

CITY OF McMinnville  
MINUTES OF BUDGET COMMITTEE MEETING  
Held via Zoom Video Conference and at the Civic Hall on Gormley Plaza  
McMinnville, Oregon

Wednesday, May 18, 2020 at 6:00 p.m.

Presiding: Scott A. Hill, Mayor

Recording Secretary: Claudia Cisneros

Councilors: Present Absent

Adam Garvin  
Kellie Menke  
Wendy Stassens  
Sal Peralta  
Zack Geary  
Remy Drabkin

Budget Committee: Present Absent

Jerry Hart                      Leanna Gautney  
Alison Seiler  
John Mead  
Peter Hofstetter  
Cherry Haas  
Wendy Phoenix

Also present were City Manager Jeff Towery, Community Development Director Mike Bisset, Finance Director Jennifer Cuellar, Fire Chief Rich Leipfert, Police Chief Matt Scales, Planning Director Heather Richards, Library Director Jenny Berg, Library Technical Assistant-Circulation Kirsten Dennis, Information Systems Director Scott Burke, Parks and Recreation Director Susan Muir, Wastewater Services Manager Leland Koester, Youth & Adult Sports Manager Steve Ganzer, Community Center Manager Katie Noyd, Senior Accountant Ronda Gretzon, Public Works Superintendent David Renshaw, Human Resources Manager Kylie Bayer, Engineering Technician and Inspector Larry Sherwood,

AGENDA ITEM

1. CALL TO ORDER: Chair Menke via Zoom called the meeting to order at 6:02 p.m.

2. ROLL CALL: City Recorder Cisnero called roll. It was noted that Budget Committee Member Gautney was absent.

3. ELECTION OF BUDGET COMMITTEE CHAIR:

*Councilor Peralta MOVED to elect Kellie Menke as Budget Committee Chair and further MOVED that the nominations be closed; SECONDED by Councilor Stassens. Motion PASSED unanimously.*

4. APPROVAL OF MAY 15, 2019 BUDGET COMMITTEE MEETING MINUTES:

*Mayor Hill MOVED to approve the May 15, 2019 Budget Committee meeting minutes; SECONDED by Councilor Peralta. Motion PASSED unanimously.*

5-6. PRESENTATION ON PROPOSED BUDGET FOR 2020-2021 FISCAL YEAR AND BUDGET MESSAGE & PRESENTATION OF BUDGET MESSAGE BY CITY MANAGER: City Manager Towery stated the budget largely maintained capacity at current levels of service. The classification and compensation study implementation options that might need to be deferred until the mid-year review was completed. They had focused on rebuilding core services. A new Finance Director was hired. Municipal Court and Legal staffing was restructured (no increase in FTE). City Prosecutor services were provided through a contract. They had initiated the recruitment to hire an in-house City Attorney. They had also worked hard to stabilize General Fund reserves. The proposed budget would have reserves comparable to the 2019-20 adopted budget, estimated to be between 11 and 13 percent of 2020-21 expenses. Mid-year strategies for balancing service demands and evaluating financial status would be described later. They were still working on implementing the Strategic Plan. They would be specifically focusing on the values of stewardship, equity, courage, and accountability. He discussed the strategic priorities and how the Council identified nine priority objectives during their goal setting in early 2019. Detailed status reports including next steps were included in the Budget Message.

General Fund budget gap closing actions were: PERS Employers Incentive Fund program not funded (\$1.3 million), one-time revenue distribution from the Insurance Services Fund (\$500,000), most requested additions requiring ongoing cost commitments were deferred, and maintenance and capital investments from the City Facilities Assessment were deferred (\$700,000). The revenue losses due to Covid-19 impacts eroded year-end projected carry over, impacting reserves. One-time investments in shelter, food services, and business support programs were made in late 2019-20 (about \$140,000). There was fourth quarter revenue

loss due to Parks and Rec program closures which reduced the beginning fund balance for next year by \$450,000. The support for affordable housing from Transient Lodging Taxes was eliminated in the proposed budget. The unspent funds in FY19-20 as well as FY20-21 were about \$300,000.

Staff planned to do a mid-year review. Property taxes and other revenues would be evaluated relative to initial revenue projections. The list of expenditures to consider appeared on page 32 of the FY20-21 proposed budget. Due to the nature of the current public health emergency, unknown impacts on revenue and potential for unknown outlays might affect priorities even if the City's financial condition permitted adding costs to next year's activities. Revenue losses and/or extraordinary costs exceeding anticipated levels might require budget reductions from the appropriated levels. Options to address near term budget shortfalls would be informed by the City's definition of core services and the true cost of those services. Areas for consideration would include: furloughs, job-share, vacancy management, contracts for service, and service reductions.

7. PUBLIC TESTIMONY ON PROPOSED 2020-21 BUDGET

Mark Davis, McMinnville resident, noted the income in this area had stagnated and businesses they were attracting did not pay high salaries. It was a real problem in the community right now. They were getting closer to being part of the Metro area, but they still had lower wages like a rural area. The Housing Needs Analysis showed the median household income was \$50,000 which was much lower than the County as a whole and the state. They were trying to raise salaries and increase what they were doing as a City but they were not bringing along citizens. He thought they needed to focus on increasing incomes. One of the biggest increases in the budget was for franchise fees which generally fell on citizens. He was concerned that they were relying on revenue sources that were affecting people who did not have a lot of money. Incomes were not keeping up with the growth of the City and they were asking people to pay for things that they could not afford. Heading into such uncertain times, the reserves should be much higher than 11% to 13% especially when the Government Finance Officers Association's recommendation was 17% and the Council's goal was 25%. In the recession in 2008, the reserves were close to 40%. He thought the impacts of Covid-19 would be just as bad as the recession. They needed to look at cuts immediately, not in six months. If they waited too long, even deeper cuts would have to be made.

8. PUBLIC HEARING ON POSSIBLE USES OF STATE REVENUE SHARING

Budget Committee Chair Menke opened the public hearing and read the hearing statement.

Finance Director Cuellar presented the staff report. She explained following list of possible uses of these funds:

**City of McMinnville  
City's Possible Uses of State Revenue Sharing  
2020 - 2021 Proposed Budget**

**Revenue - State Revenue Sharing** **\$ 563,000**

**Expenditures - State Revenue Sharing**

**Administration**

- Civic Hall - dimming panel, security cameras, projector \$24,570
- Downtown Public Art Program \$12,000

**Engineering**

- Hansen software upgrade \$5,000

**Planning**

- Natural Resources Study \$30,000
- Hazard Mitigation Plan \$25,000

**Police**

- Replacement MDT's for patrol cars \$36,000
- Patrol car leases/internal borrowing payments (FY18, FY19, FY20) \$114,355
- Computer equipment \$17,900

**Fire**

- Fire Department Sustainability Consultant and Survey \$32,000
- Replacement MDT's for Ambulances \$7,000
- Repairs and Maintenance: building and vehicles \$160,000

**Parks & Recreation**

- Recreation buildings master plan - Phase III \$50,000
- Senior Center sprinkler head replacements \$23,000

**Parks Maintenance**

- Hansen software upgrade \$5,000

**Library**

- Computer equipment \$21,175

**Total Proposed Expenditures \$ 563,000**

Councilor Garvin asked about the \$160,000 for Fire. Fire Chief Leipfert said \$105,000 was for fleet maintenance and \$55,000 was for facilities maintenance.

Councilor Geary asked about the Natural Resources Study and Hazard Mitigation Plan. Planning Director Richards said they were coordinating with Yamhill County on adopting a Natural Hazard Mitigation Plan which would identify hazard areas in McMinnville and how to deal with them in terms of development. The study would update Goal 7 Comprehensive Plan policies relative to the types of natural resources that they wanted to preserve and how development needed to address them. The funds were not for the Hazard Mitigation Plan, but to move forward on some of the priority actions that were in the plan.

Committee Member Seiler asked about the Senior Center sprinkler head replacement. Parks and Recreation Director Muir clarified they were for the fire sprinklers inside the building.

Committee Member Hofstetter asked if they would be getting more money from the state or was this one lump sum. City Manager Towery said it was one lump sum allocated by a formula for the City's share of liquor taxes, cigarette taxes, and marijuana taxes.

Councilor Stassens asked how certain the numbers were and how possible was it that they would change. City Manager Towery said these were based on the best assessment they had when the budget was built. These numbers tended to hit their estimates closely. If they received less than anticipated, they might have to find other revenues for the projects.

Councilor Peralta said liquor and marijuana sales had gone up and they might increase rather than decrease in the coming year.

City Manager Towery clarified these were possible uses of the funds. They were not bound to these specific uses. It was one of the requirements to receive state shared revenues.

Councilor Drabkin noted that in a time of recession, people's drinking habits changed. They started purchasing less expensive alcohol. It was difficult to predict what would happen in these uncertain times.

There were no public comments.

Budget Committee Chair Menke closed the public hearing.

9. REVIEW AND DISCUSSION OF PROPOSED 2020-2021 BUDGET

Chair Menke asked if any Committee member needed to declare a potential conflict of interest.

Committee Member Mead stated he was married to the Library Director.

Councilor Geary stated he was married to a staff member at the Library.

There was discussion regarding the governor allowing cities more time for the budget process due to Covid-19. City Manager Towery said staff thought the process could be completed in the normal timeframe and it was not necessary to take more time.

Financial Overview Discussion:

Councilor Peralta asked about the revenue assumptions. The budget estimated a 7% loss in Transient Lodging Tax revenues. Visit McMinnville met with Council recently and estimated a larger loss.

City Manager Towery said typically they tried to align projections with Visit McMinnville. However this year Visit McMinnville had taken a much more conservative view of TLT and it could be the City's estimate was overly optimistic. A reduction of the TLT had only a slight impact on the General Fund, but would have a greater impact on Visit McMinnville.

Finance Director Cuellar said it was a timing issue for getting the budget completed to start the process. There were some revenue numbers that were different than what was in the proposed budget. The plan was to incorporate those kinds of changes into the budget that would go before Council for adoption. The TLT number was likely to change in the final document to Council.

Councilor Peralta asked how Covid-19 had affected the Planning and Building Departments. Planning Director Richards said they put conservative revenue numbers into the budget based on the lack of buildable land in the City. They had not seen a drop off occur yet and were still issuing a lot of building permits, but they did anticipate development getting slower. More efforts were being put into long range planning projects.

Councilor Peralta asked about the cost cutting options. He was in favor of the work share option and taking advantage of federal funds for the program. The suggestion of a hiring freeze was also a good one. He thought they should look at the travel and training line items and make sure they were only for items necessary to retain licenses or training to fill an essential role. All others should be eliminated. He thought they should also consider reallocating some of the Library budget to provide additional security cameras.

City Manager Towery said every department evaluated their travel and training needs in the context of the needs for the department and City.

Mayor Hill noted many conferences were being held virtually instead of in person which would reduce travel costs.

Councilor Drabkin thought with the uncertainty of school going forward, they should not reduce the Library budget and limit Library access.

Councilor Peralta was concerned about patrons feeling safe when the Library was open and video cameras would address that issue. Covid-19 had changed the mission of the Library and home delivering books rather than providing services to patrons in the Library. He thought there would be additional staffing costs that had not been fully accounted for, such as additional sanitation of books. He was concerned about safety in the Library and he questioned the future use of the building in the immediate future.

Committee Member Hart thought the main issue was the reserves and it should be discussed earlier in the meeting rather than later.

City Manager Towery said there was enough uncertainty that it was not clear to staff that this was the time to make significant and lasting cuts to bolster the reserves. They finished last year in a much better place than they thought and they had hoped to continue that trend. Staff had been conservative in putting this budget together. He thought the budget as presented would maintain services until they had a more certain picture of the length of time and revenue impacts they would see resulting from the pandemic.

Finance Director Cuellar said making service delivery cuts outside of understanding what the core services were did not make sense. The core services conversation needed to guide where they allocated resources.

Committee Member Hart said they had taken pride in having a large reserve in the past and it had served them well during the recession. They wanted to get it back up to 25%. There were core services a City needed to provide and those things needed to be funded. However the Committee had been conditioned to have a large reserve.

City Manager Towery thought they needed to see what manner of recovery did or did not occur over the next several months before service reductions were made. He thought the philosophy that Committee Member Hart was talking about was what they were putting in play this year.

Mayor Hill thought the mid-year review and planning for what they would do if they had more or less income was key. They would know better what

the tax revenue would be and Covid-19 impacts on businesses later in the year.

Committee Member Haas thought due to the forecasts for reductions in revenue for both the city and state and the unemployment rate, they should not wait until a mid-year review. They could defer some expenses and put some employees on furlough now and not use reserves. Then they could go back mid-year and implement or expand programs.

Councilor Peralta agreed that they should be taking some cost cutting measures now and add things back in later once they had more certainty.

Chair Menke said the budget was an estimate for the year.

Committee Member Haas said if they spent it now, they would not be able to get it back into the reserves.

Mayor Hill said the majority of the City's funds came from property taxes which did not have the same volatility as income tax that the state received.

Councilor Perlta thought they should put some staff on furlough and use that federal money to meet the shortfall. He thought it could be similar to what Portland Public Schools did.

Committee member Seiler asked what staff would be furloughed, especially with bargaining agreements. There would only be a small number of staff and they already ran the departments very lean.

Human Resources Director Bayer said there were two bargaining agreements and they would have to be in alignment with those agreements to issue furloughs. It would most likely be general services staff and they did run lean. They did not want to make any cuts unless it was absolutely necessary. They were looking at vacancies and whether they could hold off on hiring. She did not think there would be significant savings with furloughs and maintaining the current level of service. The work share program was for a minimum of three employees to be furloughed and they would be furloughed 20-40% of the time. They would be eligible for unemployment. There were additional dollars through the CARES Act from the federal government that could be available. A lot of people filing for unemployment were experiencing significant delays. She was not confident that the funding would reach employees quickly.

Councilor Peralta said they had a 34% reserve heading into this year and now they were proposing 11-13%. He questioned if 11-13% was enough and if the assumptions that justified the 11-13% would add up the way they thought they would.



City Manager Towery said if the interest was maintaining the current level of service, the reserve needed to be 11-13%. If they wanted a higher reserve, they would have to reduce services. Furloughs would have a service impact.

Committee Member Hart said the model worked for the Portland School District because schools were closed and teachers were working online. The buildings were empty and janitorial staff were not providing much service. The School District's operation was totally different from the City's operation and what services they provided. He did not think it was comparable as City services needed to be maintained.

Committee Member Hofstetter said the CARES funding ended July 31 and they would not receive very much funding from that. Staff reductions had long lasting effects. He thought there were things that could be done, such as a hiring freeze, reducing expenditures, reducing travel and training, etc. that would be prudent to do given the uncertainty rather than reduce staff. He thought the budget should be reviewed monthly to look at the trends.

Committee Member Phoenix asked if the Committee would be comfortable with a different percentage for the reserve.

Chair Menke said in the recession the City did maintain a 25% reserve, but it made the City behind in many areas and they were scrambling to get caught up. It would be good to get back to that number, but they would need more revenue to get there.

Committee Member Phoenix asked what the mid-year review process would look like. City Manager Towery said staff reviewed the budget on an ongoing basis. A mid-year review would be identifying a time when the property tax revenue was more certain than it was now. Shortly after that they would convene a meeting either with Council or the full Budget Committee to give an update on where they were and any recommendations for mitigation if it was needed. They were encouraging the Budget Committee to have the focus on making service level decisions through the lens of core services analysis in the Strategic Plan and not try to do it before that work was done.

Committee Member Phoenix asked if there was any word on whether home owners would get an option to defer property taxes. City Manager Towery did not think so. The County Assessor did not anticipate a dramatic decrease in property values or tax collections.

Committee Member Phoenix suggested another meeting of the Budget Committee in December to get an update on property taxes.

Committee Member Hart said property tax revenues were much more stable source of funds than income taxes. The assessed value of properties would not go down and with more construction it was likely to be higher than projected. He thought it was a stable source of funds.

Councilor Geary wished they had more reserves, but thought the City should continue delivering services at current levels. He thought it would be a good constant for the community in these uncertain times.

Committee Member Mead said reserves were to be used for tough times. This was an appropriate time to hold the line on the reserves and if the reserves needed to be spent or services cut they would deal with it when those times came.

#### Debt Overview Discussion:

Mayor Hill said the next levy would be paid off in 2021.

#### Personal Services Discussion:

Mayor Hill noted that the number of volunteers remained at high levels which helped support City services.

Councilor Stassens asked about the cost of living increases. City Manager Towery said these increases were historically based on the consumer price index. This year the CPI was 1.75%. The increase for the bargaining units would be 2-4%. He thought internal equity was an important value and did not recommend eliminating the COLA this year. The employee costs for health care were going up as well as the Classification and Compensation Study recommendations would need to be implemented. There were some employees whose spouses were out of work or reduced work due to Covid and giving this nominal increase would help some of the families who were struggling right now.

#### General Beginning Fund Balance Discussion:

Councilor Peralta would like to know why there was such a difference between the estimated beginning fund balance and the actual beginning fund balance for reserves. It was a large jump from 30% to 11-13%. City Manager Towery said that number was reported to Council in the context of the audit and financial statements. That calculation was done differently than the budget. Staff would provide information that gave more clarity on the differences between those two numbers.

#### General Fund Administration Discussion:

Mayor Hill noted the City's memberships were about \$51,500.

Chair Menke said that helped meet the goal of improving intergovernmental relationships.

Councilor Peralta said the budget included \$30,000 for Mayor and Council expenses. In 2018 that number was \$14,000 and he thought this might be an area where they could reduce expenses. City Manager Towery said that was a hold the line budget and they did not always spend that money.

Councilor Peralta said there were some items in the budget that he thought should be included and he would like to identify money that could be used for those items such as security cameras for the Library. The federally reimbursable emergency expenses they used to provide housing would continue through the end of July. If they could identify places where they could continue to leverage City funds to provide that housing and food and have some of it reimbursed, that was another place where they should be looking.

City Manager Towery noted they did not budget any reimbursement from the federal government. It would be additional revenue. They had received \$69,000 from the CARES Act for the loss of ambulance service fees. They had \$20,000 in expenditures for emergency shelter services and \$10,000 for additional support for food resources in the community and expected at least a portion of those to be reimbursed.

Fire Chief Leipfert said they had \$42,000 in a grant application already for PPE and were planning to apply for reimbursement for overtime costs and decontamination of the Fire Station which would be another \$60,000.

Councilor Peralta thought all non-essential travel and education should be cut for all departments.

Councilor Stassens asked if they would be evaluating renting out the Chamber of Commerce building.

City Manager Towery said yes, they were having conversations about the future of that building.

General Fund Engineering Discussion:

Councilor Geary asked if the Baker Creek Road improvements made it on the project list.

Community Development Director Bisset explained the transportation projects that would be done in the proposed budget. There were no projects for Baker Creek Road.

General Fund Planning Discussion:

Councilor Peralta asked about the expenditures for code compliance.

Planning Director Richards said it was for code enforcement abatement and payback of those abatements.

Committee Member Haas asked if any of the City's land use decisions were appealed to LUBA this year.

Planning Director Richards said no.

Committee Member Haas thought they should scale back some of the planning initiatives to implement affordable housing initiatives.

Councilor Drabkin said the Planning Department had been working to get funding for affordable housing and putting in place affordable housing programs.

Committee Member Haas asked why the funds that were set aside for affordable housing that came from the Transient Lodging Tax were not in the budget.

City Manager Towery said those funds budgeted this year went largely unexpended and would roll over into next year. Because there were few projects that could access that fund, they made a strategic decision to roll it into the ending fund balance. The resources were still there and if the Council was approached by a developer or project that could benefit from those funds, the Council could allocate the funds. To budget them as an expense knowing it was likely that they would not be accessed, it made more sense to put it into the reserve still giving the Council the opportunity to allocate them if a worthy project moved forward.

Planning Director Richards said Committee Member Haas asked if there were places in the planning budget that could be reduced to help fund the affordable housing fund. She had reduced the long range planning budget. For affordable housing in McMinnville, supply was going to be critical and the discussion over the last couple of years was how to increase the housing supply. That was why they were moving forward with the Urban Growth Boundary amendment again. There was a state mandate, HB 2001, that could not be changed and they had to do the work for that. They had requested grant funding for that work, but there was a match required. HB 2001 would hopefully bring in more types of housing products built in the City that would help with affordability. They were working on three subsidized housing projects and the TLT funding was not enough money to make meaningful impacts. Where they could make more meaningful impact was matching them up with state funds available for affordable housing projects and trying to find land for those projects.

Committee Member Haas said it was easy for them to defer affordable housing projects because the people who were affected by it did not have a voice in the organization.

Planning Director Richards noted that Councilors Menke and Drabkin were representing that voice and were active in the affordable housing discussions. She thought a place that could be cut was the Natural Resources Study.

Councilor Drabkin said YCAP had been expanding its services to address the heightened need during the pandemic. City administration was working with downtown businesses and other organizations to bring forward solutions. She was hoping for positive results with the expanded sheltering that was happening and the needs of downtown merchants.

Councilor Stassens asked about the increase in professional services.

Planning Director Richards said that was due to the work on HB 2001 and the Urban Growth Boundary effort.

Councilor Garvin asked about the business license fee.

Planning Director Richards said that had been pulled out of the budget. City Manager Towery said it was built into the budget as a self-sustaining program about two years ago. They ended up not moving forward with it given the current nature of the economy and pressure on local businesses.

General Fund Police Discussion:

Councilor Peralta asked about the estimated additional \$5,000 in donations over the previous year.

Police Chief Scales said they were donations that had come in for various projects.

Councilor Stassens asked about the increase in the “other income” line item.

Police Chief Scales said that was an increase should the Oregon International Air Show return. It would be a reimbursement for police services.

Councilor Geary asked if it was a cost recovery proposal if the air show happened and if it didn't it would be zeroed out.

Police Chief Scales said they built it in a cost recovery model. They were currently in discussions about whether or not it would happen this year.

Councilor Garvin asked about the proposal to cut the travel and education line item in half for police.

Police Chief Scales said with Covid, they had decided not to travel as much this next year.

#### Field Operations Discussion:

Councilor Peralta asked about the reserves program.

Police Chief Scales explained right now they had three reserve officers, but they planned not to bring anyone on in the next fiscal year to reduce the upfront costs of hiring and outfitting and sending them to the reserve academy.

Committee Member Haas asked about unexpected expenses in the Police Department.

Police Chief Scales said sometimes the overtime budget was larger due to increased crime. Those expenditures were built into the budget already.

#### Fire Administration and Operations Discussion:

Councilor Peralta thought it would be a good idea to account for the SAFER grant option in the budget.

City Manager Towery said the budget was put together before staff was directed to apply and they would not know if they received the grant until July or August.

Councilor Peralta asked about the number of rural versus city service calls.

Fire Chief Leipfert said the rural call volume was about 10% of the city call volume.

Councilor Peralta noted the increase in PERS costs was putting downward pressure on the City's budget and their ability to staff positions.

Councilor Garvin asked about the increase in Fire Department service fees and code enforcement.

Fire Chief Leipfert said it was for a contract that would streamline their ability to charge for vehicle accidents for non-residents. There were some fees coming to Council for code enforcement to charge for services they currently weren't charging for.

#### Parks and Recreation Discussion:

Councilor Geary asked if the summer concerts were taken out of the budget.

Parks and Recreation Director Muir said they had not been taken out as they were put in the budget before they knew they had to be canceled.

They were looking at how to deliver recreation services differently and looking at software options for programs.

Councilor Geary asked if the budget would allow the department to respond to the needs and deliver an adequate level of service.

Parks and Recreation Director Muir said there were a lot of discussions about that right now in trying to figure out what could be done with the restrictions. This budget was built before they knew anything was going to change and it gave them the flexibility to move through these unknown times.

Councilor Peralta asked in the classification and compensation study, was there leveling across the director level. There seemed to be different salaries for the directors.

Human Resources Director Bayer said they were looking at how to structure the department head levels. The information she had so far showed that there might be some recommended changes for that.

Committee Member Seiler thought they needed to make a plan for the aquatic center roof.

Parks and Recreation Director Muir said minor repairs had been done. Management was acutely aware of the deferred maintenance issues.

Committee Member Haas asked about summer programs for children.

Parks and Recreation Director Muir said they were still planning to run the summer day camp, which was often used for childcare, with the new guidelines. Currently childcare facilities were running at 50% capacity, which meant there was a lot of capacity for childcare in the City for those returning to work.

Mayor Hill noted the Kids on the Block registration fee went up to help the program be more self-sustaining.

Parks and Recreation Director Muir said the increase followed the guidance of the Council. Both the fee and scholarships would increase at the same time based on need to supplement the families who had financial barriers. They were including more weeks for the program as well. The increase made the program about 40% cost recovery. She explained the grant funding from the School District for this program.

Councilor Peralta asked about the impact of Covid and canceling programs on the Parks Department budget.

Parks and Recreation Director Muir said in addition to reducing staffing costs with the layoffs they did in April, they were also not spending as

much on program fees. The exception was buying a lot of baseball and softball equipment, but they could use the equipment next year. They were making decisions day to day about what they were canceling and trying hard not to cancel.

Councilor Peralta asked if the City would be more revenue positive or negative if they didn't do the rec sports or other programs. Would they come out worse or a little better?

Parks and Recreation Director Muir said it was hard to forecast because there were so many elements involved in expenses and lost revenue.

Committee Member Haas asked if they had any dialogue with the business community about their ability to help provide a place for employees' children to go.

Parks and Recreation Director Muir said they had only checked with childcare providers on the capacity and the research indicated there were spots available.

City Manager Towery thought that conversation could be done once businesses were open and operating again. A lot of businesses were focused on whether or not they would be able to survive.

Councilor Peralta asked if grants would still be available for park maintenance with the loss of lottery dollars. He thought they were trying to expand the maintenance in the area near Joe Dancer Park.

Community Development Director Bisset said they did not plan to increase efforts to leverage more of the funds. He thought the grants were still active.

Public Works Superintendent Renshaw said they would be working with Linfield on the area behind the school and towards Ford and Davis, but there would be no extra cost to the City for that work.

General Fund Library Discussion:

Councilor Garvin thanked the Friends of the Library for bringing in extra funding.

Councilor Peralta asked about the safety issues at the Library.

Library Director Berg said they did have cameras in the Library, but they could use more to increase safety and security. She thought staff and patrons felt comfortable at the Library but there were some who had chosen not to visit the Library anymore. They were now doing home delivery due to Covid and it might be something they would continue.



Cameras would be helpful, but she would not want them to come at the expense of Library service hours or staff.

Councilor Stassens thanked the Library for their work, especially in providing services during the pandemic.

General Fund Non-Departmental:

Councilor Garvin asked about the state revenue sharing funds in this budget.

Finance Director Cuellar said these were from the marijuana and liquor taxes.

Councilor Garvin asked about the increase in wastewater services.

Finance Director Cuellar said it was due to the new franchise fee.

Street Fund Discussion:

Mayor Hill noted they were anticipating less state gas tax to support streets.

Community Development Director Bisset said there was a revised estimated number in the budget. They had been aggressive in the reduction in revenue they expected this fiscal year more than what the state anticipated. He was comfortable with what was being proposed and thought they would be close to the targeted revenue based on ODOT's guidance.

Airport Maintenance Fund Discussion:

Councilor Garvin asked about the lease structure for the airport property in light of the state saying that it might be shut down.

Community Development Director Bisset said they were on a month to month lease and the lease was extended to June 2020. It had been slow negotiating the lease as it was and it was up in the air whether they would be able to continue to be there.

Building Fund:

Councilor Garvin asked if the building, mechanical, and plumbing fee increase was based off of the updated fee schedule.

Planning Director Richards said it had been forecasted wrong the previous year and had been increased to reflect what it was in 2019.

Insurance Services Discussion:

Committee Member Seiler asked if this included cyber security.

City Manager Towery said the City was working on that.

10. BUDGET COMMITTEE RECOMMENDATION TO APPROVE THE 2020-2021 BUDGET AS PROPOSED OR AMENDED AND TAX RATE

*It was moved by Mayor Hill and seconded by Committee Member Hofstetter that the Budget Committee of the City of McMinnville reviewed and hereby approved the budget for the 2020-2021 fiscal year in the amount of \$117,183,335.*

*The Committee also approved taxes for the 2020-2021 fiscal year, at the rate of \$5.02 per \$1,000 of assessed value for operating purposes and \$3,791,459 for the general obligation bond levy in the Debt Service Fund for principal and interest.*

*The motion passed 11-1 with Committee Member Haas opposed.*

11. IF NEEDED, MOTION TO CANCEL MEETING SCHEDULED MAY 20, 2020, 6:00 PM

*Councilor Stassens MOVED to cancel the May 20 meeting; SECONDED by Councilor Garvin. Motion PASSED unanimously.*

12. ADJOURNMENT: Budget Committee Chair Menke adjourned the Budget Committee meeting at 10:00 p.m.

  
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Claudia Cisneros, City Recorder