

**City of Lowell, Oregon**  
**Minutes of the Budget Committee Meeting**  
**May 10, 2011**

The meeting was called to order at 7:04 p.m. by Mayor George.

**Members Present:** P. Bryant, G. Reese, J. Burford, M. Alvarez, B. George, M. Wallace, Greg Landin, Judith Rennert

**Members Absent:** T. Keffer, L. Yetter

**Selection of Chair Person:**

Mayor George nominated Mary Wallace to serve as chair. There were no other nominations. Mary Wallace was appointed chair without objection.

**Public Hearing:** Use of State Revenue Sharing Funds.

The meeting was suspended at 7:06 p.m. to conduct a public hearing regarding the use of State Revenue Sharing funds.

A copy of the record of the hearing is attached.

The hearing was closed and the meeting reopened at 7:08 p.m.

**Presentation of the FY 2011-2012 Budget Message:**

City Administrator Spies presented the Budget Message. He reviewed the general information contained in the first two pages of the message with the Committee and answer questions of Committee members. He suggested that a detailed fund by fund review of the information in the remainder of the Budget Message be deferred because it would be covered as the Committee went through a page by page review of the proposed budget. There was no objection to this suggestion.

**Public Comments on the Proposed Budget.**

Steve Paulson, 520 Sunridge Lane, questioned how the funding strategy for the Rolling Rock Park Stage was incorporated into the proposed budget because it was unclear to him. He also cautioned the Committee on the assumption that property tax receipts would increase 3%, especially on newer homes, because market values were decreasing to such a great extent.

**Review/Discussion:** Proposed FY 2011-2012 Budget.

The Committee entered a page by page review of the proposed budget. During this review, City Administrator Spies identified changes to the proposed budget that he was recommending as a result of new information after the proposed budget had been published. Committee members

also raised issues and asked for clarification of specific budget line items as the Committee went through the review. The City Administrator suggested and the Committee concurred, without objection, that proposed changes to individual budget line items would be decided after a discussion by a show of hands instead of a formal motion.

The following line item changes were proposed, but after discussion were not agreed upon by a majority of the Committee:

a. General Fund Materials and Services and Parks Accounts, page 3, line 15 and page 5, line 4 relating to distribution of insurance costs to the Parks account. Councilor Bryant felt that insurance costs attributed to park facilities should continue to be identified separately from overall general fund insurance costs instead of being included in general fund insurance cost allocations. City Administrator Spies explained his rationale for proposing the change.

b. General Fund Materials and Services, page 3, line 31 relating to Downtown Development Planning. Councilor Bryant felt that this line item could be deleted. City Administrator Spies explained that the Planning Commission still wanted to try to complete work to establish downtown development standards and this funding would be needed for contracted planner review and advice on any standards proposed for adoption.

c. General Fund Capital Outlay, page 4, line 4 related to City Hall renovations cost. Councilor Bryant suggested that the appropriation for additional City Hall renovations be removed because she felt given the current economic and budget situation, that such improvements should be deferred. City Administrator Spies explained that this line item was funded to provide the City the ability to purchase materials if volunteers stepped forward to do the work.

d. General Fund Parks Account, page 5, line 8, relating to library costs. Councilor Bryant suggested that this appropriation be decreased by \$1,000 to remove funding which was not directly generated by library operations/donations or library grant receipts.

There were no other proposed changes which were not accepted by a majority of Committee members.

The Committee approved the following line item changes to the proposed budget:

a. General Fund Revenue, page 1, line 1. Decrease the Cash on Hand from \$5,000 to \$0 at the recommendation of the City Administrator as a result of reevaluation of anticipated Cash on Hand.

b. General Fund Materials and Services, page 3, line 3. Decrease Auditing cost from \$7,000 to \$6,000 to reflect new audit contract cost and offset revenue decrease in a above. (Recommended by City Administrator)

c. General Fund Capital Outlay, page 4, line 4. Decrease City Hall Renovation cost from \$5,000 to \$3,000 to offset revenue decrease in a above. (Recommended by City Administrator)

d. General Fund Transfer to Equipment Fund, page 4, line 18. Decrease from \$1,000 to \$0 to offset revenue decrease in a above. (Recommended by City Administrator)

e. General Fund Transfer to Personnel Liability Fund, page 4, line 19. Decrease from \$1,000 to \$0 to offset revenue decrease in a above. (Recommended by City Administrator)

f. Water Fund Revenue, page 9, line 11. Increase Algae Study Grant revenue from \$30,000 to \$120,000 to reflect that the City of Lowell as lead agency for the blue-green algae study project will be the single grant recipient. (Recommended by City Administrator)

g. Water Fund Materials and Services, page 10, line 35. Increase Algae Study Contract costs from \$30,000 to \$120,000 for the same reason identified in f above. (Recommended by City Administrator)

h. Personnel Liabilities Fund, page 18, line 2. Decrease the Transfer from the General Fund from \$1,000 to \$0 as a result in the change made in e above. (Recommended by City Administrator)

i. Personnel Liabilities Fund, page 18, line 10. Decrease vacation liability reserve from \$8,800 to \$7,800 to balance for revenue decrease made in h above. (Identified by J. Rennert)

j. Equipment Fund, page 19, line 2. Decrease the Transfer from the General Fund from \$1,000 to \$0 as a result in the change made in d above. (Recommended by City Administrator)

k. Equipment Fund, page 19, line 9. Decrease Public Works Equipment Acquisition reserve from \$18,888 to \$17,888 as a result of the change made in j above. (Identified by J. Rennert)

There were no other line item changes agreed upon by the Committee.

**Action to Approve Annual Budget for FY 2011-2012.**

J. Burford moved and B. George seconded a motion to approve the annual budget for FY 2011-2012 as amended during the review.

Motion Carried: Ayes: G. Landin, J. Rennert, B. George, M. Alvarez, J. Burford,  
M. Wallace

Nays: P. Bryant, G. Reese.

**Action to Approve Ad Valorem Tax Levy for FY 2011-2012.**


City Administrator Spies explained that the budget which was just approved required the levy of the full permanent property tax rate of \$2.1613 per \$1,000 of assessed value and that the Committee needed to take a separate action to approve that levy. M. Alvarez moved and J. Burford seconded a motion to approve an ad valorem tax levy of \$2.1613 per \$1,000 of assessed value for the 2011-2012 budget.

Motion Carried: Unanimously.

**Other Business.** There was no Other Business

**Adjourn.** The meeting adjourned at 8:40 p.m.

Approved:

  
Bill George, Mayor