

Minutes approved by Budget Committee on May 10, 2018.

1. CALLED TO ORDER AND ROLL CALL:

Mayor Peter Truax called the Budget Committee meeting to order at 6:00 p.m. and welcomed new members, Jeff Boivin and Tom Cook, to the committee.

ROLL CALL: PRESENT: Jeff Boivin, Tom Cook, Rod Fuiten, Thomas Johnston, Timothy Rippe, Debby Roth, Dale Smith, Ronald Thompson, Peter Truax, and Val Valfre. **EXCUSED:** David Andersen, David Maisel, Elena Uhing and Malynda Wenzl.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Bryce Baker, Senior Management Analyst; in audience -- Colleen Winters, Library Director; Tom Gamble, Parks and Recreation Director; Janie Schutz, Police Chief; Keith Hormann, Light & Power Director; and Beverly Maughan, Executive Assistant to City Manager.

2. CITIZEN COMMUNICATIONS: None

3. ADDITIONS/DELETIONS: None

4. APPROVAL OF MINUTES FROM MAY 4 and MAY 11, 2017:

Rippe moved, seconded by Thompson, to approve the minutes as presented. With all those present voting in favor, motion passed.

5. INFORMATIONAL DISCUSSION: VanderZanden noted the purpose of the meeting was to review City financial considerations in conjunction with goals and objectives on the big-picture long-term scale and not specific budget amounts.

City Council Goals and Objectives: VanderZanden reviewed the updated objectives that fall under the three Council goals.

General Fund Fiscal Reserves Policy: Downey reviewed PowerPoint presentation of proposed policy elements and requested input from the committee on setting a minimum fund balance; how any excess can be spent; and how to bring fund balance up to target amount if needed. Downey answered questions relating to the policy's potential impact on the City's bond rating and other minimum requirements from Moody's. There was consensus from the Committee with the policy elements proposed by staff including an equivalency factor to be more relatable such as 25% or 3 months of operating expenditures and putting excess in a fund to offset increases in retirement costs.

Defined Benefit Retirement Plan Update: Downey reviewed the PowerPoint presentation including the current status of the Plan, actuary proposed changes of adopting current mortality tables used by Oregon PERS and lowering the assumed rate of return, the cost of these changes, and staff's recommendations. There was consensus from the Committee to continue implementing the increase in contributions and lower the assumed rate of return to 6.5%.

General Fund 5-Year Projection: Downey reviewed the PowerPoint presentation and discussed significant revenue and expenditure changes during the current fiscal year and the impact on the projected ending Fund Balance.

Upcoming Capital Improvement Projects: Downey reviewed the PowerPoint presentation updating current major capital projects and upcoming major capital projects noting the significant project for repairs in Forest Glen Park that will probably require partial funding from General Fund reserves to supplement funding from Sewer and SWM funds.

Budget Process Overview: Downey explained the budget process and timelines.

6. **ADJOURNMENT:**

Chair Fuiten adjourned the meeting at 7:41 pm.

Respectfully submitted by

Beverly Maughan, Executive Assistant