comparison to Albany's, and Millersburg having automatic escalation based on construction cost indexes and total cost for a new family home.

Booth continued to Transportation projects. She explained the Zuhlke project funding, where it came from, and why it was on the list for this year. She said that the amount listed is not the cost of the project but what is being held for the project.

Richardson asked if Transition Parkway was approved to move forward. Booth replied it is in design, the amount listed is what staff expects to expend on the project to take the City through design, bidding and construction of next year. It is not the overall project costs. Raum said it looked like \$4.5 million for the full project. Booth stated that is for the street portion, it does not include the water main or the park. Staff and members discussed the project costs for next year.

Booth talked about the bridge replacement at Waverly. The City has a grant for this. It is the bridge that goes to Talking Water Gardens. Millersburg has jurisdiction over the bridge. She talked about County support, the City's portion of the cost, and what would be taking place during the fiscal year, and the grants.

Booth said that street lighting was a continuation from this fiscal year. She talked about the NE Woods Road shared use path and that it would be done over a couple of years.

Hickam asked if there was a reason why the street lighting in the City seemed dark. Booth said there are standards and the places that have LED fixtures are brighter but some of the older areas are probably not as bright. She explained that the level of light is more of a policy decision and not an engineering one. The City's standards have been the same as Albany's. Kreitman pointed out that the lighting on NE Woods is the same as when it was rural. Staff and members talked about the lighting in Millersburg, some areas are too bright, and some are not enough. Booth added that during new developments staff do check for lighting at the mailboxes. She explained that fixtures can spread light in different ways and can impact areas. She added that it can be difficult to know what fixture Pacific Power is installing.

Booth stated that stormwater is a new area and there are no projects planned at this time. The City does collect SDCs for stormwater. She explained that when the City did the Stormwater Master Plan some projects were identified but after reevaluating they dropped off the list because they were not critical. She mentioned that the one with the highest priority was one that was private property. She added that there is no revenue source for stormwater. Any funding for stormwater is a transfer from the General Fund, besides the SDCs the City collects. The funds being transferred from General Fund is all going towards maintenance. Raum asked if there was a way to tie the stormwater that collects into Millersburg to this. Booth replied no. She talked about the process and what SDCs could be used for and capacity.

Hickam asked why the City couldn't tie stormwater to water and sewer bills. Kreitman said there are cities that have established a stormwater utility fee, it is a separate fee. He stated that because of industry, and as the City sees growth in industry, the City will continue to be able to not have a stormwater fee. He explained that residential and commercial do not pay for themselves, industry brings the large value in tax base and franchise. He talked about the value of the industry and keeping the \$3.50 tax base for residents. Booth said there is structure to implement a stormwater fee, if needed, but staff is hoping not to. She talked about the Enterprise funds, water and sewer, are self-sustaining funds.

Booth continued to Wastewater projects. She described the projects. Hickam asked about the 10 percent. Booth explained that it is based on the City's Intergovernmental Agreement (IGA) with Albany and ownership. She commented that it is different from water. Hickam said it seemed off, based on population. Booth explained that the City is not billed 10 percent of all the operating cost just

the flow but for capital projects the City pays a portion. Kreitman added that the City is paying 10 percent of the capacity. Hickam was curious about the capacity of the plant. Staff and Members talked about capacity, Millersburg portion and the plants room for growth.

Booth said that a year ago Millersburg was using 50 percent of the capacity the City owns. Cowan talked about the history of the partnership. Hickam wanted to know what Albany's capacity was, what the City purchased with the 10 percent and any planned expansion. Kreitman explained that there is potential for the City to buy more. Cowan said Albany showed another area of growth at their site that could be used. Cowan and staff talked about Albany's work on compost. Kreitman emphasized that the City has a great working relationship with Albany.

Booth mentioned that when the City replaces the ATI pump at the lift stations, the City will have more capacity for conveying the water to the wastewater plant. Staff talked about the future wastewater projects and if large industry or industries came in, they would pay a portion of the expansions. Booth explained that all the infrastructure in Millersburg is solely owned by the City. The City does contract with Albany for the maintenance because they have the staff and equipment.

Hickam asked if SDCs could be used on the unfunded project. Booth replied yes. Hickam asked why it was left unfunded. Booth explained that capital projects are expensive and there is not driving need. She added that most of the expansions in the past have been driven by development. She said that it is a little different with water, due to fire protection and why water is a higher priority. Kreitman said that if something came in a lot of times it will be paid for by industry with their connection fees but often there could be grants depending on the jobs and value coming in. Booth added that having unfunded projects does not mean that the City plans to pay for them. She described a project that has a condition of approval to get water and sewer to the project.

Booth described the water projects for the fiscal year. Raum asked about the size of the AC line. Booth said 12 inches and the ductal is 20 inches. It already exists but takes work to transfer the services to the newer line. Staff talked about the inability to abandon it due to Oregon Department of Transportation (ODOT) requirements and not being able to pipe burst it. Booth explained that there is no indication that this one has any issues but it was put in before the City existed. Cowan said the pipe would be worked on this fiscal year and next. Booth said this year would be dealing with ATI service, next year would be Bakelite and Flakeboard, and FY 2025-2026 would be dealing with the south end to transferring services. She explained the process. Members and staff talked about the timeline and why they are separate projects.

Booth talked about the higher cost in the system expansion to industrial property south of Conser was due to material procurement.

Cowan and staff discussed the generator project.

Budget Committee Chair Mark Raum recessed the meeting at 7:58 p.m.

Budget Committee Chair Mark Raum reopened the meeting at 8:03 p.m.

I. RECEIVED BUDGET MESSAGE & PROPOSED FY 2023-24 BUDGET
Kreitman reviewed the Budget Message.

Kreitman presented an overview of the City*. He stated that when the mill left it was devastating to the area, the region saw a loss of restaurants and other businesses. He went through the historical and forecast trends. Straite said that a population of 5,000 is when the City starts planning how to incorporate density. Staff and Members discussed residential density, available land, population prediction and UGB. Richardson asked if there are discussions to reduce the lot sizes. Kreitman replied that discussions at Planning Commission and City Council are to maintain what the City has now, 10,000-square-foot lots. Staff talked about State requirements, the plan for mixed use/density and what the City has done to prepare for growth, for example Fire Station staffing.

Kreitman went through Millersburg's historical timeline. He highlighted that Millersburg is recognized by the post office as a city. Richardson asked about Millersburg having their own zip code. Kreitman said if the City becomes large enough it might. Staff and members talked about having their own zip code. Kreitman continued the historical timeline, industries, and incorporation. He highlighted that Cowan was the fourth Mayor and that next year will be the 50th anniversary. He talked about the City's tax base. Staff talked about infrastructure and how franchise fees helped pay for a lot of infrastructure before the City had to levy taxes.

Staff and Cowan talked about the history of the City withdrawing from Albany Rural and Jefferson Rural and the impact on the tax base. Kreitman talked about Millersburg's trends. He said that staff are hearing a lot from new residents wanting similar services as cities the size of Albany, including library and recreation. There are also requests for commercial businesses too. He explained that new large industries coming in would help bring those services to the City. He described the potential use of the City owned commercial zoned property. Staff talked about the need for regulations with residential growth and an increase of complaints. Kreitman went through trends and property taxes. The City has the lowest property taxes, residents' largest portions are Greater Albany Public Schools (GAPS) bond and Linn County. Hickam and Cowan commented on communicating this information to residents. Kreitman said that under Oregon law the maximum taxes can go up is 3 percent, without the people voting it in. He highlighted that Albany and Millersburg are the only cities without a fire tax rate. Raum asked if the last two slides were on the website. Kreitman said they are in the budget.

Booth mentioned the water and sewer summary. Raum asked if someone could have multiple accounts. Booth replied yes, it is per water meter. Kreitman went through the top ten a/v in the City. He explained Enterprise zones and staff has asked for a claw back for emergency services, \$2.61 of the \$3.50.

Kreitman went through year end fund balances. Booth talked about fund revenues, capital expenditures per fund. Hickam asked about the increase in water for capital expenditures. Booth will get him more of the breakdown. She went through debt service and franchise fees. Councilor John Sullivan asked how does the City know that the revenues they show is what the City is getting paid. Kreitman replied that the City can ask for the information. He explained that when the paper mill was here the power franchise fees were \$1.7 million. The paper mill had its own substation and when it was shut down the City saw a huge loss. He said that during COVID the City saw a loss in franchise fees. He commented that Pacific Power has said the City should see a significant increase in the next five years based on what ATI has planned. Hickam asked staff for up-to-date numbers for franchise fees. Kreitman said the year to date is \$620,000 for electrical franchise fees. Staff and members talked about franchise fees and power users. Staff and Council members talked about building permits, comparison to other jurisdictions, and the lack of impact of SDCs increase on building permits.

J. OPEN FOR PUBLIC COMMENT
None

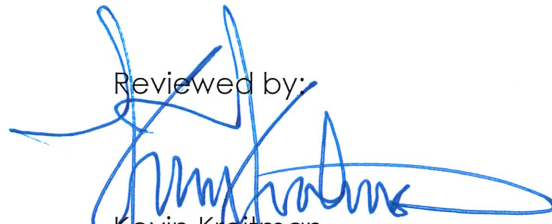
K. ADJOURNMENT
Budget Committee Chair Mark Raum adjourned the meeting at **8:53 p.m.**

Respectfully submitted:



Sheena Dickerman
City Recorder

Reviewed by:



Kevin Kreitman
City Manager

*Presentation materials or documents discussed at the meeting that are not in the agenda packet are archived in the record. Documents from staff are posted to the website after the meeting. Documents submitted by the public are available by emailing info@cityofmillersburg.org.