

City of Creswell
Budget Committee Meeting
May 22, 2006

The annual Budget Committee meeting was called to order by Mayor Ron Petitti and the pledge of allegiance given.

Budget Committee Members Present:

Bill McCoy	Betty Beckner
Cathy Morgan	Heidi Stalder
Ron Petitti	Martin Heymann
Ron Hanson	Mike Dubick
Bob Millam	Nathan Marple
Tim Demanett	

Budget Committee Members Absent:

Carl Wilkerson	Michelle Thielke
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Staff Present:

Mark Shrives	City Administrator
Layli Nichols	Finance Director/ Recorder
Roy Sprout	Public Works Director
Shelley Humble	Airport Manager

Press: 1

Audience: 0

3. Budget Committee Elects Chair

Mayor Ron Petitti opened nominations to elect a Budget Committee Chair. Heidi Stalder nominated Mike Dubick as Budget Committee Chair, Ron Hanson seconded. No other nominations were received. Voted on and unanimously carried.

4. Review and Approval of last year's minutes

Committee Chair, Mike Dubick reviewed the minutes of the Budget Committee Meeting of May 16, 2005. Ron Hanson moved Tim Demanett seconded to approve the minutes as presented. Voted on and unanimously carried.

5. Review Proposed FY 2006-2007

City Administrator Mark Shrives thanked the Committee for the opportunity to present the budget. He reviewed the highlights of the budget message including: the permanent tax rate of 2.6705%, total revenue less property taxes estimated to be received of \$19,728,707, property taxes estimated to be received of \$515,890, total appropriations of \$18,442,300 and a total scheduled unappropriated ending fund balance of \$1,802,297.

Mr. Shrives presented the 2006-2007 Budget for the City of Creswell, highlighting revenues, appropriations, and major changes within each fund. He noted no significant changes to the general fund revenues, and explained there is \$3,000 scheduled in economic development for the purpose of assisting the Creswell Chamber of Commerce

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to create new city maps. He further explained the Chamber of Commerce had secured a \$1,000 grant for that purpose, and indicated he would like to work with the Chamber to create the maps to ensure inclusion of all the new development. There is \$15,000 placed in the budget this year for the purpose of code codification split between the General, Water, Sewer, and Airport funds.

This is the second year of continued four-year contribution to the Library in the amount of \$3,000 per year. Under Cultural and Recreation materials and services is a new sub section called "Recreation Center". This has been added for anticipated expenditures associated with the building to be donated by Ross Murry on the corner of Harvey Road and Nieblock. On page six, a legal services line has been added to Planning and Land Use in the amount of \$10,000, as well as \$50,000 added to begin work on the Comprehensive Land Use Plan update. Under Public Safety, the budget proposes to maintain the same level of services, and reflects the addition of legal services in the amount of \$1,000. There is a \$200,000 transfer to the Capital Improvement Fund scheduled for the City Hall Building Project, and a one-time transfer to the Parks Development Fund for \$13,159 to transfer Parks System Development Charges to the new Special Revenue Fund created for that purpose.

In the Water Fund, the proposed budget reflects no significant changes. The Water Reserve Fund shows a budgeted \$9,118,000 for the Water Improvement Project. Mike Dubick asked about funding for the project and Layli Nichols explained the total project cost is \$10.3 million, and the budgeted amount reflects the remaining balance which would not be encumbered by the end of the current fiscal year.

The Sewer Fund shows a reduction in revenues due to the completion of the Wastewater Facility Upgrade and Nieblock Interceptor projects. The interim financing loan is expected to close before June 30, 2006, and the City would be starting long-term debt service for the project. Under materials and services, both Legal and Engineering Services are scheduled for \$100,000 each in anticipation of pending litigation with Slayden Construction. \$30,000 has been scheduled in Capital Outlay in anticipation of outstanding change orders from Slayden Construction for the Facility Upgrade Project.

This year is expected to be the final year of payments from the Lane County City Road Partnership Agreement, due to a sunset of federal rural school funds dollars. Ron Hanson asked if the City would still be obligated to maintain its share of the agreement to provide maintenance to annexed county roads, should the County terminate those revenues. Mayor Petitti asked if staff had considered imposing a gas tax, and Mr. Shrives said he had not at this time, but would research the possibility if the Council wished to explore the idea.

Under materials and services in the Street Fund, there is \$30,000 scheduled for updating the Transportation System Plan, which is part of the Comprehensive Land Use Plan Update. A \$51,834 transfer is scheduled to the new Transportation Enhancement Fund to transfer revenues collected for Transportation System Development Charges collected before July 1, 2006.

City Administrator Mark Shrives said planning for the Building Department is always a challenge, as activity within the fund is based on the construction market. The anticipated revenues and expenditures are based on an anticipated 120 new single-family dwellings for the upcoming fiscal year. Upcoming developments include: 23 lots at Craig Estates, 22 lots at Swale Ridge, 6 lots at King of the Hill, 20 lots at Emerald Valley Phase 4, and 100 Lots at Hazlewood Terrace.

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In the Airport Fund, fuel sales (and cost) are up and lease and rental revenue is proposed to increase by 2.6%. This is the second year there have been no transfers scheduled to subsidize the airport and Mr. Shrives thanked Airport Manager Shelley Humble for her hard work in managing expenditures.

Mike Dubick asked why there was no scheduled funding in the AIP Grant line, and Layli Nichols said the receipt of those funds is dependant on the award of the Connect Oregon Grant Money. She explained if the grants are awarded the monies would be recognized by resolution. Mr. Shrives said the Connect Oregon Grant is confusing, but due to testimony before the County Commissioners, Creswell has moved to 4th position on the list, and may see some funding from the application

There is \$395,000 scheduled for City Hall Construction in the Capital Improvement Fund, with \$20,000 for the same project scheduled in the Building Department Fund. The Local Improvement District Fund reflects the pay-off of LID #11 during the 2005-2006 fiscal year, and proposes to pay-off LID #14 during the 2006-2007 year.

Mr. Shrives said \$16,500 is proposed to purchase Utility Billing Software from the State Revenue Sharing Fund. This module would integrate with the new financial software and would provide the possibility of online bill payment options. The Bicycle/Foot Path Fund shows a \$3,929 transfer from the Street Fund, and Mr. Shrives noted a bike or pedestrian path project would need to be scheduled within the next few years, to be compliant with state statutes.

There are two new funds proposed this year for the purpose of collecting and recording System Development Charges newly adopted during the 2005-2006 fiscal year. The Parks Development Fund and the Transportation Enhancement Fund are Special Revenue Funds. Revenues collected within these funds are restricted to specific uses as identified within Resolutions 2006-04 and 2006-05 respectively.

Finally, this is the last year the Planning and Land Use Fund has to appear in the budget document. Mr. Shrives thanked the Committee and opened the floor to questions or comments.

Ron Hanson said he is astonished at the amount budgeted for planning and legal services this year. Mr. Shrives explained there had been a lot of additional costs to these areas as a result of the proposed Fairways development and its pending appeal to the Land Use Board of Appeals, as well as unexpected legal costs. Mr. Shrives did indicate the newly adopted Planning Fees would help to offset these costs in the future. Bob Millam said he is not happy about using reserves. A short discussion ensued regarding the possibility of a gas tax to generate revenue within the State Highway Street Fund should the County discontinue their current program. Mr. Shrives also touched on the possibility of implementing a local Hotel Motel Tax as other local governments do, which would provide an additional 1% to the current revenue. Ron Petitti asked where the revenue comes from in the Parks Development Fund and Mr. Shrives explained the revenue is based on the number of single family dwellings expected to be built during the fiscal year which would be subject to the new Parks System Development Charge.

Mike Dubick said there was a calculation error on page 31, as total resources should be \$93,956 in lieu of \$175,328. A question was raised about the Summer Recreation Program in the General Fund and Ron Hanson explained it is a joint venture with the

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school district to provide middle school aged children with a recreation program over the summer months.

6. Formal Recommendation to governing Body for Adoption of Ordinance 436 & Ordinance 437

Bill McCoy moved Heidi Stalder seconded to make a recommendation to City Council to approve Ordinance 436 as presented. Voted on and carried unanimously.

Tim Demanett moved Martin Heymann seconded to make a recommendation to City Council to approve Ordinance 437 as presented. Voted on and carried unanimously.

7. Formal recommendation to the governing body to adopt the budget as presented or amended

Martin Heymann moved Bill McCoy seconded to recommend to the Creswell City Council the Budget as amended, which calls for levying the permanent tax rate of 2.6705% per \$1,000 of value. Voted on and carried unanimously.

There being no further business to come before the Committee, Committee Chair Mike Dubick adjourned the meeting.

Ron Petitti, Mayor

Attest:

Layli A. Nichols, City Recorder