

**CITY OF HUBBARD  
BUDGET COMMITTEE MEETING MINUTES  
MAY 18, 2020**

**CALL TO ORDER.** The Budget Committee Meeting was called to order by Budget Committee Chairperson James Yonally at 6:33 p.m. virtually through ZOOM due to COVID-19.

**FLAG SALUTE.** Led by Budget Committee Chairperson James Yonally.

**Budget Committee Members Present:** Budget Committee Chairperson Joan Viers, Budget Committee Member Ally Sobo, Budget Committee Member James Yonally, Mayor Charles Rostocil, City Councilor Robert Prinslow, City Councilor Michelle Dodge, City Councilor James Audritsh, City Councilor Tyler Thomas came late at 6:40.

**Staff Present:** Public Works Administrative Manager Melinda Olinger, Director of Administration/City Recorder Vickie Nogle, Finance Director Judy Smith, Public Works Superintendent Mike Krebs, Police Chief Dave Rash, and Administrative Assistant Julie Hedden.

**PUBLIC HEARING – CONTINUED FROM MAY 5, 2020.**

**A. 2020-21 BUDGET**

Budget Committee Chairperson James Yonally opened the Public Hearing on the 2020-21 Budget at 6:36 p.m.

Finance Director Judy Smith said she wanted to point out a few corrections she made in the Budget that was presented at the May 5, 2020 meeting. The correction that was done in the Budget Message is the 3<sup>rd</sup> paragraph reflecting the Property Taxes has been corrected, the original document submitted May 5, 2020, showed the amount of \$963,272 as the property tax revenue estimate and the corrected amount is \$924,740. She went on to say on the top of page 19 the property taxes have been changed to the corrected amount of \$924,740 and also on page 19 the ECO Dev Comm Project originally showed \$15,000 it has been corrected to \$30,000. Furthermore she said on Page 31, the Reserve Fund, which is money saved throughout the years for equipment and projects, that was originally presented on May 5, 2020, was confusing, this is a total Capital Outlay Fund and was utilizing this fund like a regular fund, so that is where the mistake and confusion was, now the funds are showing in the budget allocated to the correct individual projects.

City Councilor Tyler Thomas entered the meeting at 6:40 p.m.

Finance Director Judy Smith said she wanted to reiterate this Budget is put together with the COVID-19 in mind, so with revenues to come in much lower it has been budgeted very slim. She stated there are projects we want to get done throughout the year, and Public Works can address those, but some of those have been cut, and those funds have been put back into Reserve for Future Expenditures. J. Smith stated if we do use our contingency, which is the amount that

we can use without a supplemental budget, and we need to go into the Reserve for Future Expenditures, there would need to be a supplemental budget for any of those funds.

Budget Committee Chairperson James Yonally asked for comments and questions from the Budget Committee.

Mayor Charles Rostocil asked if there is a general overall Reserve for Future Expenditures, that is not broken down by departments.

Finance Director Judy Smith said on page 24, in the General Fund it shows the Reserve for Future Expenditures in the amount of \$ 832,270.

Mayor Charles Rostocil asked why there was a drop in the Contingency on page 24 from the 2021 proposed budget. The 2020 adopted budget showed \$688,068 and the 2021 proposed showed \$284,802, a difference of \$439,266, and where did the approximately \$400,000 go from the contingency.

Finance Director Judy Smith said she did talk to the consultant about this and that is why the requested is looking the way it is, because it is correct. She stated NOW CFO did the budget for 2018 & 2019, and she would need to audit it to see exactly what they did.

City Councilor James Audritsh said at the first budget meeting Finance Director Judy Smith said that money had been put in the wrong area, and it came up on the audit the money that was put in some of these areas was not correct, so this has now been corrected and it is reflected on page 24, but because it was done wrong in 19-20 it is being corrected now in 20-21.

Mayor Charles Rostocil said he is still trying to figure out where the \$400,000 is and will have to take a closer look at it so he can try to understand.

Finance Director Judy Smith said she will get more information and get back to him with a more thorough answer.

Mayor Charles Rostocil said on page 49 there is the personnel expenses summary, but he does not see the correlation between the amounts on page 49, and the amounts listed on page 26 under personnel services.

Finance Director Judy Smith said page 26 is the salaries across all funds; the salaries are split up between the different funds, and several different employees. She said on page 49 is the total of all department's compensation per job title.

Mayor Charles Rostocil made a request to add the 19-20 budget numbers to page 49, the summary page to better understand the numbers and be able to compare this year from last year. Finance Director Judy Smith said she will try and get that added.

Mayor Charles Rostocil asked if franchise fees are truly expected to go up this year especially with the possible risk of business going out of business because of COVID-19.

Finance Director Judy Smith said franchise fees are steady, and we get those fees from the bigger companies that are able to stay in business through these types of crisis.

Mayor Charles Rostocil asked Public Works Superintendent Mike Krebs and Public Works Administrative Manager Melinda Olinger what the justification is to why we are raising the sewer and water rates again.

Mike Krebs answered the rates are being raised because every year the cost of services go up and to keep up with inflation.

The Budget Committee, City Council, and Staff discussed at length the issue of raising the water and sewer rates and the strain that it could put on Citizens because many are struggling this year because of the effects that COVID -19 virus has had. Per the 2012 Water and Wastewater Rate Study recommendations, a sewer rate increase of \$2.18 per billing cycle and a water rate increase of \$1.74 per billing cycle is included in this budget. After much discussion it was decided the increase in the water and sewer rate would be offset by a reduction in the Static Water Pressure Project fee for the 20-21 budget year. This will take effect July 1, 2020 and something will be put in the newsletter about this.

Budget Committee Chairperson James Yonally asked for comments and questions from the Public.

Budget Committee Chairperson James Yonally closed the Public Hearing on the 2020-21 Budget at 7:25 p.m.

**COMMITTEE APPROVES THE TAX LEVY AMOUNT.** MSA/City Council President James Audritsh / City Councilor Tyler Thomas made a motion to approve the Tax Levy of \$3.9921 (\$3.9772) per \$1000 assessed. Budget Committee Member Joan Viers, Budget Committee Chairperson Jim Yonally, Budget Committee Member Ally Sobó, Mayor Charles Rostocil, City Council President James Audritsh, City Councilor Michelle Dodge, City Councilor Robert Prinslow, and City Councilor Tyler Thomas were in favor. Motion carried unanimously.

**COMMITTEE APPROVES THE BUDGET FOR FY 2020-2021.** MSA/City Council Michelle Dodge / City Councilor James Audritsh made a motion to approve the Budget for FY 2020-2021 with the discussed changes of off-setting the water and sewer increase with a reduction in the Static Water Pressure fee. Budget Committee Member Joan Viers, Budget Committee Chairperson Jim Yonally, Budget Committee Member Ally Sobó, Mayor Charles Rostocil, City Council President James Audritsh, City Councilor Michelle Dodge, City Councilor Robert Prinslow, and City Councilor Tyler Thomas were in favor. Motion carried unanimously.

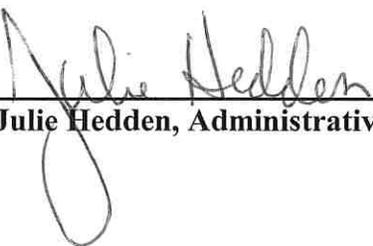
**ADJOURNMENT.** MSA/ City Councilor Tyler Thomas/ Mayor Charles Rostocil moved to adjourn the Budget Committee Meeting at 7:29 p.m. Budget Committee Memeber Joan Viers, Budget Committee Chairperson Jim Yonally, Budget Committee Member Ally Sobó, Mayor

Charles Rostocil, City Councilor James Audritsh, City Councilor Tyler Thomas, City Councilor Robert Prinslow, City Councilor Michelle Dodge in favor. Motion carried unanimously.

  
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**Charles Rostocil, Mayor**

ATTEST:

  
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**Vickie L. Nogle, MMC, Director of Administration/City Recorder**

  
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**Julie Hedden, Administrative Assistant, Transcribing/ Recording**