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Budget Committee Meeting Minutes May 12, 2025

Budget Committee Members Present: Randy Klemm, Cindy Knox , Dana Henry, Barb Shipley, Travis Walker, Jana Jenkins, Douglas Buchholz and William Percell.

Budget Committee Members Absent: Mayor Robert Duncan, Council President Mike Caughey, Kim Downey, Charlotte Thomas, Marilyn Pollard and Vacancy.

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

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

HARRISBURG REDEVELOPMENT AGENCY CALLED TO ORDER AT THE HOUR OF 6:35PM
by HRA Chairperson Randy Klemm.

HRA Chairperson Randy Klemm asked for roll call introductions.

MOTION TO APPROVE THE HRA BUDGET COMMITTEE MINUTES FROM MAY 13, 2024: No comments or concerns.

- Percell motioned to approve the May 13, 2024 Budget Committee Minutes and was seconded by Jenkins. The motion passed unanimously by a vote of 8-0. (Yes: Percell, Jenkins, Klemm, Knox, Henry, Shipley, Walker and Buchholz. No: None.)

NOMINATIONS AND ELECTIONS FOR THE HRA BUDGET COMMITTEE

- Klemm nominated Henry as the HRA Budget Committee Chairperson and was seconded by Shipley. The Committee voted unanimously by a vote of 7-0.

(Yes: Klemm, Shipley, Knox, Walker, Jenkins, Buchholz and Percell. Henry abstained. No: None.)

- Jenkins **nominated Percell as the HRA Budget Committee Vice-Chairperson and was seconded by Shipley. The Committee voted unanimously by a vote of 7-0.** (Yes: Jenkins, Shipley, Klemm, Knox, Henry, Walker and Buchholz. Percell abstained. No: None.)

BUDGET MESSAGE: City Administrator Eldridge reviewed the HRA Message as shown on page 14 of the agenda. Some of the highlights included:

- Eldridge reminded the Committee, the HRA is a separate district from the City of Harrisburg and a separate fund and explained how the HRA works.
- The housing market remains strong, which is helping with tax revenues.
- The HRA still has \$50,000 available in funds for property improvement grants.
- Eldridge informed the board that Revenue Sharing, for other taxing districts, is handled by the County.

At the hour of 6:51pm, a Public Hearing was announced to provide members of the public with 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 6:52pm.

DISCUSSION:

- Eldridge referred to page 25; under Tax Revenue, which shows a decrease starting in FY 2023-2024 and on page 27; under Revenue Sharing, no funds are indicated due to the County paying the taxing districts directly.
- Also, on page 27; Infrastructure Construction shows a majority of the funding at \$2.4M, which is an operations funds and is less restrictive than other funds. 90% of those funds will be used for the water bond project if needed.
- Eldridge pointed out that grant funds listed on expenditures and revenues can't be spent until a proceed notice is received from the grantor.
- \$2.5M is still available in the HRA fund if needed for the Water Bond Project before maximum indebtedness is met.
- No further discussion.
 - Shipley **motioned to approve the HRA Budget as proposed and was seconded by Klemm.**
 - Nelson requested the motion be stated to allow 100% division of taxes.
 - Shipley **amended her motion to approve the HRA Budget as proposed and to allow 100% division of taxes and was seconded by Klemm. The motion passed unanimously to approve the amendment by a vote of 8-0.** (Yes: Shipley, Klemm, Knox, Henry, Walker, Jenkins, Buchholz, and Percell. No: None.)
 - Shipley **then motioned to approve the HRA Budget as proposed and to include 100% division of taxes, as amended and was seconded by Klemm. The motion passed unanimously by a vote of 8-0.** (Yes: Shipley, Klemm, Knox, Henry, Walker, Jenkins, Buchholz, and Percell. No: None.)

With no further discussion, the HRA Budget Committee Meeting was adjourned at the hour of 7:03pm to start the City of Harrisburg Budget Committee Meeting.

THE CITY OF HARRISBURG BUDGET COMMITTEE MEETING WAS CALLED TO ORDER AT THE HOUR OF 7:05PM by Budget Committee Chairperson Randy Klemm.

MOTION TO APPROVE THE CITY OF HARRISBURG BUDGET COMMITTEE MINUTES FROM MAY 13, 2024: No comments or concerns.

- Walker motioned to approve the May 13, 2024 Budget Committee Minutes and was seconded by Percell. The motion passed unanimously by a vote of 8-0. (Yes: Walker, Percell, Klemm, Knox, Henry, Shipley, Jenkins and Buchholz. No: None.)

NOMINATIONS AND ELECTIONS OF THE HARRISBURG BUDGET COMMITTEE

- Klemm nominated Henry as the City Budget Committee Chairperson and was seconded by Shipley. The Committee voted unanimously by a vote of 8-0. (Yes: Klemm, Shipley, Knox, Henry, Walker, Jenkins, Buchholz and Percell. No: None.)
- Jenkins nominated Percell as the City Budget Committee Vice-Chairperson and was seconded by Henry. The Committee voted unanimously by a vote of 8-0. (Yes: Jenkins, Henry, Shipley, Klemm, Knox, Walker, Percell and Buchholz. No: None.)

BUDGET MESSAGE: City Administrator Eldridge reviewed the City of Harrisburg Budget Message as shown on page 9 of the agenda. Some of the highlights included:

- The proposed rate increases for this next fiscal year are 5% for water, sewer and storm drainage. The increase is due to the continued work on the water bond project.
- Staff is currently working on \$2.3M in funding from the State.
- The City is also currently working on obtaining through a capital request, a \$3.5M loan to complete the project which will be reflected in the water fund.
 - Henry asked the time frame for the state funding. Eldridge replied that it would be soon.
- City Staff completed an in house wage compensation analysis this year. Four employees will be receiving an increase averaging 4.4%; three employees with an increase averaging 10%; five employees receiving a 2.5% cost of living increase (COLI) and two employees won't be receiving a wage increase based on their current wage showing no disparities.
- There was a savings of over \$94,000 this last year due to staff changes.
- Staff is estimating for about 20-25 dwelling units being constructed this next year.
- \$250,000 was again added to the Street Maintenance Fund for improvements. \$150,000 of this was transferred from the General Fund by cutting funds elsewhere.
- The Unappropriated Fund Balance is \$1.26M and the Beginning Fund Balance accounts for 46% of our revenue structure.

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 7:28pm.

With no comments received, the Public Hearing was closed at the hour of 7:29pm.

DISCUSSION

General Fund: Eldridge reviewed the General Fund. Some of the highlights include:

- On page 30; Burlington Northern shows no revenue this fiscal year due to paying ahead.
- On page 32: State Revenue Sharing is projected to be down about \$4,000 to \$6,000 so it was proposed at \$41,000.

- On page 32; Fines and Forfeitures for Municipal Court was \$45,000 over the previous adopted budget; therefore, the proposed budget has been increased by \$30,000.
- On page 34; Contract Services was increased due to auditor and engineering services for the water bond project and Eagle Park.
- On page 35; HMC Council/Upgrade was increased to upgrade the council chambers for better audio.
- On page 36; County Law Enforcement has increased for LCSO based on a projection of what we can expect. There has also been an increase in Supplemental Law Enforcement for Coburg PD for \$7,000 to assist with code enforcement.
- On page 37; Interfund Transfers, there has been an increase of \$75,500 to the water transfer fund due to unappropriated audit findings from several years ago.

Street Fund: Scholz stated no changes. Some deferred maintenance, but no large projects scheduled until next year.

Bike Fund: Nelson stated funds were not used for the 6th St project due to the Small City Allotment Grant. The funds will be used for future projects.

CE & D: Eldridge noted new expense lines include the Sister City Fund to be used next year to honor Lt. Russell Quinn at the 4th of July celebration and the Veterans Project Fund, for banners to help recognize our local veterans. Eldridge noted the Building & Property Reserve account will be used to help fund the boat ramp for Eagle Park.

Library Fund: Nelson stated no changes. Both Librarians will be receiving a 2.5% COLI this next fiscal year. Henry asked about the Oregon Digital Library Consortium expense. Nelson stated it is for the E-Book program through the Libby app.

Storm Drain: Scholz stated some funds were used for the S 6th project due to not having a storm drain system in place. Expenditures this year include some small maintenance and creating a Storm Water Master Plan as required by the State.

Building Permits & Electrical Permit Funds: Eldridge noted the projected actuals were doubled what was budgeted. Both funds are making money.

Debt Services: Nelson stated this fund is used for paying back bonds which include the 2019 Water Bond Project and the 1999 Water Bond Principal. Henry asked what the 1999 bond covered. Nelson stated it was for improving water lines.

Office Equipment Reserve Fund: Fund pays for larger projects including Firewall protection, replacing office computers when needed, and copy machines/printers. Eldridge added our server was replaced this last year.

Equipment Reserve Fund: Scholz stated that this fund is used for bigger purchases. This budget year Public Works will be purchasing a new commercial lawn mower and will continue to save for the Hydrovactor for a couple more years. Scholz expects to get 25 years of service out of it.

Water Fund: Scholz stated it's the most important fund, Council's #1 priority and part of the Strategic Plan. Nelson pointed out the debt services on page 77 for the SPWF loan principle payment and will only be paid if we receive the loan. Knox asked about the \$1M in unexpected expenses. Scholz noted that \$600,000 of that was for Well #9, which wasn't added into the bid and also misassumptions due to limited plans requiring plans to be re-engineered.

Sewer Fund: Scholz noted no major plans, except for the CIP in the future. Focus remains on the Water Fund.

Water Reserve Fund: Scholz stated no changes. The fund is saved for an emergency.

Sewer Reserve Fund: Scholz stated future projects are on hold until the completion of the water plant. Knox referred to page 89, under Resources, and asked why the beginning balance goes down each year. Scholz stated they have paid out for some unplanned construction projects, where they found sewer issues.

SDC Reserve Fund: Eldridge commented this is a savings account for projects planned. She referred to page 92, Capital Improvements for Parks, and pointed out the matching required grants funds for the LGGP and the RTP Grants. She noted that some of these funds can be used for improvements in the Strategic Plan.

Eldridge thanked everyone for participating.

Henry asked about the property tax rate. Eldridge stated it's the same every year, unless it goes to the voters. Scholz added that it's a state requirement that has to be accepted every year.

ShIPLEY thanked everyone for being here and making the process easy to understand.

With no further business, the City Budget Committee adjourned at the hour of 8:27pm.

Chairperson

City Recorder