

**MILL CITY  
BUDGET MINUTES  
Monday, April 5, 2021**

**Mayor Kirsch** opened the meeting at 6:32 PM with the flag salute. Councilors present were, Janet Zeyen-Hall, Brett Katlong, Dawn Plotts and Steve Winn. Councilor Trout arrived at 6:39 PM. Budget Members present were Ann Carey, David Hinkley, David Nelson, Gary Olson, Caitlin Purdy and Debbie Schenck. Staff in attendance: City Recorder, Stacie Cook and Finance Clerk Lacy Classen.

**Citizens in attendance:** Roel Lundquist.

**APPROVAL OF MINUTES:**

**David Hinkley** moved, seconded by **Gary Olson** to Approve the Minutes of March 29, 2021. The motion passed.

**PUBLIC HEARING: STATE REVENUE SHARING FUNDS**

**Mayor Kirsch** opened the public hearing at 6:32 PM and called for the staff report.

STAFF REPORT: City Recorder Stacie Cook stated that the City receives revenues from the state for liquor, cigarette and gas taxes. There are no requirements for most of these funds. If they are not designated for specific items then the dollars are placed in the General Fund for use. Gas taxes must go into the Street Fund and be spent on street, trail or sidewalk work. The purpose of the hearing is to take public testimony on the use of these funds.

PUBLIC TESTIMONY: None.

QUESTIONS FROM BUDGET COMMITTEE MEMBERS: None.

**Mayor Kirsch** closed the public hearing at 6:34 PM.

**PRESENTATION OF PROPOSED BUDGET:** Mrs. Cook said that since the narratives were gone through somewhat thoroughly at the last meeting she will focus on the changes presented and asked for any questions regarding the budget as each fund is reviewed.

Mrs. Cook stated that there are a number of replacement pages for the budget, which outline the suggested changes for dollars expected from the American Rescue Plan as well as show the funds from the Travel Oregon grant that the City has applied for, at each person's seat. These will be replaced as the funds are reviewed.

Mr. Olson asked why the grant is being budgeted if it is not a certainty. Mrs. Cook said that if the grant funds are not budgeted as anticipated revenue and allocated out as expenditures then a supplemental budget process would need to be done in order to expend the funds if the grant is awarded.

**General Fund** - Mrs. Cook said that the narrative has changed to show the receipt of the \$400,000 in American Rescue Plan funds. This changes the BFB to \$1,471,953 and adds \$200,000 in grant income. Total resources now total \$2,353,484.

Mr. Olson asked what is driving the increase in office expenses. Mrs. Cook said that office supplies have gone up in the past couple of years with paper being one of the highest costs. Laptops have been purchased to loan out to the Planning Commission and City Council in order to work toward going paperless and reducing these costs. Postage costs have increases and land use applications are up, resulting in more postage paid out to mail notices. In addition, each land use application has to have a public notice in the local paper at a cost of over \$100 each time.

Mr. Hinkley stated that he believes that the funding budgeted for law enforcement is cutting it close should there be a need to increase the hours that officers spend in Mill City.

The expenditures narrative has been modified on page seven to allocate out the additional funds under resources. The changes to the budget are under transfers and change the total to General Facilities Reserve to \$815,000 with \$100,000 going toward park improvements, adds a transfer to the Street Reserve of \$50,000 to cover lost gas tax and power franchise revenue due to COVID, adds a \$100,000 transfer to Water Reserve for water improvements and increases the transfer to Sewer Reserve for the pre-design report and future sewer improvements.

Mr. Olson said that last year there was over \$600,000 in the General Facilities Reserve Fund with roughly \$525,000 for The Reid House remodel work. Using these numbers, what is presented in the FY 21-22 budget don't add up. Mrs. Cook said that this is because the funding for The Reid House was anticipated similarly to a grant; the dollars had not been, nor were they received or expended so they are removed from the budget for FY 21-22.

Mrs. Cook said that the total for transfers should be \$1,365,000 and the Total Requirements should be \$2,231,7970

**Street Fund** – Mrs. Cook said that the BFB is anticipated to be \$87,644 with anticipated revenues bringing the total resources to \$275,011. The City is mandated to spend at least 1% of the gas tax revenue on sidewalk or trail improvements.

There was a question at the last meeting about the notation on expenditure projections that expenses are expected to continue with a couple of exceptions. The exceptions are increased street and bollard lighting that will be installed with the TIGER grant project.

**Water Fund** – The BFB is anticipated to be \$150,268 with anticipated revenues bringing the total resources to \$644,413. This is an enterprise fund, therefore it must be self-supporting.

Mr. Hinkley asked if the \$12,000 in on-line payment fees was budgeted high so that if it becomes popular and expenditures go over what was anticipated there won't be a need for a supplemental budget. Mrs. Cook said that it is unlikely that a small overage on these fees would be enough to require a supplemental budget.

Caitlin Purdy asked if there is a rate that the \$12,000 is based on. Mrs. Cook said that the fees are budgeted at \$1000 per month in both water and sewer funds, anticipating that roughly one-third of water/sewer customers will use the electronic payment options.

Mr. Olson asked if it is possible to get an end of year report so that the actual expenditures can be reviewed. Mrs. Cook said that a report can be provided, however, the numbers in the report may not be the final numbers once the audit has been completed and the auditors have made recommendations for journal entries.

**Sewer Fund** – Mrs. Cook stated that the sewer rate outlined in the narrative was incorrect. The current rate \$44.10 per month. Staff recommends a 3% to 3.5% increase to take effect January 2022. This would bring the rate to just over \$45.00 per month, generating between \$12,000 and \$15,000 per year. With this change the BFB is anticipated to be \$130,000 and the Sewer Charges will increase slightly. This brings the total for Sewer Charges at \$448,000.

Mr. Hinkley asked how dollars can be saved annually to ensure that there are enough funds to be able to cover the costs of the WWTP pumping that needs to be done every five years. Mrs. Cook said that this would be done by including extra funds in the sludge management line with a notation in the narrative that the funds are being accumulated for that purpose.

Mrs. Cook said that the additional revenue for the sewer charges could be used to pad sludge

management so that additional tank pumping can be done this upcoming year or held for the future WWTP pumping. Consensus to change sludge management to \$30,000 and change contingency to \$43,282. This makes the total requirements \$582,816.

**Railroad Bridge Maintenance & Restoration Fund** – The BFB is \$383,913. A transfer from the Street Reserve Fund of \$15,000 is the only revenue assumed. This transfer is to cover the match the City has committed to for the TIGER grant and will only be transferred if we are required to turn over the full match amount of \$400,000.

**Skatepark Fund** – There are no anticipated revenues in the upcoming FY. The funds have been allocated out in expenditures as placeholders should the SKATE Committee have any elements of the project that they need to have funding for.

**Canyon Journeys Trail/Mill City Falls Park Fund** – Mrs. Cook said that she confirmed that Resolution No. 773 approved in 2015 renames this fund.

The transfer of \$140,000 from the General Fund is the only revenue anticipated. These funds are for the replacement of the Cedar Creek Bridge.

**Housing Rehabilitation Fund** – The only anticipated revenue is the first payment of \$21,687 for the Storm Drainage Fund loan. Expenditures are only placeholders as there are no anticipated loans.

**General Facilities Reserve Fund** – Revenue assumptions have been modified in this fund to account for the American Rescue Plan dollars that the City anticipates receiving. There is now a Donations/Grants line for \$100,000. These dollars would be used for the Travel Oregon grant if it is awarded. The Transfer In line has increased to \$815,000, adding \$100,000 for use in a tourism related project. Expenditures have changed for Engineering/Design, increasing to \$50,000 and C/O Par & Facilities increases to \$430,000. This changes the overall Total Resources/Requirements to \$1,263,899.

**Water System Reserve Fund** – This fund has been modified to change the Transfer In line to \$150,000 from \$50,000 and C/O Water System increases the SDWRLF Water Project to \$2,027,000 making the total \$2,357,000. This makes the total Resources/Requirements \$2,827,442.

**Street Reserve Fund** – The anticipated revenue for this fund has increased by \$50,000 from funds coming from the American Rescue Plan. This is to cover loss of gas tax and Pacific Power franchise fees due to COVID. The expenditures are increased under C/O Streets by this amount, changing the total to \$370,000. This makes the total Resources/Requirements \$431,454.

**Sewer System Reserve Fund** – Transfer In has increased to \$230,000. This includes \$150,000 from the American Rescue Plan. The expenditures increase under CO WWTP by the same amount to cover costs for sewer improvements. This changes the overall Resources/Requirements to \$388,483.

Mrs. Cook said that the remaining funds would be gone through at the April 12, 2021 meeting.

## **ADJOURNMENT**

The meeting was adjourned at 8:33 p.m.

Prepared by:

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Stacie Cook, MMC  
City Recorder