



## Budget Committee Meeting Minutes May 13, 2024

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**Budget Committee Members Present:** Mayor Robert Duncan, Council President Mike Caughey, Randy Klemm, Charlotte Thomas, Marilyn Pollard, Travis Walker, Jana Jenkins, Amanda Greene, Douglas Buchholz and William Percell.

**Budget Committee Members Absent:** Kim Downey, Robert Boese, Cindy Knox and Barb Shipley.

**City Staff Present:** City Administrator Michele Eldridge, Public Works Director Chuck Scholz, Finance Officer/Deputy City Recorder Cathy Nelson and City Recorder/Municipal Court Clerk Lori Ross.

**Meeting Location:** Harrisburg Municipal Center Located at 354 Smith St.

**HARRISBURG REDEVELOPMENT AGENCY CALLED TO ORDER AT THE HOUR OF 6:31PM.**

**Roll Call by Chairperson Randy Klemm.**

**MOTION TO APPROVE THE HRA BUDGET COMMITTEE MINUTES FROM MAY 15, 2024:** No comments or concerns.

- Thomas **motioned to approve the minutes from the May 15, 2023 HRA Board Meeting and was seconded by Percell. The motion passed unanimously by a vote of 10-0.** (Yes: Mayor Duncan, Caughey, Klemm, Thomas, Pollard, Walker, Jenkins, Greene, Buchholz and Percell. No: None.)

### **NOMINATIONS AND ELECTIONS FOR THE HRA BUDGET COMMITTEE**

- Mayor Duncan **nominated Klemm as the HRA Budget Committee Chairperson and was seconded by Thomas. The Committee voted unanimously to appoint Klemm by a vote of 10-0.** (Yes: Mayor Duncan, Caughey, Klemm, Thomas, Pollard, Walker, Jenkins, Greene, Buchholz and Percell. No: None.)

- Mayor Duncan **nominated Caughey as the HRA Budget Committee Vice-Chairperson and was seconded by Thomas. The Committee voted unanimously to appoint Caughey by a vote of 10-0.** (Yes: Mayor Duncan, Caughey, Klemm, Thomas, Pollard, Walker, Jenkins, Greene, Buchholz and Percell. No: None.)

**BUDGET MESSAGE:** City Administrator Eldridge reviewed the HRA Message as shown on page 23 of the agenda. Some of the highlights included:

- The beginning balance has increased as well as the capital outlay. Eldridge referred to page 32 of the agenda showing the total capital outlay at over \$2.5M. The increase is due to property tax increases in the HRA boundary.
- Since the Water Bond Project was added to the HRA Plan, these funds could be available for the project if needed.
- The HRA was able to fund \$50,000 once again to the Property Improvement Grant Program for business's in the HRA District.

**At the hour of 6:39pm, a Public Hearing was announced to provide members of the public an opportunity to ask questions about and to comment on the budget.**

**With no comments received, the Public Hearing was closed at the hour of 6:39pm.**

#### **DISCUSSION:**

- Klemm asked Scholz about the funds available in the HRA for the Water Bond Project and his thoughts on the new bids. Scholz replied that we will be using the HRA funds, other funds in the budget and we still might need additional funding for the project.
- No further discussion.
  - Thomas **motioned to approve the HRA Budget as proposed and to allow 100% division of taxes and was seconded by Caughey. The motion passed unanimously by a vote of 10-0.** (Yes: Mayor Duncan, Caughey, Klemm, Thomas, Pollard, Walker, Jenkins, Greene, Buchholz and Percell. No: None.)

**With no further discussion, the HRA Budget Committee Meeting was adjourned at the hour of 6:44pm to start the City of Harrisburg Budget Committee Meeting.**

**THE CITY OF HARRISBURG BUDGET COMMITTEE MEETING WAS CALLED TO ORDER AT THE HOUR OF 6:44PM.**

**MOTION TO APPROVE THE CITY OF HARRISBURG BUDGET COMMITTEE MINUTES FROM MAY 15, 2023:** No comments or concerns.

- Percell **motioned to approve the Harrisburg Budget Committee Minutes from May 15, 2023 and was seconded by Thomas. The motion passed unanimously by a vote of 10-0.** (Yes: Mayor Duncan, Caughey, Klemm, Thomas, Pollard, Walker, Jenkins, Greene, Buchholz and Percell. No: None.)

#### **NOMINATIONS AND ELECTIONS OF THE HARRISBURG BUDGET COMMITTEE**

- Mayor Duncan **nominated Klemm as the Harrisburg Budget Committee Chairperson and was seconded by Thomas. The Committee voted unanimously to appoint Klemm by a vote of 10-0.** (Yes: Mayor Duncan, Caughey, Klemm, Thomas, Pollard, Walker, Jenkins, Greene, Buchholz and Percell. No: None.)

- Caughey **nominated Mayor Duncan as the Harrisburg Budget Committee Vice-Chairperson and was seconded by Klemm. The Committee voted unanimously to appoint Mayor Duncan by a vote of 10-0.** (Yes: Mayor Duncan, Caughey, Klemm, Thomas, Pollard, Walker, Jenkins, Greene, Buchholz and Percell. No: None.)

**BUDGET MESSAGE:** City Administrator Eldridge reviewed the City of Harrisburg Budget Message as shown on page 13 of the agenda. Some of the highlights included:

- The proposed rate increases for this next fiscal year are 3% for water and storm drainage and 4% for sewer.
- Personnel services are \$60,000 under budget due to staff shortages.
- Proposed COLA rate increase for employees is 3.5% compared to 6.5% the previous year.
- Eldridge reminded the Committee that the City cannot trade between funds unless it's done in the budget process. The exception would be from the general fund.
- Due to interest rate increases, the City has gained \$137,000 over the previous fiscal year.
- Property insurance has dropped; however, medical benefits have increased as well as auto.
- There is still \$355,000 of former ARPA funds available located in the CE & D and Water Fund.

**A Public Hearing for members of the public to provide written and oral comments to the Budget Committee on the possible uses of State Revenue Sharing, including the offset against property taxes, was opened at the hour of 6:38pm.**

**With no comments received, the Public Hearing was closed at the hour of 6:38pm.**

#### **DISCUSSION:**

**General Fund:** Eldridge reviewed the General Fund. Some of the highlights included:

- On page 36; Franchise Fees have increased due to higher rates for customers.
- Fines & Forfeitures have increased due to an increase in revenue from Municipal Court.
- Legal Services has increased due to the BNSF discussion as well as court-related attorney fees.
- Government Services has increased due to contract increases for LCSO and Coburg Police Department.
- The HART Resource Center donation decreased by \$5,000 this year for a total of \$10,000.
  - Klemm asked about the PERS increase and Nelson responded that it is high due to the longevity of some of our employees as they are at a higher rate than new employees, but it's stable.

**Street Fund:** Public Works Director Scholz reviewed the highlights which included:

- On page 47, CDL License Training has decreased by half due to finding a cheaper training process.
- Also on page 47, under Capital Outlay, Street Maintenance will be used for the 6<sup>th</sup> Street Project that just went out to bid on Friday. Storm funds will also be used on this project which will include parking, an extended bike lane and a drinking fountain.

- Klemm asked if the parking direction would change. Scholz replied parking will still be east to west and the road will include crosswalks on the corners as well as a raised crosswalk in the middle with a flashing beacon.

**Bike Fund:** No changes as per Scholz. Some of the funds will be used as we develop Eagle Park and also the easement on S 6<sup>th</sup> St.

**CE & D:** Eldridge commented on the slight decrease from the previous year as the result of a \$40,000 grant awarded to a business located outside of the HRA District.

**Library Fund:** Library Supervisor Nelson stated there was an increase of \$2,500 due to the rising cost of books. Wages and Expenditures are also increasing due to PERS and the longevity wage scale.

**Storm Drain:** Scholz stated this is a reserve fund and a portion of the funds will be used for the 6<sup>th</sup> St Project.

**Building Permit & Electric Permit Funds:** Eldridge noted these two funds need to be separate as per the State. Eldridge informed the Committee that the City is receiving more revenue now than with Linn County previously.

**Debt Services:** Nelson informed the Committee that Debt Services is a required fund due to bonds and loans. Page 70 of the agenda shows the amount needed to cover the bonds, which is around \$440,000 between bond principal and interest.

**Office Equipment:** Nelson note that Maintenance and Software has increased due to contracting IT support prices increasing. Computer replacements is building back up to \$8,000 to ensure funds are always available for replacing the server if needed.

- Klemm asked if an increase of \$3,000 would be enough to replace the server. Nelson replied that both servers were just replaced, and she doesn't anticipate having to do it again anytime soon.

**Equipment:** Scholz referred to page 76 of the agenda, noting that Hydrovactor Reserve Fund used to say Street Sweeper. Scholz plans on adding \$30,000 per year until we can afford one in a few more years.

**Water Fund:** Scholz noted this is an Enterprise Fund and when utility bills are paid, those payments transfer back into the Water Fund. Scholz referred to page 82 pointing out the \$6.5M for the Water Construction Projects, (Water Bond Project) and the current bid estimate from City Engineers is \$8.5M.

- Eldridge commented that this time the City will need to move forward with the project due to the requirement to start using the bond funds.

**Sewer Fund:** Scholz commented that this fund is similar to last year with only a slight increase. Future projects are on hold until the completion of the Water Bond Project in case additional funds are needed.

**Water Reserve Fund:** Scholz stated the fund is money that is set aside for emergencies.

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**Sewer Reserve Fund:** Scholz stated same idea as the Water Reserve Fund. Sewer Reserve Fund is just being maintained, and not being spent until we get through the water project.

**SDC Reserve Fund:** Eldridge informed the Committee there are five SDC Funds, Transportation, Parks, Storm, Water and Sewer and the funds can only be used for new infrastructure. She noted these funds will start increasing with the new development of 37 lots next year and added the SDC's charges help fund future projects for the City.

No further comments or discussion.

- Thomas **motioned to recommend the approval of the following actions to the City Council; Accept the uses for State Revenue Sharing money; Approve the Budget as proposed and set the Property Tax Rate at \$3.1875 per thousand and was seconded by Jenkins. The Budget Committee passed the motion by a vote of 10-0.** (Yes: Mayor Duncan, Caughey, Klemm, Thomas, Pollard, Walker, Jenkins, Greene, Buchholz and Percell. No: None.)

Eldridge once again thanked everyone for attending this evening.

Mayor Duncan added on the quality of employees the City has and how the budget process is better than what it was previously.

Klemm thanked staff for presenting the Budget in a way the is easier to understand and appreciates everyone in attendance.

**With no further business, the Harrisburg Budget Committee Meeting was adjourned at the hour of 8:15pm.**

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Chairperson

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City Recorder