

QUESTIONS ASKED TO STAFF PRIOR TO BUDGET MEETING

Pg 4 - Contingencies/Reserves of 137%, 287%, & 65% are far above the recommendation per policy. ? I see in the supporting documents that reserves are zero for 20/21 and up for 21/22.

Answer – I think this page might be a little confusing. The contingency needs to be at least the amount in our finance policies. I have also included dedicated reserves that aren't part of that. Example is Water, there is \$1,000,000 reserve in there that is not contingency.

Pg 5 - FTEs, isn't Gerald hiring an assistant in the 21/22 fy or is he getting that done this year?

Answer- If you are talking about the Project Engineer, he is trying to hire this year.

General franchise fees dropping from \$75,000 to \$50. ?

Answer- on page 36 of the budget there was a new line added for general franchise fee. We received a check under \$50.00 for the first time. We have it separated from all of the other franchise fees. The budget amount for fy 21/22 correct but it looks like the history is not. The history on this line should be zero because we have not budgeted it before.

Pg 37 - Local Gov Land Grant \$180,000 ?

Answer - This is a placeholder for potential purchase of property related to either the trails or the pd site, it would depend on the grant product and the need if/when the grant product comes available.

Pg 48 - Library copier income dropped from \$3,000 to \$100. Any particular reason?

Answer - Copier Income dropped due to the Library being closed to the public during the pandemic.

Pg 52 - Miscellaneous revenue up from \$1,000 to \$200,000 ?

Answer - That is Tractor Supply's share of the roundabout project at OR 213-Toliver.

Page 30 – The chart for General Fund: Resources Vs. Expenditures shows what appears to be a trend of the city living beyond its means. Can you weigh in on this?

Answer – The upper chart represents only ongoing revenue (the orange bar). The blue bar includes all expenditures. Contingency is budgeted as an expenditure but rarely used. Also Capital projects will come out of fund balance. FY 20-21 and 21-22 are budgeted numbers. In the prior year columns are actual so it shows only what was spend. The gap in the last two columns is where the fund balance

money is budgeted to cover if we need. The bottom chart shows our beginning fund balance which is considered one time money.

Most of the BFBs have been raised considerably. BFBs are a challenging concept to me even though they are included in 101.

Answer - The BFB can be a number of things:

1. Money that was scheduled to be spent but project wasn't done or completed in that year so it carries over.
2. Additional revenue that came in over what we anticipated
3. At the time we budget what are expenditures are going to be is so far ahead. If we don't end up needing it we don't spend it and it carries over into the next year as one time money.
4. This year was particularly challenging. Our budget was projected pre-covid. We had unusual expenditures come in and some of that we got help from CRF Grant. There were also a lot of things we couldn't do because of covid and that money isn't being spent. Remember we are projecting our beginning fund balance when we had half of a year to still spend and receive money.

General Fund Resources:

General Revenues-

1. What is the "Grant-ARP" (\$1,800,000.00)
 - a. Under the General Fund Administration Dept – Capital Outlay - "Grant-ARP", how is it designated to be utilized?

Answer- This grant is called American Rescue Plan Act of 2021. At this point we do not have all of the criteria available. We only know that the funding preliminarily can be expended on Water and Sewer projects. However, as most items like this coming from the State and Federal Government the criteria will change until the last possible moment. We have identified this revenue within the General Fund so that once we know the rules we can adjust accordingly. Based on Oregon Budget Law, if we believe we may receive a grant at the time we are constructing the budget together, we are required to identify the revenue in our budget. Until we receive the actual grant, we do not spend the money.

Court Revenue-

3. Define the "court-Nuisance/Planning fines".
 - a. Is this a new category as the prior 3 budget years has \$0.00 affixed to them.
- Answer- Yes this is a new line item. It is for City Code violations so they are separated from planning.

General Fund:

Municipal Court-

4. What warranted a 16.6 % *increase* in Salaries and Wages?

Answer- The salary and wages include Court Clerk, Municipal Judge, and City Prosecutor. We have a new contract for our Prosecutor that has not increased in many years and we are in the process of hiring a new Municipal Judge.

City Council Department-

5. What is the Banner Project?

Answer-The Banner Project is a City Council Project that has installed seasonal banners mainly in the Downtown core area.

Enterprise:

Sewer Fund Requirements-

6. What warranted a 6% *decrease* in Salaries and Wages?

Answer – A reduction in 1 FTE (Operator 2) until the position is needed until the new WWTP plant is constructed and staffing level needs are reassessed.

7. What warranted a 109% increase (\$583,000.00) in Biosolids removal?

Answer – Biosolids removal in the current FY year did not expend all of the funding allocated for biosolids removal, so it has been moved and added to the FY 21-22 allocation to meet removal requirements.

Q: The budget cost of biosolids removal is up from \$533k to \$1.1M. Have the previous year's removals left so much that the annual cost doubled?

Answer: We didn't get all of the production last year that we wanted do to permit limits and I've moved the balance of the money from this year into next year and asked our contractor to bring in more equipment for higher production. We are hoping to remove a significant amount in July. Almost as much as the last three years combined if all goes well.

Why does the Judge make so much? In Court budget is Clerk, Judge, and Prosecutor in the amount. Not all Judge.

Why did Council budget go down? Not as much grant money next year?

Page 38 – The requirements for Materials & Services is decreasing in a time that I would expect it to increase. Can you provide insight on why it is decreasing?

Answer –We audited prior years and some expenses have been shared to other departments like planning and parks etc. Our history shows we are spending less in some of those accounts so we were able to reduce the amounts we anticipate we will need. Remember we are trying to project what we will need 6-18 months from now.

Page 44 – There is a proposed \$10k for Phone for the Planning Dept (which has 2.5 FTE). Can you provide additional information on what the 10k covers?

Answer – Yes this is high, and we are in the process of doing an audit of all phones, internet, tech services.

Page 52 – Why is there a drop in Vehicle Fees?

Answer - Actual revenues from the county registration fee has not met original projections from the County.

Page 52 – Can you elaborate on what the Surface Transportation Allocation Program is?

Answer - The revenue is from a loan from ODOT to build the roundabout at OR 213-Toliver. The Oregon Transportation Improvement Fund is the loan mechanism used by the state for these types of projects.

Page 54 – Why is so much being transferred out of Street when that appears to be an area where we are experiencing funding difficulties?

Answer - The transfers to capital projects is mainly for the OR 213-Toliver RAB project with revenue from the loan described above plus developer contributions from Tractor Supply. The balance of the transfer is \$25K for a decant facility at the PW shops. The transfer to fleet replacement is the standard transfer to avoid loans for lower cost vehicles and for a loan for a new sweeper. Anticipated sweeper cost is approximately \$300K and funding is shared between the Street Fund and the Stormwater Fund.