

CITY OF MILWAUKIE
BUDGET COMMITTEE MEETING
April 19, 2016

Chair Stoll called the meeting to order at 5:06 p.m. Committee members and staff introductions were done.

Members Present: Lisa Batey, Jesse Boumann, Milo Denham, Mark Gamba, Michael Osborne, Ronn Palmer, Wilda Parks, Karin Power and Jon Stoll

Excused: Scott Churchill

Staff Present: Casey Camors, Bonnie Dennis, Pat DuVal, and Mitch Nieman

Approval of prior meeting minutes

Mr. Denham requested on page 4 the word violability be changed to volatility. It was moved by Mayor Gamba and seconded by Mr. Denham to approve the September 15, 2015 meeting minutes with the change. Motion passed unanimously.

Quarterly Financial Report for December 31, 2015 Review and Discussion

Ms. Camors began with the All City Funds page of the report. Property taxes are received in November and this revenue impacts the General, Debt Service and Library Funds. Currently, most capital outlay projects have been underspent, but this will change as the year progresses; the project status report provides information for each project. Fund balance for the General Fund looks good; this has to do with the property taxes received. Library fund balance does not reflect the Library district revenue, as this had not been received as of December 31st. The Transportation Fund balance is lower due to the completion of projects. The utility funds' fund balances reflect projects that have not been completed.

Ms. Camors continued with the individual funds. The General Fund reflects variances due to vacant positions and the capital project timing. The expenditures will catch up as the City approaches the end of the fiscal year.

Chair Stoll asked for explanation of footnote number 12 on page 6.

Ms. Camors responded it is ongoing litigation.

Ms. Batey asked if the expenses were for attorneys.

Ms. Camors responded yes. She continued with the Debt Service Fund which is solid.

Ms. Batey asked if this is the type of fund to pay off early if more money was brought in.

Ms. Camors stated the City would not pay the debt early, since the City levies enough to make the payments to the lender. Instead of prepaying the debt, the City would levy less, only enough to cover the payment and ensure there is enough fund balance.

Mrs. Power asked if the City informed the residents the City levied less than originally anticipated.

Ms. Camors stated that was mentioned at a City Council meeting last year.

Mayor Gamba concurred the City could be more aggressive with the information.

Mrs. Power thought it would be beneficial for them to know for the May election.

Ms. Camors stated the City does not want to levy more than originally estimated, and the City is very conservative in its estimates. She continued with the Building Fund, which has seen an increase in volume and implemented fee increases. The Library Fund is doing well; it is waiting on the money from the County. Street Surface Maintenance Program is waiting on receipt of franchise fees and timing of capital projects. State Gas Tax within the Transportation Fund has some projects that must be completed prior to receiving grant money.

Ms. Camors continued with the enterprise funds. The Water Fund is doing quite well; consumption has increased along with a fee increase; capital projects expenses are low, but that is due to capital project timing. The Wastewater Fund is doing well and has seen increased volume; payments to County reflect a one month lag. The Stormwater Fund is looking good but will be monitored going forward; this fund has seen some savings in certain areas; capital projects expenses are low, but that is due to capital project timing.

Chair Stoll stated the Building and Water Funds look good compared to prior years.

Supplemental Budget Discussion

Ms. Camors stated the supplemental budget is not requesting any additional money; it is reallocating money within departments. The General Fund intergovernmental resource is for expenses paid from Community Development for the bridge repair.

Mayor Gamba asked if the City has been in communication with the County.

Ms. Camors responded yes, the Engineering Director is exploring all options. The supplemental budget adjustments are as follows. The Sustainability Director position will be funded by the City Manager's budget. Engineering department has had vacancies. Facilities and Fleet departments have cancelled projects. Finance's Incode project has unspent funds this fiscal year. Code Enforcement is for current litigation. Records and Information Management had some vacancies. The Police Administration background investigator was utilized more due to the police vacancies.

Ms. Batey asked if the police investigator position is an employee, not contracted.

Ms. Camors responded yes. Building Inspection Fund is an accounting adjustment; a permitting process that had previously gone through the County is now being done in-house.

Mayor Gamba made a motion for the Budget Committee to recommend to City Council the approval of the supplemental budget; it was seconded by Mr. Palmer.

Adjourn

It was moved by **Mayor Gamba** and seconded by **Ms. Batey** to adjourn the Budget Committee meeting at 5:35 p.m.

Respectfully submitted,

Judy Serio, Accountant