

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

Tuesday, May 17, 2023 at 6:00 p.m.

Presiding: Remy Drabkin, Mayor

Recording Secretary: Claudia Cisneros

Councilors: Present \_\_\_\_\_ Absent

Adam Garvin  
Kellie Menke  
Chris Chenoweth  
Sal Peralta (via Zoom) then in person at 7:04 p.m.  
Zack Geary  
Jessica Payne

Budget Committee: Present \_\_\_\_\_ Absent

Jerry Hart  
Lonny Watne  
Victoria Ernst  
Debbie Harmon Ferry  
Meredith Maxfield  
Jerry Mason  
Scott Cunningham

Also present were City Manager Jeff Towery, City Recorder Claudia Cisneros, Information Systems Director Scott Burke, Library Director Jenny Berg, Municipal Court Supervisor Jason Carbajal, Financial Services Analyst Crystal Wooldridge, Finance Director Jennifer Cuellar, Parks and Recreation Director Susan Muir, Fire Operation Chief Amy Hanifan, Municipal Court Judge Arnold Poole, Human Resources Manager Vicki Hedges, Police Chief Matt Scales (via Zoom), Fire Chief Rich Leipfert (via Zoom), Public Works Director Anne Pagano (via Zoom), Public Works Operations Superintendent David Renshaw (via Zoom), Development Customer Service Technician Devin Aldrich (via Zoom), Financial Services Administrator Ronda Gretzon (via Zoom), City Engineer James Lofton (via Zoom), Wastewater Services Manager Leland Koester (via Zoom), Aquatic Center Manager Rob Porter (via Zoom), and *members of the News*

*Media –Jerry Eichten, McMinnville Community Media, and Scott Unger, News-Register.*

AGENDA ITEMS

1. CALL TO ORDER: Mayor Drabkin called the meeting to order at 6:25 p.m.
2. ROLL CALL: City Recorder Cisneros called roll.
3. ELECTION OF BUDGET COMMITTEE CHAIR:  
*Councilor Geary nominated Jerry Hart as Budget Committee Chair. The nomination PASSED unanimously.*
4. CONSENT AGENDA
  - a. Consider the minutes of the May 17, 2022, Budget Committee Meeting
  - b. Consider the minutes of the May 18, 2022, Budget Committee Meeting
  - c. Consider the minutes of the January 18, 2023, City Council and Budget Committee Work Session Meeting
  - d. Consider the minutes of the January 24, 2023, Special Called Budget Committee Meeting
  - e. Consider the minutes of the April 11, 2023, Special Called Budget Committee Work Session Meeting

City Recorder Cisneros noted an amendment to the April 11, 2023, minutes to include the Budget Committee members in the attendance.

*Councilor Chenoweth MOVED to approve the May 17 and 18, 2022, and January 18 and 24 and April 11, 2023, Budget Committee meeting minutes as amended; SECONDED by Councilor Payne. Motion PASSED unanimously.*
5. PRESENTATION OF BUDGET MESSAGE: Chair Hart noted that the Fire District vote passed, however the County still had to certify the vote. After deliberation, the Budget Committee meetings would be recessed until June when they would make a final decision on the budget.  
  
City Manager Towery said they planned to call the Budget Committee back in June to approve the budget. They were going to focus on the Fire District-approved version of the budget tonight. He discussed the General Fund and need for additional revenues. They had implemented a City Services Charge in January. There was \$6.29 million with \$5.44 million in unrestricted dollars available for general operating (the balance was for the LOSAP's retirement benefits for volunteer firefighters). The total budget

was \$24.2 million. He then discussed rebuilding reserves. There was new core service delivery funding for parks maintenance, housing, human resources, and establishing centralized facilities maintenance planning. The \$1.4 million in capital investments was supported by internal borrowing in the “transfers in” category and would be repaid FY 2024-25 to FY 2028-29. They would retain a higher reserve level in this transitional year. He reviewed the General Fund spending by department, noting the Fire Department was not included. The budget would not include the \$1.50 tax capacity that was freed up by the fire district annexation. That \$1.50 would be discussed later, but even if it was included, it would not change the fundamental lack of stability in the General Fund. Additional revenue strategies were still needed. This budget also showed the first active expenditures of ARPA funds. They continued to focus on stabilizing General Fund resources. He then discussed personnel costs City-wide, personnel trends, and transfer of the Fire Department employees halfway through the year. He thanked the finance team for putting the budget together.

6. PUBLIC TESTIMONY ON PROPOSED 2023-24 BUDGET

Mark Davis, McMinnville community member, suggested rearranging the agenda so public comments came after the budget was presented. He was generally in support of the budget. He did not think they should touch the \$1.50 at this time. He wanted to use the 30% of the Transient Lodging Tax the City received for affordable housing. Also, affordable housing needed to be sited near parks. The City needed land for both affordable housing and parks and now was the time to look into land banking and land trust.

John Rickert, McMinnville community member, said this was a large budget document. He had no disagreement with it, but thought it was interesting.

It was noted the City received a written public comment which would be made part of the record.

7. PUBLIC HEARING ON POSSIBLE USES OF STATE REVENUE SHARING

Chair Hart opened the public hearing and read the hearing statement.

Finance Director Cuellar presented the staff report. She estimated the City would receive \$522,000 in state shared revenues. She explained where the funds came from and the proposed distribution of the funds across the General Fund departments.

There was no public comment.

Chair Hart closed the public hearing.

8. PRESENTATION, REVIEW, AND DISCUSSION OF PROPOSED BUDGET FOR 2023-2024 FISCAL YEAR

Chair Hart asked if any Committee Member needed to declare a potential conflict of interest.

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

Library Director Berg reflected on the previous years and the uncertainty due to the pandemic and budget shortfalls. There had been more stability this year and she talked about what stability could do for an organization. She then discussed the successes of FY2022-23, which included increased hours from 35 to 44, continued home delivery which was funded by ARPA, increased community awareness of library resources, addition of bilingual story time, library plaza resurfacing, redesign of staff work area, and training and strategic planning. Challenges were behavior issues, vandalism, and theft. Priorities for FY2023-24 were: manage behavior issues through staff training, de-escalation, and partnerships, install security cameras, HVAC assessment and overhaul, expand communication about library resources and services to the community, increase engagement with the Spanish-speaking community, and expansion of the Summer Fun program.

There was discussion regarding the fines and forfeitures fund which had decreased since the library was no longer charging for overdue materials. There was further discussion regarding the difference between Friends of the Library and the Library Foundation, adding more hours, donations, de-escalation training, and tracking incidents.

Police Chief Scales thought the changes to revenue from last year had helped stabilize the budget. He discussed the priorities for FY2023-24. This budget was used to fund the City's radio infrastructure as well as City dues to YCOM which provided dispatch services. YCOM dispatching costs continued to increase modestly. There was a large reduction in fees last fiscal year as dues calculations were redistributed. Debt service payments continued for the upgrade to the police radio frequency and radio equipment from FY19/20. There were no large projects or replacements on the horizon, as the emergency communication system continued to function well due to the annual maintenance with Day Wireless. The successes from FY2022-23 included: addition of two K9 officers Storm and Mako, K9 Tucker was certified to detect fentanyl, increased training for officers, launched the new Unmanned Aerial System (drone) program, purchased a Livescan fingerprinting machine for the booking room, entered into an agreement with a property owner for the

storage of RVs and vehicles, reaccredited through the Oregon Accreditation Alliance, hired a field operations captain and new support services manager as well as filled a part-time vacancy at the front office, and hired four recruit officers to fill vacancies. Looking forward to FY2023-24, he planned to hire recruit and lateral officers to fill ongoing vacancies, promotions of new sergeants to fill retirements and promotion, replacement of outdated MDTs in patrol vehicles, continued exploration of an updated records management system, engagement with community partners about management of the ongoing houseless crisis, and continuing to explore partnerships with HHS and other community partners to acquire a community response team. Challenges were: hiring of officers as the hiring pool had shrunk and police academy training dates were backlogged, dealing with the houseless community, funding of community service officers, fleet that was aging faster than replacements could be purchased, and facility deferred maintenance.

There was discussion regarding increasing the annual OLCC permit fees, full cost recovery for permits and licenses, role of community service officers and cost savings, open positions, citizens academy program, charging for fingerprinting, insufficient number of officers, dismantling RV costs, camping ordinance process, education and outreach regarding fentanyl, Narcan training, partnerships with the County, state and federal funding for dealing with drug issues, offsetting overtime by adding community service officers, amount of overtime, and overhire program to reduce overtime.

The Committee took a short break.

Fire Chief Leipfert gave a recap of the Fire Department consolidation efforts. The May election for a new Fire District was successful. This budget reflected a contract with the McMinnville Fire District for the City to provide fire and EMS services for the first six months. This budget included expenditures, City charges to the District, and revenues from current fees for service and district payment to the City from taxes in December. The expenditures were the operating costs for the first six months, IS costs for separation from the City, YCOM fees, and City charges for Finance, Administration/HR, and IS staff support. The expenditures were being budgeted by the City for the first six months of FY24. The revenues were fees for service for ambulance, fire, and miscellaneous fees and loans to the new District from the Wastewater Reserve account to supplement fees for service received. The loan plus interest would be repaid by the District when taxes were deposited. Transition actions included staffing, facilities, and capital/equipment transfers as well as support services and IGA for services. The priorities

for FY2023-24 included continuing efforts to improve fire and EMS service, improving recruitment and retention, and EMS improvements impacting services. Challenges were recruitment and retention.

There was discussion regarding SCBA grant application.

Human Resources Manager Hedges said all full-time positions were filled except police, fire, and City Attorney. They had negotiated improved NEOGOV rates with more functionality, streamlined and further centralized the recruitment process, and implemented NEOGOV Onboard, streamlining hiring forms and processes. For FY2023-24, she planned to do succession planning, implement more NEOGOV functionality including electronic workflows, implement consistent training programs, update the employee handbook, policy and procedure improvements and documentation, and paid family leave. Challenges were recruitment and retention.

There was discussion regarding employees leaving to work for other cities and de-escalation training for all employees.

Human Resources Manager Hedges presented the Administration budget. The priorities for FY2023-24 were core services investments. In both budgets, \$24,000 in City Hall capital projects were included and funded by internal borrowing with a 50% increase in repairs and maintenance spending over the prior year's budget. Funds to support the downtown art program had been bolstered by recent private donations. Contributions to Yamhill County Transit Authority and McMinnville Economic Development Partnership were increased relative to last year. With the Fire District measure passing, the Administration Department would increase its capacity in the following ways: strengthen human resources services by adding another dedicated staffer and support the transition to an independent fire district with a limited duration administrative support position focused on the needs of the new governing body and general administrative work in the first year of its existence. The City Manager and executive team would continue to work with Council to find sustainable funding mechanisms to move forward the City's strategic plan and vision. Continuity of operations for legal counsel remained a concern. ARPA projects included in FY24 were translation and non-English language community engagement and support of DEI activities.

There was discussion regarding City Attorney recruitment, attorney contract services costs, unusually high attorney costs this year, five net employee additions proposed in the budget, two which were limited duration for the fire district transition, charge for employee events, City

Manager travel and training, City's contribution to downtown art, and holiday lighting costs.

Court Supervisor Carbajal said the successes from FY2022-23 were partnering with Yamhill County Behavioral Health to provide mental health services to defendants, continued partnerships with Provoking Hope, YCAP, and Yamhill County work crew, and offering jury trials after Covid-19 restrictions dropped. ARPA funds were used to reduce the backlog of cases, open receivables due, staff a .40FTE court clerk, complete the remodel work in City Hall, and City Hall open to Municipal Court customers. Priorities for FY2023-24 included: continue to advance the DEI plan, advance new programming for mental/behavioral health court, offer new aid/assist programming for municipal court, and maintain relationships with community partners and other City departments. The challenges were lack of sustainable resources. Changes in Oregon law limited driver license suspensions which meant fine revenue declining. There were limited arraignment times available to the Municipal Court for adults in custody at the County Jail. Other challenges were staffing levels for Court with new programming and community court proposals and the software was outdated and could use a revamp.

There was discussion regarding community court, revamping the work crew program, working with code compliance, need for ARPA position to be permanent, collections, grants, and software costs.

Finance Director Cuellar said the internal duties transition was in process to support more analytic capacity to serve the organization.

Accomplishments in FY2022-23 included putting excess cash into low-risk, higher return accounts, getting the City Services Charge off the ground, supporting expansion of purchasing and procurement options, and working on cable franchise renewals. ARPA funds supported projects getting off the ground, led to a second round of funding choices in FY23, and signed contract for forecasting application. Priorities for FY2023-24 were: standing up financial systems for the new Fire District and acting as its finance department during the transition, creating a financial reporting package, continuing to add efficiencies and strengthen internal controls by leaning more on existing software capabilities and paperless workflow options, City Services Charge business processes, and build out more comprehensive low-income program. ARPA funds would be used for grant management transition and implementing financial forecasting application. Challenges included finance functioning at base level, continuing to create a more sustainable financial footprint for the City, and supporting the Fire District back-office build out with limited duration staffing.

There was discussion regarding the City Services Charge.

Finance Director Cuellar presented various budget funds including the Grant and Special Assessment fund where the Downtown Economic Improvement District (DEID) and opioid settlement projection funds were tracked, Transient Lodging Tax fund which would not see a large increase, Telecommunications fund associated with the cable franchise which was on a downward trend, Debt Service fund which were voter approved bonds to support investments in the City's street system as well as construction of the Police Department and City Hall buildings, and Insurance Services fund for property, general liability, and workers comp insurance costs. She then explained the five amendments to the budget document.

There was discussion regarding the payment schedule for opioid funds, projected growth of the TLT, and business occupancy.

There was consensus to continue the meeting to May 18, 2023.

9. BUDGET COMMITTEE RECOMMENDATION TO APPROVE THE 2023-2024 BUDGET AS PROPOSED OR AMENDED AND TAX RATE

This item was postponed.

10. ADJOURNMENT: Chair Hart adjourned the Budget Committee meeting at 9:41 p.m.

Claudia Cisneros  
Claudia Cisneros, City Recorder