

CITY OF BOARDMAN BUDGET COMMITTEE MEETING – MAY 18, 2021  
VIDEO CONFERENCING MEETING

Committee Member Keefer called the meeting to order at 7:28pm. Roll call was taken.

**Committee Members Present:** Paul Keefer, Leslie Pierson, Katy Norton, Brenda Profitt, Paul Beagle, Isaac Williams, Lisa Mittelsdorf, Ted Lieurance, Sonja Neal, Alejandra Mendoza (all in person), and David Norton (via Zoom)

**Committee Members Absent:** Roy Drago, Jr. and Bill Ellis

**Staff:** Karen Pettigrew – City Manager, Marta Barajas – Budget Officer, Rick Stokoe – Chief of Police, and Toni Connell – Acting City Recorder

**Audience:** Tonieshia Williams and Melissa Keefer (via Zoom)

Committee Member Keefer asked for nominations for Chairman for the 2021-2022 Budget Committee.

Committee Member Lieurance moved to nominate Committee Member Mittelsdorf. Committee Member Williams seconded the motion.

Motion passed 11 with 2 absent and 1 vacancy.

The ground rules for the meeting were established. The meeting would not go past 9:00pm with a break at 8:15pm and three-minute speaking per individual.

The meeting was turned over to Budget Officer Barajas and she gave the budget message. She explained the Master Water Pipeline Project was completed early in the prior fiscal year. In May 2020, the citizens of Boardman approved a G.O. Bond for a total of \$20,320,000 for a new collector well, a water booster pump station, a new water reservoir with an approximate one-million-gallon capacity, the addition of a new thirteen-acre wastewater lagoon, including the purchase of land and construction of the lagoon and wastewater lift stations. This G.O. Bond will also refund approximately \$4,700,000 of the prior G.O. Bonds.

Budget Officer Barajas stated in four years, the budget has gone from \$18 million to \$50 million which says a lot about the City of Boardman's growth.

## **General Fund**

The General Fund is the main fund for the City and accounts for all the financial support for city operations. This fund is separated into five departments; General Government, Public Safety-Police, Facilities, General-Other and Code Compliance. The resources for the General Fund include revenues generated from property taxes, state revenue sharing, franchise fees, grants and loans, transient lodging taxes and asset sale proceeds. The expenditures include payroll costs, police communications costs, professional and service contracts, tourism, city park maintenance and city hall debt retirement as well as capital improvements and any planned or unplanned major repairs needed. Budget Officer Barajas explained the beginning cash in the General Fund is much larger than previous years due to carry over from the revenues expected to be received by June 30<sup>th</sup>. The city anticipates receiving \$760,000 in aid from the Coronavirus Local Fiscal Recovery Fund under the American Rescue Plan Act, \$2 million from the Oregon Legislature for street infrastructures, and anticipates an equal disbursement between the sponsors from the end of Columbia River Enterprise Zone II. Budget Officer Barajas explained because

there is such a large beginning balance in this fund there is also large transfers moved over to the reserves. Since some of the beginning balance is anticipated funds, the amounts budgeted for transfers into the reserve funds may not happen but if the city doesn't appropriate these funds in the budget, then they will not be allowed to spend these funds for city projects. She also explained most of the increase in all of the departments in the General Fund is the beginning balance and transfers. These amounts account for 75% of the increase. If these were not in this proposed budget, the city would actually be a little under from the previous year's budget.

The overall personnel costs and expenditures for the General Government Department are fairly constant from last year's budgeted expense. The Public Safety-Police Department has an increase of approximately \$54,000 in expenditures and personnel costs will increase approximately \$24,000. The Facilities Department expenditures include the final payment of \$240,000 on the mortgage of city hall and \$18,000 for possible replacement of HVAC units. The General-Other Fund will continue to carry a reasonable contingency amount for unforeseen opportunities and anticipated future management retirements. The Code Compliance Department shows an increase in personnel costs, these were previously allocated in the General Government Department. No other changes are expected in this department for this fiscal year.

Budget Officer Barajas asked if anyone had any questions regarding the General Fund. Budget Committee Member Keefer had a concern the residents of Boardman may not see where their tax dollars are going. Budget Chairman Mittelsdorf commented this was a great opportunity to have money in the bank and available to be able to prioritize how these funds are invested back into the community. She pointed out not all projects will be things the citizens are able to see, touch or feel and there will be others where they can.

## **Water Fund**

The city operates two large collector wells servicing over 900 customers, which is an increase of approximately 28 new customers from last year and the water system pumps approximately two billion gallons annually. The Water Fund revenues are generated by residents, business and industrial users in the Port area. Expenditures include payroll, the replacement of outdated and unrepairable water meters and new service water meters in the new housing developments which are included in the system maintenance account. Included in Capital Purchases is a share of the expense if any of the heavy equipment is needing replaced, such as a backhoe. Most of the city's heavy equipment is approximately twenty years old and will need to be replaced soon. Excess revenues are transferred into the Water Reserve Fund for future capital water projects.

## **Sewer Fund**

The city utilizes the lagoon cell concept for waste collection and disperses treated water for crop irrigations. Budget Officer Barajas stated the sewer fund and water fund are similar in revenues being generated by residents, business and industrial users in the Port area. The Sewer Fund is projecting a 16.5% increase in revenues. This increase is a result of higher cash carryover from the previous fiscal year. Expenditures for payroll and overall operating costs will remain consistent to the previous year's budget. There is a higher transfer amount to the reserves and a higher contingency amount as the new sewer capital project gets started. This fiscal year will start the new sewer project.

## **Garbage Fund**

The city contracts with Sanitary Disposal for garbage collection and disposal of all residents and business in the city limits of Boardman. With all the construction currently happening in Boardman, there has been an increase in revenue and expenses. There will not be a garbage rate increase with Sanitary

Disposal this year and since this is a pass-through cost to our customers, they will not see an increase in their garbage rate either. The city offers garbage vouchers to the residents of Boardman for free dumping and the garbage fund covers the cost of dumping fees. Committee Chairman Mittelsdorf asked how the free dumping program is working out. Budget Officer Barajas informed the committee the city has increased the number of dumpsters placed at the transfer station. Committee Member Keefer asked the cost for the program. Budget Officer Barajas replied it is approximately \$2,300 each time the city runs the program which is usually three times a year. Committee Chairman Mittelsdorf stated this program is such a benefit to the community and suggested having the program four times a year if the cost is only \$2,300. Committee Member Keefer stated with the increase of the disposal rate at the transfer station, this program is a huge help for the residents. City Manager Pettigrew agreed.

## **Street Fund**

The revenue for the Street Fund is from state road tax appropriations and the expenditures are mostly street repairs and traffic safety. Several signs have been hit by motorists as well as the walking path along Wilson Lane and needed to be repaired and signs replaced. During the winter time guardrails are hit and need to be replaced as well. Any additional cross walk signs, signs or anything else to do with streets come out of this fund.

## **Building Fund**

The revenue for the Building Fund comes from permit fees and plan review fees for projects in the City of Boardman, City of Irrigon, Morrow County and adding Gilliam County as of June 1<sup>st</sup>. Budget Officer Barajas explained this fund is difficult to budget year to year as it is a reflection of the anticipated projects coming to these areas. Expenditures in this fund include remittance of State, County, and contractual cities' share of permit fees collected as well as payroll costs, travel cost, equipment and other typical expenses associated with this fund. This fiscal year budget will be increased by 39.5% mostly due to cash carryover which is necessary to reserve resources from good years to cover lean years.

## **Reserve Funds**

There are four reserve funds; General Reserve, Water Reserve, Sewer Reserve and Street Reserve. In the General Reserve Fund there is a transfer of \$1,345,000 from the General Fund. The loan of \$2,000,000 to the Urban Renewal Districts is listed under expenses. Other expenses include equipment repairs or replacement. The Water Reserve Fund has a large transfer-in to replenish the reserve for any future capital needs. The Sewer Reserve Fund has an increase of \$158,000 from the prior year. The Sewer Fund has covered some of the preliminary expenses associate with the costs of the new sewer project and the issuance and closing of the G.O. Bond passed in May. The Street Reserve Fund shows a substantial increase. The city anticipates major street repairs and maintenance on various city streets. There is a large carryover from the last fiscal year, due to transfers-in and the reimbursement payment from the Urban Renewal Agency. The increase of expenditures is due to capital projects.

## **Capital Project Funds**

This is a new fund for all the G.O. Bond activity. This fund is strictly for the G.O. Bond projects and is the combination of the water and wastewater projects. The beginning cash reflects the G.O. Bond proceeds received at the end of this fiscal year and carried over to the next fiscal year. The other revenue is estimated interest earned. The expenditures show a little over \$6 million under the Capital Outlay for the G.O. Bond projects.

## **Community Development Block Grant (CDBG) Capital Fund**

Budget Officer Barajas explained the City of Boardman agreed to be the sponsor for the Boardman Migrant Head Start Program to be able to receive a Community Development Block Grant from the Oregon Infrastructure Finance Authority. This \$2 million grant is for a new 8,000 square foot facility which began in 2015 and will be 95% complete by the end of the current fiscal year. She had hoped to not have this fund included in the 2021-2022 Budget but is budgeted in case a final payment on this project may be issued after the beginning of the new fiscal year. She is hoping to have the open house for the new school in June.

## **General Obligation (G.O.) Bonds Debt Funds (Water and Sewer)**

This fund is strictly for the newly issued \$20,320,000 G.O. Bond. It is a requirement to have a fund to only track the tax dollars received and the debt payments disbursed. The debt payment for 2021-2022 is \$495,000 towards principle and \$691,858 towards interest.

### **Water Bond**

The Water Bond was issued in October 2000 for \$3,784,000 on a 25-year term and refinanced twice, once in April 2006 & again in September 2016. Like the Sewer Bond Fund, the outstanding balance on this bond will be refunded through the new G.O. Bond and only prior year assessed taxes are budgeted. There are no new taxes collected for this fund.

### **Sewer Bond**

The Sewer Bond was issued in June 2003 for \$3 million on a 40-year term and refinanced in September 2016. The outstanding balance on this bond will be refunded through the new G.O. Bond and only collection of prior year's assessed taxes are budgeted. There are no new taxes collected for this fund.

## **Statement of Indebtedness**

The indebtedness includes the G.O. Bond for \$20,320,000 and the Other Borrowings is the mortgage for city hall for \$225,000 which is anticipated to be paid off this coming fiscal year.

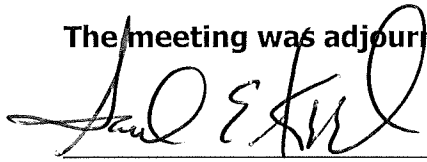
## **Property Tax Levy**

The Permanent Rate Levy is at 4.2114 per \$1,000 of assessed value and \$1,236,310 for the G.O. Bond levy.

Budget Officer Barajas asked if anyone had any questions regarding the proposed budget and there were none. The Budget Committee thanked Budget Officer Barajas for the nice job in presenting the proposed budget.

Committee Chairman Mittelsdorf asked for a motion to approved the City of Boardman budget. Committee Member Profitt made a motion for the City of Boardman Budget Committee to approve the Proposed City of Boardman Budget for 2021-2022 as presented in the amount of \$55,343,618 and approve property taxes at the rate of \$4.2114 per \$1,000 of assessed value for the permanent rate tax levy and in the amount of \$1,236,310 for the General Obligation Bond Levy. Committee Member Williams seconded the motion. Roll call was taken: Leslie Pierson – Yes, Paul Beagle – Yes, Katy Norton – Yes, Isaac Williams – Yes, Brenda Profitt – Yes, Paul Keefer – Yes, Lisa Mittelsdorf – Yes, Sonja Neal – Yes, Ted Lieurance – Yes, David Norton – Yes, Alejandra Mendoza – Yes. Motion passed 11 yes - 2 absent - 1 vacancy.

**The meeting was adjourned at 8:27pm.**



Paul Keefer – Mayor



Toni Connell – Acting City Recorder