

**CITY OF MERRILL**  
**FIRST BUDGET MEETING MINUTES FY 20/21**  
**May 14, 2020**

**6:00 PM**

The 1<sup>st</sup> Budget Committee meeting for FY 20/21 began at 6:00 p.m.

The Budget Officer began the meeting stating that the first Budget meeting is to receive the budget message for fiscal year (FY) 2020-2021.

**ROLL CALL:**

The following Budget Committee members were present:

**Council Committee Members:**

Councilor Smith  
Councilor Hinton  
Mayor Carlson

**Citizen Committee Members:**

Steve Baley  
Teresa Perry  
Regina Picke (via telephone)  
Jesus Fernandez (via telephone)

**Budget Officer:** Rayna Hernandez

**Others present:** Brian Bicknell – Department Head of Police Department  
Greg Matthews – Department Head of Public Works Department

The Budget Officer introduced members in a round-table manner.

The Budget Officer explained that each Department Head would discuss their department budgets with additional details explained by the Budget Officer.

The Budget Message was presented by the Budget Officer with references specifically to some of the information available within the thirteen page FY 2020-2021 written budget message made available to all Budget Committee members on May 1, 2020 with projected budget totals of \$1,720,747 which consists of \$1,165,176 in appropriations and \$555,571 in unappropriated and reserve amounts.

The Budget Officer reviewed the Committee meeting timeline reminding members that the 2<sup>nd</sup> Budget meeting would be May 21, 2020 at 6:00 pm., explaining that the purpose of the second meeting would be to take public comment as well as provide a time for Committee deliberation. After public comment and Committee deliberation, if changes are made, a 3<sup>rd</sup> budget meeting would be required. A 3<sup>rd</sup> meeting would be scheduled

soon after May 21, 2020 in order to allow preparation and publishing time and advance notification for publishing the budget hearing.

The Budget Hearing is scheduled for June 9, 2020 at 6:00 pm. The Budget Hearing will be held prior to the regularly scheduled monthly Council meeting.

The Budget Officer discussed main budget message components, per fund, for the upcoming FY 20/21 budget cycle that included the following:

## **Department Heads to share their respective budgets for FY 20-21.**

### **Budget Officer/City Recorder Hernandez:**

#### **General Fund Revenue and Expenditures:**

A new fund, General Commercial Land Reserve, has been created yet is not in existence until the revenue is received. The fund includes revenue, interest, and transfer out for commission. General Equipment Reserve has a transfer in of \$11,000 per schedule. Governor Brown is suggesting reducing revenues by 17%. Budget Committee decided to reduce Transient Room Tax and State Revenue Sharing by 10%. Misc. revenue increased from \$0.00 to \$2,100.00 due to notarization revenue and land lease utility reimbursement. Maintenance Salary (Cleaning Services) was decided to be deleted as there have been no expenditures for 3 years. Utilities were increased to reflect land lease utility invoices paid from the general fund. Merrill Commercial Commission was added. Misc. Dues/Prop Taxes/Abatement was reduced as the new accounting software was purchased.

#### **Cost projections common to all funds:**

1. Vector Control contract increase from \$640 to \$750.
2. Wage increases per schedule.

### **Marshal Bicknell:**

#### **Police Fund Revenue and Expenditures:**

Transfer into the Police Reserve remains the same. Insurance and bonds are to be increases by 3.24% as estimated by City Insurance Services. Fuel increased due to actual FY 19/20 expenditures. Auto expenses and repair increased as the vehicles require more maintenance due to age. 9-1-1 maintenance and fees increased. The Reserve Officer Program is no longer budgeted.

#### **Police Department Debt Service:**

3. Proposed payoff of 2019 Dodge Police Charger is July 16, 2022. Keeping the police vehicle fleet with newer model vehicles and less mileage helps to reduce vehicle maintenance expenses.

### **Public Works Director Matthews:**

**Water Fund, Sewer Fund, and Street Fund Revenues and Expenditures:**

Transfers into the Water Sewer Reserve remain the same. Dumping revenue has decreased. Water debt service for the Water Project Loan of \$91,000.00 has been added as well as the expenditure for a \$20,000.00 generator. Water Resources reflect the transfer in of \$91,000.00 and \$20,000.00 for the Water Project and generator. Budget Committee decided to increase the City Clerk wage to absorb any over expenditure. Postage and supplies have increase due to inflation. Equipment expenditure increased for the generator and emergency equipment purchases. Water debt service is \$91,000.00 for the Water Project Loan due December 1, 2020. Revenues for the Sewer Fund remain the same. Again, the City Clerk wage was raised to absorb any over expenditure in the Sewer Fund. The WWIII/Part Time Laborer needs to read WWIII/Seasonal Laborer. Utilities have increase. Legal and audit have decreased due to one audit instead of two. Miscellaneous and dues have decreased due to the new accounting software purchase. Street Fund ODOT revenue increased. The \$7,000.00 transfer from general fund to street fund was not continued to due hardship on the general fund with decreased revenue and unavailability of funds until December. Wages are budgeted 40%, 40%, and 20% to compensate for the lack of revenue in the Street Fund. The WWIII/Part Time Laborer needs to read WWIII/Seasonal Laborer. Legal and audit decreased.

**Sewer Department:**

4. \$6K for a lagoon pump is budgeted to be purchased in the event of existing pump failure.

**Street Fund:**

5. Bluegrass Festival expenditure remains though the festival was cancelled.

**Compensation notes:**

6. Health insurance was capped December 2015 at \$1560.80. Due to contractual obligations, employee health insurance is slightly over.

**Other notes:**

7. Unappropriated funds will be budgeted to have a certain amount left at the end of the year to begin the following year with enough cash to operate until tax money or other revenues are received later in that fiscal year.
8. Operating contingencies are allowed as one line item per fund.
  - a. General Fund: Contingency is reported on the Recorder budget sheet for both Police and Recorder departments and are considered for unexpected operating situations.
  - b. Water/Sewer Funds: Contingency is reported on the Water budget sheet for Water and Sewer Departments.
  - c. Street Fund: Street Fund budget sheet.

**Decisions and Service Enhancement for FY 20/21:**

**General Fund:** Payment in Lieu of Property Taxes (PILT): The PILT Revenue is reserved in the General Equipment Reserve for City needs.

**Water & Sewer Funds:**

Due to annual debt service obligations for the lagoon and most recently water system improvement infrastructure cost projections, Council is acting to be proactive in transferring the \$16 in advance of the water improvement infrastructure completion in order to meet debt obligations without affecting overall budgets or depleting Reserves. The total project is estimated at \$3.3 with an annual debt payment of \$91,000.

**Street Fund:**

Discussion of paving streets and installment of sidewalks ensued.

**Personnel Wage/Compensation Plan:**

Wage adjustments for staff were based on approved salary schedule relative to pay schedules adopted 17/18 FY.

**Insurance:**

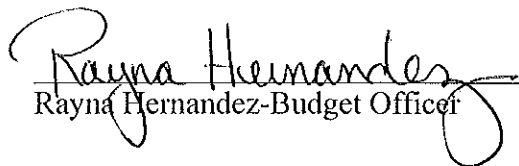
The Water Project insurance costs are unknown and may be raised considerably.

If no changes are made during the 2<sup>nd</sup> budget meeting, motions are required to approve the following:

1. Appropriation approval amount
2. Budget approval amount
3. Revenue Sharing: State Revenue, Oregon Liquor Control Commission and Cigarette Tax, and Marijuana Revenue
4. Adopt the Tax rate

The meeting was adjourned at 7:15 pm.

Respectfully submitted,

  
Rayna Hernandez-Budget Officer

05/21/2020  
Date