



**City of  
McMinnville**

# Budget Committee Meeting

**May 19, 2021**

# ROLL CALL

# ELECTION OF BUDGET COMMITTEE CHAIRPERSON

# APPROVAL OF MAY 18, 2020 BUDGET COMMITTEE MEETING MINUTES

# PRESENTATION OF BUDGET MESSAGE BY CITY MANAGER

*Do not get lost in a sea of despair. Be hopeful, be optimistic. Our struggle is not the struggle of a day, a week, a month, or a year, it is the struggle of a lifetime. Never, ever be afraid to make some noise and get in good trouble, necessary trouble.*

*~John Lewis*

# Introduction and overview



- Social and Economic impacts of the COVID-19 Pandemic has created hardships for the City and forced creative and innovative approaches to service delivery.
- Initial gap to balance General Fund and start FY21-22 with about one-month reserve was approximately \$3.5 million.



- Gap was significant, was also viewed as short term as the City works towards the possibility of a Fire District which would create additional long term financial capacity.
- Updated revenues and expenditures, reassessing FY21-22 requests based on historic spending rather than historic authority closed the gap to \$2 million.

- Revenues and expenses were incrementally higher than current year (3% and 6.4% respectively, typical historic growth).

# General Fund Budget Gap Closing Actions



**City of  
McMinnville**

- Initial capital requests of \$1.3 million (about two times recent amount) were reduced.
- Vacancies in Police, Fire, Parks & Recreation, Park Maintenance, Administration are being held open (all vacancies are reviewed for budget and service impact prior to filling).
- Essential expenses only for balance of FY20–21 were implemented in some departments.
- A furlough program for non–union positions was implemented the week of April 5 (more detail is provided below).



# FURLOUGH PROGRAM

- Nearly 80 employees, including the City Manager, the entire Executive Team and most other non-union employees will take approximately 23 unpaid days (about one a week).
- This equates to 20% fewer days worked by these employees and will have a service impact, mostly in terms of limited access and delays in response and delivery of some programs and services.
- Most General Fund work groups, the Street and Building Funds have furloughed employees.

- The Wastewater Utility did not furlough.
- Police and Fire Unions declined to consider furloughs for 40 hours per week members.
- This action is planned to run into September and will generate about \$650,000 in savings.

# Stabilize General Fund Reserves





- This budget will have reserves that compare favorably to the FY20-21 Adopted Budget, equal to almost one month of operating expense vs. 0.80-month last year.
- Adopted by the Council in 2020, the updated reserve policy sets a general fund target of two months of operating expense held in reserve.
- The policy sets a three- to five-year build back period to allow the City time to make the resource and spending adjustments needed to reach the target.

# STRATEGIC PLANNING



## Vision

A collaborative and caring city inspiring an exceptional quality of life.

## Mission

The City of McMinnville delivers high-quality services in collaboration with partners for a prosperous, safe, and livable community.

## Values

**Stewardship – We are responsible caretakers of our shared public assets and resources. We do this to preserve the strong sense of community pride which is a McMinnville trademark.**

**Equity – We are a compassionate and welcoming community for all—different points of view will be respected. Because not all members of our community are equally able to access our services or participate in public process, we commit ourselves to lowering these barriers.**

## Values

**Courage – We are future-oriented, proactively embracing and planning for change that is good for our community and consistent with our values.**

**Accountability – We believe healthy civil discourse is fostered through responsive service and clear, accurate, useful information.**

# Strategic Priorities

The following strategic priorities require special focus by the City in the next fifteen years. In order to move McMinnville toward its Vision, the City believes it will need to make disproportionate investments in time and financial resources in these areas.



## CITY GOVERNMENT CAPACITY –

Strengthen the City's ability to prioritize and deliver municipal services with discipline and focus



CIVIC LEADERSHIP – Encourage a variety of leadership development opportunities to foster a culture of civic pride and involvement



COMMUNITY SAFETY & RESILIENCY – Proactively plan for and responsively maintain a safe and resilient community



**ECONOMIC PROSPERITY – Provide economic opportunity for all residents through sustainable growth across a balanced array of traditional and innovative industry sectors**



**ENGAGEMENT & INCLUSION – Create a culture of acceptance and mutual respect that acknowledges differences and strives for equity**





**GROWTH & DEVELOPMENT CHARACTER –**  
Guide growth and development strategically,  
responsively, and responsibly to enhance our  
unique character



**HOUSING OPPORTUNITIES (ACROSS THE INCOME**  
SPECTRUM) – Create diverse housing  
opportunities that support great  
neighborhoods

# American Rescue Plan Act of 2021



- The City expects to receive approximately \$7 million in federal funds (based on published reports but not yet confirmed by the Treasury Dept.) to help address the negative impacts of the COVID-19 Pandemic.
- Funds can be used to support general operations, stabilize reserves and initiate or complete key projects.
- One-time dollars and we should be both strategic and prudent about how they are spent.

## American Rescue Plan – Proposed Budget Adjustment

Staff is recommending that the funds for the American Rescue Plan (ARP) be added to the city's FY2021-22 budget. While there are still many unknowns associated with the funds, we do know that significant one-time funds will be coming so believe it is the most transparent and prudent course to include with the Budget Committee's adopted budget.

Staff proposes that the amount estimated by the Congressional Research Service for the City of McMinnville's share of the ARP of \$7,081,800 is added to the FY2021-22 budget as a single revenue and offsetting expense line. If we have the true number from the Treasury department in time, staff will update the number for the appropriated budget passed in June by the City Council. We further propose that the grant appear in Fund 05 (where Community Development Block Grant dollars are budgeted) so these funds are clearly identifiable in the city's overall budget.

The City must pursue a number of different tracks concurrently to assure that we make the best ultimate use of these one-time funds for the benefit of the community including:

- Establish the City's principles for selecting ARP investments. Inputs for drafting principles may include
  - MacTown 2032 priorities and values
  - State of Oregon Principles
  - Clarification on ARPA rules and eligible uses
- Identify and begin talking with community partners
- City Council briefing and discussion regarding
  - details known about grant program
  - finalizing principles for funding projects and investments
  - community engagement plan
  - timeline/process for gathering proposed uses
- Establish administrative framework for proposing, evaluating and reporting on funded activities

Further budget action during FY2021-22 is likely once choices have been made as to how to utilize these funds to add more detail to the City's budget.

Note – many communities are finding that their allocation from the Treasury Department has been considerably different from the original published amount. As of 5/13/2021 we do not have the official McMinnville award amount.

Stewardship, Equity, Accountability, Courage



The American Rescue Plan Act injects one-time money into the McMinnville community.

Let's think BIG and make an impact!

- 1 Understand all rules and stipulations of American Rescue Plan Act money
- 2 Engage McMinnville community and City partners to create potential project list
- 3 Follow MacTown 2032 strategic plan
- 4 Present recommendations to City Council
- 5 Use multiple filters such as an equity lens to guide decision making





# REVENUE

- In 2019 the City Council added an action priority to the Strategic Plan to right-size services, address insufficient resources by finding new sustainable funding sources and to look for ways to bring additional revenue into the City's general fund.
- Outside, but concurrent with this budget process, some revenue initiatives will be evaluated and presented to the City Council and Budget Committee for consideration.

- Staff encourages a thoughtful policy approach, including research, analysis and public engagement prior to implementing any new revenue or significantly expanding existing revenue streams.
- This balanced budget is presented without recommendations for new revenue sources.



*There is always light, if only we're  
brave enough to see it. If only  
we're brave enough to be it.*

*~ Amanda Gorman*

# QUESTIONS?

# PUBLIC TESTIMONY ON PROPOSED 2021-2022 BUDGET

# PUBLIC HEARING – ON POSSIBLE USES OF STATE REVENUE SHARING

**City of McMinnville**  
**City's Possible Uses of State Revenue Sharing**  
**2021 - 2022 Proposed Budget**

<b><u>Revenue - State Revenue Sharing</u></b>	<b><u>\$ 456,000</u></b>
<b><u>Expenditures - State Revenue Sharing</u></b>	
Support for personnel and basic operating expenses for general fund activities of a full service city.	
<b>Administration and Finance</b>	20,000
<b>Engineering</b>	6,000
<b>Planning</b>	50,000
<b>Police</b>	115,000
<b>Fire</b>	115,000
<b>Parks &amp; Recreation</b>	50,000
<b>Parks Maintenance</b>	50,000
<b>Library</b>	50,000
<b>Total Proposed Expenditures</b>	<b><u>\$ 456,000</u></b>
	\$ -

# City's Possible Uses of State Revenue Sharing



# REVIEW AND DISCUSSION OF PROPOSED 2021-2022 BUDGET