

CITY OF MERRILL
FIRST BUDGET MEETING MINUTES FY 25/26
May 08, 2025

6:00 PM

The 1st Budget Committee meeting for FY 25/26 began at 6:12 p.m.

The Budget Officer began the meeting stating that the first Budget meeting is to receive the budget message for fiscal year (FY) 2025-2026.

ROLL CALL:

The following Budget Committee members were present:

Council Committee Members:

Councilor McCollam (absent)
Councilor Gatliff
Councilor Baley
Councilor Johnson

Citizen Committee Members:

Vacant
Miles Gatliff (absent)
Rhonda Lyon
Franceska McAuliffe

Budget Officer: Rayna Hernandez

Others present: Greg Matthews - Department Head of Public Works Department
Parker Hetherwick-Department Head of Police Department (Sergeant)

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

Approve Meeting Minutes May 16, 2024: Budget Committee Member Lyon made a motion to approve the May 16, 2024 Meeting Minutes. Councilor Johnson 2nd the motion. The motion passed 5-0 with all in favor.

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 2025-2026 written budget message made available to all Budget Committee members on April 29, 2025 with projected budget totals of \$6,291,250 which consists of \$5,500,336 in appropriations and \$790,914 in unappropriated and reserve amounts.

The Budget Officer reviewed the Committee meeting timeline reminding members that the 2nd Budget meeting would be May 15, 2025 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 3rd budget meeting would be required. A 3rd meeting would be scheduled soon after May 22, 2025 in order to allow preparation and publishing time and advance notification for publishing the budget hearing.

The Budget Hearing is scheduled for June 11, 2025 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 25/26 budget cycle that included the following:

Department Heads to share their respective budgets for FY 25-26.

Budget Officer/City Recorder Hernandez:

General Fund Revenue and Expenditures:

General Commercial Land Reserve has \$91,859 for contractual property sale revenue. The contract has been re-established. General Equipment Reserve has a transfer-in of \$6,000 per schedule and a transfer to General Fund for the Falvey Road Safe Route to School contribution of \$50,000. General Fund line items are based upon actuarial and estimates in relation to certified population. Planning is estimated at \$1,500, which may be low based upon upcoming projects. The majority of Vendor Reimbursement is Pacific Power Irrigation. Capital Outlay reflects the \$50,000 Safe Routes to School contribution. Budget Committee discussed Capital Outlay for the use of City Hall maintenance. Clothing Allowance was reduced to accommodate the Vector Control increase.

Cost projections common to all funds:

1. Vector Control contract \$900 increase to \$1,040 (Vector Control Proposal)
2. Wage increases per schedule.
3. Utilities
4. Insurance

Sergeant Hetherwick:

Police Fund Revenue and Expenditures:

Sergeant Hetherwick read the Police Reserve and Police Expenditure Funds by line-item. Debt Service (Add Police Vehicle) is a contingency in the event a vehicle may need to be purchased. Vector Control increased.

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 increased in the past few years. Current actual Dumping Revenue is \$102,000. Public

Works Director Matthews recommended an increase the Water Sewer Reserve Dumping Revenue of \$5,000 to reflect actuarial. Budget Committee held no objections. Water debt service for the Water Project Loan of \$89,426. Water Resources reflect the transfer in of \$89,846. Certifications were discussed. For transparency, Utility Worker wages shall be reflected in Utility Worker I and Utility Worker II. Water debt service is \$89,426 for the Water Project Loan due December 1, 2025. The hydrant that was damaged has been repaired. \$1,500 of budgeted waterline repairs was transferred to Vehicle Fuel. Due to upcoming construction, the consensus was to include 2 sewer connections in the amount of \$3,000. Lagoon debt service is \$43,645.17 with the last payment in 2028. Discussion ensued about utilizing Capital Outlay for the purpose of purchasing a reliable vehicle for Utility Worker Roman Vazquez and equipment expense for a lawn mower. Repair expenses are necessitating new equipment purchases. Street Fund ODOT revenue is estimated at \$81.25 per certified resident of 854. Waste Management Revenue, Street Fund per Ordinance, is estimated at \$10,000. Safe Routes to School Grant has been budgeted for \$3,800,000 and is expected to be completed in 2025-2026. The Small City Allotment Grant is \$230,100. An interfund loan of \$130,000 will be transferred to the Street Fund until reimbursed at 0% interest rate. Vector Control was increased in all 3 funds.

Sewer Department:

5. \$6K for a lagoon pump is budgeted to be purchased in the event of existing pump failure but has been extended to include Lagoon Float and Locator.

Street Fund:

Compensation notes:

6. Health insurance was capped December 2015 at \$1,560.80. Contractual obligations are deducted from employee payroll.

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 25/26:

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 (\$12 Water, \$4 Sewer) in advance of the water improvement infrastructure completion in order to meet debt obligations without affecting overall budgets or depleting Reserves. The total project cost over \$3.3 million with an annual debt payment of \$89,426.

Street Fund:

Received \$3.8 million Safe Routes to School Grant. Small City Allotment Grant of \$230,100.

Personnel Wage/Compensation Plan:

Wage adjustments for staff were based on approved salary schedule relative to pay schedules adopted 24/25 FY.

Insurance:

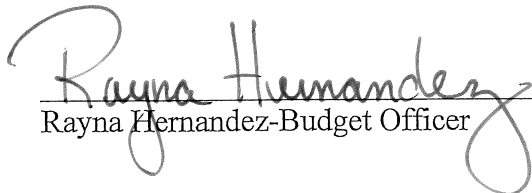
Insurance Property Liability estimated to increase by 16% though budgeted for 20%.

If no changes are made during the 2nd 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

Councilor Johnson made a motion to adjourn the May 08, 2025 First Budget Committee Meeting. Councilor Baley 2nd the motion. The meeting adjourned at 7:19 p.m.

Respectfully submitted,


Rayna Hernandez-Budget Officer

5/15/2025
Date

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