



Approved: April 30, 2024

BUDGET COMMITTEE MINUTES

May 16, 2023 @ 6:00 p.m.

A. CALL TO ORDER: Called to order by Chair Mark Raum at 6:00 p.m.

B. ROLL CALL

Councilors Present: Mayor Scott Cowan, Councilors Dave Harms (7:31 p.m.), Mike Hickam, Mark Raum, and John Sullivan

Committee Members: Lorri Headrick (virtual), Doug Iverson, Mike Martin and Rob Yencopal (virtual)

Members Absent: Councilors Dave Harms and Talley Richardson

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. PUBLIC HEARING

6:01 p.m.

Budget Committee Chair Mark Raum stated the public hearing is for State Revenue Shared Funds. He explained that members of the public that wish to address the topic will be given an opportunity and have three minutes to state their case. The proposed budget has been on the City's website for public review.

Budget Committee Chair Mark Raum opened the public hearing at 6:01 p.m.

- a. Comments received by correspondence.
None received.
- b. Audience comments.
No public in attendance.

Budget Committee Chair Raum closed the public hearing at 6:02 p.m.

City Manager Kevin Kreitman shared what was budgeted in 2021-2022 versus actuals. He said revenues were up and expenditures were lower than projections. The General Fund proposed last year was \$5.6 million and this year proposed is \$4.9 million. He said last year there was \$700,000 that was for emergency services for the construction of the station. For the proposed budget there is a general increase of \$400,000 for this fiscal year compared to last year. He commented that the overall projection is a \$10 million increase that is contingent on upon the sale of City property. Staff is proposing a new Economic Development Fund and that is where the funds will go. Councilor Mike Hickam asked if there was going to be a

Celebration. Kreitman replied that he didn't believe that there would be a Celebration, but staff put funds in for events that could take place this year. Raum invited anyone to come to the next Events Planning Committee meeting.

Kreitman went through the General Fund estimated available revenues. Staff has always been conservative on collection of revenue, dropping the expected increase to 3.5 percent. He went through all the revenues resources. He said the transfer from Enterprise Funds is for management of the activities, as all personnel come out of the General Fund.

Kreitman went through the estimated expenditures and reserves. He showed that staff does not spend down the reserve funds.

Councilor John Sullivan asked if it was budgeted to tear down the house. Kreitman replied yes.

Assistant City Manager Janelle Booth talked about SDC restricted funds. Kreitman went through dedicated reserve funds.

D. CONTINUED REVIEW OF PROPOSED FY 2023-24 BUDGET

Kreitman showed the fund narratives. He shared that the past Council and Budget Committee had asked about increasing hours from Linn County Sheriff's Office (LCS) and they are unable to do that at this time. Councilor Mike Hickam asked if the purchase of the Autopulse was for the fire department. Kreitman affirmed. Kreitman and Mayor Scott Cowan shared more about the Autopulse.

Booth shared that the Millersburg Celebration Fund Narrative included language to help the new committee to understand how the timing and how the budget worked. Budget Committee Mike Martin asked if the Celebration had a low attendance. Kreitman replied no, it was low on volunteers and labor intensive.

Booth continued to show the fund narratives. Kreitman said that the Economic Development Fund is new and is to track Transition Parkway.

Kreitman shared about a possible Risk Management Fund in the future.

Kreitman shared the slide of the City's resources, in the agenda packet. Booth said that the blue numbers sum up to the black numbers.

Kreitman went through the expenditures. He talked about personnel services. He shared that Booth, Straite and himself received a Council approved annual increase in January. The proposed budget shows other personnel's step increase and a 5 percent COLA increase for wages in the calculations. He shared the CPIs for April. The step increase is based on their anniversary date.

Kreitman said that materials and services is an \$18,000 increase for enhanced cyber insurance. Cowan asked if staff had training on phishing. Kreitman replied that the plan is for staff to receive more. Cowan commented that CIS has a lot of good training.

Kreitman mentioned possible master planning for City Hall expansion for additional office space. He shared some of the ideas.

Kreitman asked for feedback on community support, this would be the time to make any recommended changes. Booth showed the column that was for the proposed budget, any changes that Committee would direct to make would go in the approved column and at the end there would be motion to adopt as modified. Hickam asked about the decrease in merchant fees. Kreitman replied that with the switch to Xpress is seen to be less than going through Visa. Staff discussed the check and credit card fees.

Cowan suggested adding community support for the Millersburg Cemetery. He shared about why the City should help support. He recommended starting at \$2,500. Raum asked if Cowan was asking for a second line item under community support or taking it out of miscellaneous. Kreitman recommended to put it in as a separate line item for tracking purposes. He said Tim Walter is looking for the Cemetery to be self-sufficient. He said that it doesn't meet the criteria, but it does not mean that the Budget Committee and Council couldn't make an exception for an extraordinary circumstance, which this qualifies with historic nature, what it is and impacts it has on the community.

Councilor John Sullivan asked if there was no support for Honor Flights this year. Kreitman replied there was not a request this year. He said that in the past it was associated with the car show. Raum recommended Community Support be rounded to \$25,000. He added that \$2,500 would be for the Millersburg Cemetery and the balance could go to Miscellaneous.

Budget Committee Member Doug Iverson commented that the Community Support applications in the agenda packet numbers do not match. Kreitman explained that some of their requests are larger, but this is what the City did last year. In the past, the Budget Committee has not funded the full request. The Committee has the ability to adjust the funding. Cowan liked the numbers showing. Sullivan asked if there was a request from South Albany. Kreitman replied no. Staff, Councilors and Budget Committee discussed supporting the Cemetery and the trees.

Hickam stated that he didn't agree with supporting the Art & Air Festival or the Linn County Fair Expo. He said that the Festival is bringing in lots of revenue. He was fine with all the other organizations. Cowan asked if Hickam was suggesting remove both of those fundings. Hickam didn't want to decide on the Fair since he didn't have all the revenue.

Budget Committee Member Rob Yencopal messaged that he is understanding that he could approach Council at a later date to request funds for South Albany Senior All Night Party. Kreitman stated that has taken place in the past and would come out of miscellaneous at a later date. He added that the Art & Air Festival has allowed the City to use their equipment for City events, when it hasn't been in conflict with their events. The City has been a long-term sponsor of the Art & Air

Festival. Kreitman gave background of relationship with Albany and benefits. Staff discussed the Art & Air event.

Raum recommended for Community Support's next year's applications a modification that they provide a budget, expected revenues and expenditures.

Action: Motion that the Budget Committee consider increasing the line item for Community Support to \$25,000, creating a line item for the Millersburg Cemetery support and funding that line item with \$2,500 for the 2023-2024 budget year and the difference from the increase for the overall line item for Community Support to go to miscellaneous made by Chair Mark Raum;

Discussion: Hickam asked if a decision to support the South Albany Senior Night Out could be made this evening. Kreitman said that if they wanted to take that step now they could. Committee, Councilors and staff talked about giving funds that hadn't been requested yet and it being able to be put under miscellaneous if requested. Cowan added that Council has wanted in the past to see those making the request and the follow up with the organizations afterwards.

seconded by Councilor Mike Hickam.

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
Rob Yencopal:	Aye

Motion Passed: 8/0

Budget Committee Mike Martin clarified that Raum had requested a standardized budget form for future applications. Raum affirmed.

Kreitman addressed IT equipment and computers line items total to \$14,000. He said that after preparing the budget, staff found out from Oregon Cascades West Council of Governments (COG) that the City needs to replace the server, fire wall and switch and would be an additional \$9,000. Booth added that the number also included equipment replacement of some machines.

Hickam commented that materials and supplies had remained status quo. He asked if staff thought it would still be the same with the increase on price. Kreitman explained that it is based on where the City is at for current year.

Sullivan asked about the Wifi hotspot. Kreitman explained that it is an annual cost the City has for internet for phone and internet connection at the Park Maintenance shop.

Action: **Motion to up to \$23,000 for equipment computers made by Councilor John Sullivan; seconded by Budget Committee Member Mike Martin.**

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
Rob Yencopal: Aye

Motion Passed: 8/0

Kreitman addressed legal services, \$250,000. He said staff is seeing a lot take place with property sales. He stated that City Attorney Forrest Reid has announced that he is retiring in July. City Council has given authority to bring on Alan Sorem, Saalfeld Griggs, beginning July 1, 2023.

Kreitman stated that last year the City of Albany increased their Library fee to \$80. He said last year the recommendation was to reimburse the full amount. He said that the City is already approximately \$600 over. He said that the City reimburses up to \$200 for recreation. Booth mentioned that staff have been turning people away because the City has reached the cap. Sullivan asked what staff thinks that the City needs. He said it is important that the City does it. Councilors and staff discussed the library reimbursement budget.

Cowan asked if there was interest in doing something similar with the recreation reimbursement and paying 100 percent. Budget Committee Member Doug Iverson asked how much of an increase did staff see when City went to 100 percent. Kreitman said there wasn't much of an increase because the City wasn't reaching the full amount. Sullivan asked how long the City has been at that number. Booth said the word was getting out about the program. Cowan stated that they never spent up to it before and this is the first year to max out. Hickam recommended bumping it to \$8,000 and if it starts getting close to maxing out to come back to Council.

Action: **Motion to increase Library Reimbursement from \$5,000 to \$8,000 made by Mayor Scott 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
Rob Yencopal: Aye

Motion Passed: 8/0

Martin asked if the City gives the Library Card. Raum explained that the resident goes to the Library and buys their membership and then turns in their receipt and

the City reimburses them for it. Martin asked if it was possible to put on a City card that the Library card was made possible due to industry. Discussion followed about putting something in with the reimbursement check.

Kreitman asked if Council wanted staff to bring back an amount for library reimbursement for the remainder of this fiscal year. Councilors confirmed.

Kreitman said the rental property, \$40,000, is for the demolition of the house. Raum asked about moving the Sheriff's office to that location. Kreitman explained that when the fire station was being built there was discussion to build something there for them but they preferred to be at City Hall.

Booth said that the City has not reached the cap for the Parks and Recreation reimbursement, and doesn't look like it will. The proposal is for the same as last year. Raum clarified that it was 80 percent of each athletic program up to \$200 per household. Staff affirmed. Raum said if someone has three kids in sports, \$200 is the cap. Booth said this is a range of activities. It has to be a non-profit organization or schools. Kreitman added that it is not just for kids but for adults. Raum asked if it includes the Albany Parks and Recreation catalog that comes out for residents to take classes. Kreitman affirmed. Booth stated it cannot be used for private organizations, such as gym. Discussion followed about organizations.

Booth went through the Parks budget. Hickam brought up that someone needed to look at the sprinkler system at the Park. Booth mentioned that there has been a lot of repairs on the sprinkler system.

Booth said that refunds was highlighted because it was added in the supplemental budget this year, there is nothing budgeted, but needs to remain on the budget form.

Raum asked if City spent \$5,000 to resurface play area. Booth replied it is the budgeted number not actuals. It was wood chips. Kreitman reminded that they have to be certified that it's not contaminated and meet a certain depth.

Hickam asked if the City rents the Park. Kreitman said that the shelter gets rented. Kreitman reminded that staff budgets conservatively on revenue.

Booth explained that SDC-I was included in supplemental and will need to be included until it drops off.

Kreitman went through emergency services. He mentioned the contracts, the equipment and utilities.

Kreitman went through the Building Fund and talked about when payments are made.

Kreitman mentioned that there was no expectation to spend anything out of the Equipment Reserve.

Kreitman said that it depends on event planning this year. He went through what the City has historically put through it and business.

Raum asked about replacement of windows and HVAC. Kreitman said HVAC has been replaced. Booth said the reserve is a holding place.

Hickam asked why the holiday light display was not included in the Celebration. Kreitman explained that it was a separate program. He explained to keep the Celebration separate, holiday lights weren't included in the past.

Booth went through Enterprise funds. She stated that there are resources and expenditures. She said the highway use tax is the main funding for maintenance of streets. She mentioned that System Development Charges (SDCs) will be spent down with Transition Parkway.

Hickam asked where the highway use tax came from. Booth replied the State, and one percent must go towards bike and pedestrian paths.

Booth mentioned that the grant listed is the for the Old Salem Road Guardrail project. Oregon Department of Transportation (ODOT) is doing the project. Discussion followed about location and concerns about the area.

Booth talked about the streets program and the desire to purchase radar street signs. Cowan asked if it is based off road surveys. Booth explained the guide for maintenance. It is recommended to spend more funds on maintenance. She explained that as more funds come in through development more funds will be used towards it but staff is limiting it to what is received from the tax fund. If the City wanted to do more funds towards streets it would need to come out of the GF. She stated SDCs cannot be used for maintenance, they can only be used for new roads or projects that increase capacity. Discussion followed about street maintenance, timing and types of sealing.

Booth mentioned that transfers are for personnel services. Hickam asked what funds can be transferred to GF. Booth explained that it is how the funds are spent. Staff said that SDCs cannot be used for personnel. Discussion took place regarding transfers and transfers from Enterprise funds.

Councilor Dave Harms arrived at 7:31 p.m.

Booth reminded that stormwater has no revenue resources. There will need to be more transferred from GF. Kreitman shared that most cities charge a stormwater fee and depending on development the City may need to consider that in the future. Booth shared about the costs, where the funds go toward and the requirements. She explained the transfers in from GF is for operating costs and transfers in for personnel costs and showing both in and out to help with tracking. She said the reserve is the SDCs.

Cowan commented that industry is helping this be supported without a fee. If the City struggled financially in the future this would be an area that would need to be focused on looking into a fee or not.

Hickam asked if the SDCs did not cover the \$10,000 for Private Construction of Public Infrastructure. Booth replied no. This is an inspection for private developers. Hickam asked if the cost could be passed onto the developer. Booth replied yes and showed where it was listed a revenue source. She explained that the developer pays upfront, but it can take over a year to be an expenditure. There are no known projects at this time. Kreitman explained that the expenditure has to be allocated.

Booth moved to sewer. She said there is a revenue source, sewer fees. Staff estimates revenue low. She explained that the City pays Albany for some loans and Albany pays the City for some. She said that the grant is for a feasibility study that has been applied for.

Booth said for expenditures that the O&M Plant is tracking what is being paid to Albany. She explained that for collection the City didn't spend as much as staff thought they would this year. Raum asked if the City accomplished what it wanted. Booth replied no. It didn't get scheduled in time. She pointed out that the flow monitoring is an increase, this would be for an additional monitor for a year and may not need to be continued after that.

Hickam said that it looked like the City had \$625,000 overspent. He said SDCs were not budgeted. Booth explained that the SDCs are in the CIP project list. She said that for stormwater it was just the SDCs but water and sewer it's SDCs and includes the balance being carried over for future projects.

For water Booth pointed out that expenditures in the O&M Water treatment plant are going up because of the split of cost between Albany's two water treatment plants. Albany realized that more of the cost should be allocated to the Albany-Millersburg Plant based on flow. Cowan added that a positive look is Millersburg has been getting a deal.

Raum asked what SCADA upgrade was. Booth replied it was IT.

Booth explained the City pays a portion of Albany's Water Master Plan, because Albany is looking at the system as a whole, evaluating treatment plants and storage. She said that Albany had done the work this year but offered not to bill the City until this fiscal year. Cowan asked how it was based off it. Booth shared that staff had spent a lot of time looking at the costs and tasks and this ended up being around 5 percent.

Kreitman said that the Economic Development Fund is primarily transfer in from Streets and other sources and the sale of property. Booth said expenditures would be wetland consultants, engineering consultants, and radon consultants. She pointed out what is expected to be spent on Transition Parkway. Kreitman added that the \$50,000 for economic development services is for PacWest on assistance

with the City's properties. Raum asked if property develops and Transition Parkway, if radon services would disappear. Kreitman replied it depends on if someone purchases the property or leases it. Booth said the City has not currently been paying for any of the costs.

E. PUBLIC COMMENT

None

F. Action: **Motion to approve and recommend to the City Council the adoption of the proposed FY 2023-2024 Budget and Capital Improvement Program as modified made by Mayor Scott Cowan; seconded by Budget Committee Member Rob Yencopal.**

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
Rob Yencopal:	Aye

Motion Passed: 9/0

G. ADJOURNMENT

Chair Mark Raum adjourned the meeting at **7:54 p.m.**

Respectfully submitted:



Sheena Dickerman
City Recorder

Reviewed by:



Kevin Kreitman
City Manager