

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 18, 2023 at 6:00 p.m.

Presiding: Remy Drabkin, Mayor

Recording Secretary: Claudia Cisneros

Councilors: Present Absent

Adam Garvin
Kellie Menke
Chris Chenoweth (via Zoom) left at 7:18pm
Sal Peralta
Zack Geary
Jessica Payne

Budget Committee: Present Absent

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

Also present were City Manager Jeff Towery, City Recorder Claudia Cisneros, Information Systems Director Scott Burke, Finance Director Jennifer Cuellar, Financial Services Analyst Crystal Wooldridge, Public Works Director Anne Pagano, Parks & Recreation Director Susan Muir, Wastewater Services Manager Leland Koester, Public Works Operations Superintendent David Renshaw, Senior Planner Tom Schauer, Development Customer Service Technician Devin Aldrich, Fire Operation Chief Amy Hanifan (via Zoom), Recreation Manager Erin Guinn (via Zoom), Financial Services Administrator Ronda Gretzon (via Zoom), City Engineer James Lofton (via Zoom), Library Director Jenny Berg (via Zoom), Community Center Manager Katie Noyd (via Zoom), Police Chief Matt Scales (via Zoom), Communications & Engagement Manager Noelle Amaya (via Zoom), Aquatic Center Manager Rob Porter (via Zoom), Airport Manager Willy Williamson (via Zoom), Park Maintenance Supervisor Liz Fliszar (via Zoom), Lead Code Enforcement Officer Nic Miles (via Zoom),

Parks and Recreation Sports Manager Steve Ganzer (via Zoom), and members of the News Media –Kyle Dauterman, McMinnville Community Media, and Scott Unger, News-Register.

AGENDA ITEMS

1. CALL TO ORDER: Chair Hart called the meeting to order at ?? p.m.
2. ROLL CALL: City Recorder Cisneros called roll.
3. Continued from May 17 -- PRESENTATION, REVIEW, AND DISCUSSION OF PROPOSED BUDGET FOR 2023-2024 FISCAL YEAR

IT Director Burke said the successes for FY2022-23 were infrastructure improvements, departmental service delivery projects, website refresh, and ARPA projects for firewall replacement and AV upgrades. Priorities for FY2023-24 included: infrastructure storage/server updates, police MDT replacement for 10-15 cars, and Public Works, Engineering, and WWS software. Challenges were cybersecurity, departmental software updates and purchases, staffing, and Fire District transition.

There was discussion regarding cybersecurity and insurance for cybersecurity.

Community Development Director Richards explained the Planning Department with 5.1FTE dedicated to planning and .25FTE for current/long-range/Urban Renewal. They supported six standing committees, had diversified revenue sources, and created three separate sub-funds in 2020 to identify true costs for fee schedules. Challenges were being understaffed, daunting workload, burnout, and no time for strategic planning. The 2023-24 budget projects included: entitling land supply for housing, responding to HB 2003 state mandates, and Three Mile Lane area design and development standards. Priorities were public engagement, changing the tone of the dialogue in McMinnville about planning, DEI planning, sustainability planning, and rebuilding the program. The department was functioning between below base level and base level. They needed more staffing to support the programs and planning and GIS for planning data and staff support. Due to staffing capacity and workload, heads were down, and planning staff was grinding. There was very little opportunity for looking up and strategic planning. They were reactionary and not proactive, which was a counterintuitive place to be for planning.

Code Compliance moved from the Police Department to Planning in 2018. There were two FTEs in the department. They had moved from a penal

program to an administrative program. In 2022, they had 50% staffing due to a long vacancy, processed 374 cases, and graffiti had increased from two properties in 2021 to 50 properties in 2022. For 2023-24, they would create some volunteer programs to help with property nuisances.

Economic Development was a new fund established in FY22/23. It was funded 100% with grants and 1 FTE had been hired, a special projects manager. The Building department had 4.25 FTEs (.25 of Community Development Director) and was a 100% fee-supported program. Challenges to the Building department were: future reduced permitting levels, redundancy, specialty inspections, and Building Official.

Affordable Housing was also a new fund in FY22/23 and was funded with CET and grants. Successes were: Navigation Center, Stratus Village, Operation Generation, expansion of Gospel Rescue Mission, and Baker Creek lofts. Challenges were: the need was significant both for subsidized and market workforce housing, continued gentrification, continued nimbyism, and state mandates in the 2023 session. They were recommending hiring 1 FTE, an Associate Planner dedicated to housing. It would be 75% funded with CET funds and 25% funded with General Fund.

There was discussion regarding support for the additional planner, how they were behind in long-range planning projects, not keeping up with state mandates, not enough planners, Fox Ridge Master Plan, Southwest Area Plan, Transportation System Plan, increase in professional services for legal services, hiring a land use attorney for Planning, workload, facility repair and maintenance, professional services for grants, calculating housing deficit, and current projects to fill the housing deficit.

Public Works Director Pagano discussed the Public Works organization chart. The Engineering Department successes from FY2022-23 were: hiring a City Engineer, hiring a new GIS Specialist, Mercury Total Maximum Daily Load (TMDL) Plan approved by DEQ and staff was working on implementation, and completing the second of 4 inflow and infiltration sanitary sewer improvement projects. Priorities for FY2023-24 included: managing the City's transportation, wastewater, stormwater, airport infrastructure, and related capital improvements including ARPA-funded projects, reviewing and inspecting public infrastructure improvements as part of private developments, sidewalk, ROW, and construction permits, maintaining the City's public infrastructure records in GIS, and managing procurement and contracts for all Public Works projects and City maintenance contracts. Challenges were being understaffed and lack of support staff.

There was discussion regarding cost recovery for private development and inspections of public right-of-way installations.

Public Works Director Pagano reviewed the Airport budget. Success from FY2022-23 were: hiring an Airport Administrator, updating the Airport Minimum Standards (rules), and completing new striping on taxiways. Priorities for FY2023-24 included updating the Airport Master Plan, looking for funding opportunities for Business/Economic Development Plan, starting the design for the fencing project (north side), and leasing the old Comcast building on Nimbus Loop. Challenges were maintaining self-funding for airport maintenance and operations.

There was discussion regarding possible economic development opportunities to increase revenues, if the \$35,000 for the Comcast building reversion to airport ownership would be enough, and Airport Commission interviews.

Public Works Director Pagano reviewed the Operations budget. For park maintenance, without the fire merger add packages, core services would remain below base. Add package approval would allow for the first of a three year effort to move core services to above base, focusing on materials and services and capital resources in FY23-24. Successes were ARPA-funded fleet/equipment renewals, splash pad design consultant selected, and park security pilot program. Challenges included maintaining/improving service levels with limited resources and camping impacts of increased expenses and workload. Priorities were completing scheduled ARPA projects and park safety.

Public Works Director Pagano explained the Street fund. The core services were traffic operations, pavement and pedestrian facilities maintenance, stormwater maintenance, maintaining a fleet of 64 vehicles and 168 pieces of equipment, and emergency response. Successes were fleet/equipment renewals with ODOT Covid relief funding and initiating the "adopt a road" program with five service groups currently participating. Challenges were flat gas tax revenues, inflationary impacts on materials/supplies, and camping impacts. Priorities included design/construction of local pavement repair projects and updating the Pavement Management Plan.

Public Works Director Pagano discussed the Transportation fund. Core services were capital improvements and contracted pavement rehabilitation. Successes included Safe Routes to School grant award in support of Sue Buel and Patton Middle School pedestrian safety projects. Challenges were the ODOT fund exchange program revisions may severely reduce resources available for pavement preservation projects and

inflationary impacts on construction costs. Priorities were street and pedestrian improvement projects and Transportation System Plan update support. For the Facility Management fund, the core services were 56 structures at 28 locations about 363,000 square feet, replacement value from 2018 was \$116,600,000, ages range from 1924 Community Center to 2019 Jay Pearson Park, and service level remains below base. Challenges included no centralized, systemic approach, no funded facilities capital improvement program, limited staff technical knowledge, and current approach pulled assigned staff away from main duties and tended to be on-demand work. The Facility “add package” was 1 FTE full-time, 1 FTE extra-help, vehicle and tools, and no capital resources included.

There was discussion regarding add package items, replacing restrooms at parks with loos, funding sources for the stormwater utility, preventative street maintenance, fund exchange program with ODOT, contract services for sweeping and bringing the service back in-house, homeless camp cleanup costs, contract with the County for park and right-of-way maintenance, street tree program, funding options for streets in the TSP update, Safe Routes to School grant, creation of the CIP plan, hiring an arborist, down trees from the ice storm in Airport Park that needed to be removed, traffic signal at Baker Creek and Michelbook, underfunding the pavement condition index and declining streets, and need for dedicated funding for streets.

Public Works Director Pagano discussed the Wastewater budget. Priorities for FY2023-24 included: meeting or exceeding all the requirements of the National Pollution Discharge Elimination System (NPDES) Permit, working with DEQ for renewal of the NPDES permit, Solids Capacity Improvement Project, master plan updates, administration space needs analysis and old treatment plant demolition plans development, and installing standby generator at the Cozine Pump Station.

There was discussion regarding the biochar process and improving the odor of the wastewater field.

The Committee took a short break.

Parks and Recreation Director Muir discussed successes in FY2022-23. These included launching the Parks Recreation Open Space Master Plan update, program and partnership growth, and outreach and connections. Priorities for FY2023-24 were master planning for parks and buildings, removing barriers to participation, and more outreach and connections. Challenges ahead were the need for capital funding, keeping the current buildings going, community culture and values, park safety and cleanliness, and staff recruitment and retention. She then reviewed the

Park Development fund. The accomplishment this fiscal year was launching the master plan update. Priorities were completing the master plan, Capital Improvement Plan in the budget, and funding plan with SDC update. Challenges included bringing voices into the process that hadn't been reached before, addressing the community's biggest concerns, visionary yet realistic, finding quality, viable property to expand the system, and modernizing existing parks using an equity lens. She discussed the benefits of stability and parks programs for the community.

There was discussion regarding number of FTEs, Cascade Steel scholarship, Senior Center endowment, funding park acquisitions, IGA with the School District for the Kids on the Block program, number of people outside the community who used parks and should contribute to parks costs, and chemical supplies for the pool.

Mayor Drabkin MOVED to cancel the May 19, 2023, Budget Committee meeting; SECONDED by Councilor Payne. Motion PASSED unanimously.

Finance Director Cuellar discussed the proposed changes to the budget. These included an increase to the Police Department budget for a market-based salary increase, increase in Park Maintenance for the splash pad, transfers for the new Fire District, increase to the Street Fund for projects that were started in this fiscal year but had to be completed in the next fiscal year, increase in Airport Maintenance fund for HVAC system repairs, increase in the Transportation fund for projects not yet completed to be done next year, increase in the Wastewater Services fund for projects not yet completed to be done next year, increase in Wastewater Capital Fund for projects not yet completed to be done next year, decrease in Wastewater Capital for the transfers to the new Fire District, increase for the ambulance to be purchased by ARPA dollars that had not yet been purchased this year, and increase to the Parks Department for the Senior Center grant.

There was discussion about the proposed changes and how the budget would be updated and brought back to a meeting in June for approval.

Each Committee member asked questions and gave comments on the budget. Included was concern about the staffing shortfalls particularly in the Planning and Police departments, deferred facility maintenance, not imposing the \$1.50 per \$1,000 property tax that would bring in extra tax revenue, bringing some services in-house, Budget Committee involvement in the public outreach about the \$1.50, hiring a volunteer coordinator for parks, explaining to the public the need for the \$1.50, franchise fees, Fire

District funds that were in the intergovernmental category, and how reserves were going up.

There were no changes proposed to the budget.

City Manager Towery thanked everyone for their work. The Committee would meet on June 16 to approve the budget.

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

This item was postponed.

5. ADJOURNMENT: Chair Hart adjourned the Budget Committee meeting at 9:32 p.m.

Claudia Cisneros

Claudia Cisneros, City Recorder