

BAY CITY BUDGET MEETING
May 2, 2022 5:30 PM

Members Present: Mayor David McCall, Councilors Kathy Baker, Tom Imhoff, Melissa Rondeau, Tim Josi, Helen Wright

Staff Present: City Manager Liane Welch, City Recorder Lindsey Gann, Public Works Director Roy Markee and Fire Chief Darrell Griffith

Budget Committee: Shaena Peterson, Pat Vining, Mike Rawson and Greg Sweeney, Bob Miles, Amanda Stanaway

The meeting was called to order at 5:30PM

1. ELECTION OF BUDGET CHAIR: Motion by M. Rawson and seconded by P. Vining to elect Shaena Peterson as the Budget Committee Chair. Motion carried 11-0.
2. READING OF THE BUDGET MESSAGE. Shaena Peterson suggested a reading of highlighted areas of the twelve-page budget message. City Manager Welch presented a brief overview of the budget message for the 2022-2023 fiscal year, proposed budget is \$9,113,334. City Manager Welch explained that SDC fees have previously been transferred into the operating budget and for future use will be restricted to capital improvement projects only. She stated there is a correction to the Fire Relocation reserve fund amount in the budget message. The fire relocation total should state \$140,500 not \$118,900. Debt service total is \$843,555.
3. BUDGET DISCUSSION:
 - A. GENERAL FUND (100-10)
 - a. City Manager Welch presented an overview of the General Fund, cash on hand is \$347,227 and \$68,000 for the TLT fund. Line 19 shows an additional \$155,837 for Covid relief funds.
 - b. Park camping will reopen after being closed the past 2 years due to covid and have an estimated \$6500 in budgeted resource. General fund includes a **\$15,000 grant** received from Bay City TLT. M. Rawson asked if there are restrictions on the Covid funding. Manager Welch explained there is a list of items that are allowed, and Council will make a final decision, but she is proposing it be used for infrastructure.
 - c. G. Sweeney asked if the covid funding needs to be used in a certain time frame. Manager Welch explained we have several years to spend the funds, believes the deadline is 2024. M. Rawson asked if funds could be used for the park re-design. Manager Welch explained they are still working on the masterplan for the park.

- d. Manager Welch explained the General Fund expenditures, increase to office supplies to replace the copy machine at City Hall, and an increase to building repairs and maintenance for repairs to the Fire Hall and City Hall office.
- e. B. Miles asked about the cost of health insurance being low, Finance Director Gann explained the cost of health insurance is divided between all funds, the general fund is showing only a portion of the total cost for health insurance.
- f. Motion to approve General Fund pages 1-2 by D. McCall and seconded by K. Baker.
- g. Motion Passes 11-0

B. POLICE/CODE ENFORCEMENT

- a. No items to discuss, fund will be closed out in the following fiscal year.
- b. Motion to approve page 3 by B. Mile seconded by H. Wright.
- c. Motion Passes 11-0

C. FIRE DEPARTMENT (100-30)

- a. Chief Griffith gave a brief overview of the Fire Budget. T. Josi asked if the transfer in on line 10 is from the General Fund, Manager Welch stated it does come from the General Fund along with the current year tax percentage.
- b. Chief Griffith gave a brief overview of the Fire Expense and explained the cost increase to personnel services is due to the addition of a full time Division Chief position.
- c. T. Imhoff asked for an explanation on the increase to line 20. Chief Griffith explained the Fire Department will no longer receive supplies from Adventist Health which increased the expenses in line 16 – First Aid Supplies. The cost of fuel has caused an increase in fuel expenses. Line 20 will decrease with the onboarding of the Division Chief and the removal of the IGA expense with Garibaldi Fire Department.
- d. P. Vining asked if the new radio system presented by the County will be in effect by the Fiscal Year 22-23. Chief Griffith explained it will not be in effect, it is still in the planning phase.
- e. Chief Griffith explained on page 6, the transfer to the Fire Apparatus Reserve Fund does not cover the full cost of the payment for the TLC Loan on page 25.
- f. D. McCall asked for further explanation on the transfer not covering the full payment. Finance Director Gann explained there are funds available in the Reserve Fund to cover the cost of the loan payment, did not transfer the full loan payment amount out of the fire operating fund.
- g. Motion to approve pages 4-6 of the Fire Budget by M. Rawson, seconded by A. Stanaway.
- h. Motion passes 11-0

- D. RECREATION FUND (100-50)
 - a. Manager Welch gave a brief explanation of the Recreation Fund. There is an increase to the expense line for supplies with opening the campground. Line 18 are the expenses proposed for improvements to the park from the grants received.
 - b. Motion to approve page 7, Recreation Fund by K. Baker, seconded by P. Vining.
 - c. Motion Passes 11-0

- E. TRANSIENT LODGING TAX (100-60)
 - a. Manager Welch presented the TLT fund, 70% of the TLT funds received are for Tourism Grants and 30% is placed into the General Fund.
 - b. Motion M. Rawson and seconded by A. Stanaway to approve page 8.
 - c. Motion passes 11-0

- F. PLANNING & DEVELOPMENT (100-70)
 - a. Manager Welch gave a brief overview of the planning and development fund.
 - b. Changes include the addition of a planning technician who will be promoted to a planner after his probationary period which will decrease the cost of contracted planner.
 - c. There is also an increase to the professional fees to include the cost of GIS services.
 - d. Motion by K. Baker to approve page 9, seconded by M. Rawson.
 - e. Motion Passes 11-0

- G. GENERAL SERVICES (100-90)
 - a. Manager Welch gave a brief overview of the General Services expenditures.
 - b. There is a proposed decrease in legal fees. Manager Welch also explained that she proposes increasing the unappropriated funds for savings. Currently proposing \$35,000 to be placed in unappropriated for future use and to increase the unappropriated saving amount each year.
 - c. Motion to approve pages 10-12, which includes the summary pages for the entire general fund, by T. Josi and seconded by D. McCall.
 - d. Motion passes 11-0

- H. STREET AND DRAINAGE FUND (200)
 - a. R. Markee gave a brief overview of the Street and Drainage Fund.
 - b. Line 8 includes an SCA Grant that will be received for a paving project on Hayes Oyster and Third St. There is also a transfer from the reserve fund to assist with the cost of the project.
 - c. R. Markee gave a brief overview of the expenditures, line item 30 includes costs for a feasibility study for Patterson Creek which is split between 4 funds. Page 15 line 3 is the expense line for the paving

- project.
 - d. Motion to approve pages 13-15 by B. Miles, seconded by M. Rawson.
 - e. Motion passes 11-0
- I. HOUSING REHABILITATION FUND (201)
- a. Manager Welch explained the fund is currently managed by CAT and she is proposing to the council that the City begin managing the funds directly.
 - b. Funds are to be used as a revolving loan fund which is only repaid upon the death of the owner or the sale of the home.
 - c. B. Miles asked where the funds originated from. P. Vining explained it was originally a grant received from the State. H. Wright stated the last time the funds have been distributed was around 2018.
 - d. Motion to approve pages 16-17, Housing Rehabilitation Fund by T. Josi and seconded by B. Miles.
 - e. Motion passes 11-0
- J. KILCHIS WATER BOND (300 11/12)
- a. Finance Director Gann explained the bond has been paid, page needs to stay in the budget until the historical data time has passed.
 - b. Motion to approve M. Rawson, seconded by D. McCall.
 - c. Motion passes 11-0
- K. SEWER BOND (301 11/12)
- a. Manager Welch explained the fund is for the Sewer Bond debt which are two 4.5% loans. Manager Welch asked if the committee would like to pay additional on the loan to pay the debt down earlier.
 - b. There is \$67,850 available in the fund. Manager Welch asked if the committee would like to propose an additional amount to pay towards the principal of the loans.
 - c. Motion by B. Miles to approve page 19 with an additional \$10,000 to be paid towards the principal of the loans, seconded by T. Josi.
 - d. Motion passes 11-0
- L. DEQ MIXING ZONE AND SEWER FACILITIES PLAN LOAN REPAYMENT (302 21/22)
- a. Manager Welch gave a brief overview of the fund resources and expenditures. Expenditures are for DEQ loans and repayment amounts. Payment totals are \$44,586.
 - b. Motion to approve page 20 by T. Josi, seconded by H. Wright.
 - c. Motion passes 11-0
- M. STREET RESERVE (400 13/24/25)
- a. Finance Director Gann explained that the reserve funds need to be reviewed every 10 years.

- b. Due to the dates recorded on the previous budget she has been unable to determine if reserve funds have been reviewed in the past or need review.
- c. Proposes that all reserve funds be reviewed during the 2022-2023 budget meeting to ensure all funds have had their review as required. She will note the year reviewed and will note the year a mandatory review is due next.
- d. Motion by K. Baker to approve page 21, seconded by D. McCall
- e. Motion passes 11-0

- f. Motion by D. McCall to continue the Street Reserve Fund as reviewed, seconded by K. Baker.
- g. Motion passes 11-0

- N. STREET TRUST RESERVE (400-17)
 - a. Manager Welch gave a brief overview of the fund.
 - b. Motion by T. Josi to approve page 22, seconded by T. Imhoff.
 - c. Motion passes 11-0
 - d. Motion by K. Baker to continue the Street Trust Reserve fund for 1 year, seconded by M. Rawson.
 - e. Motion passes 11-0

 - f. Motion by M. Rawson to approve page 23, street summary, seconded by B. Miles.
 - g. Motion passes 11-0

- O. BAY CITY EQUIPMENT RESERVE (401-13)
 - a. Manager Welch gave a brief overview of the fund. Transfer in of \$30,000 from BC Water, Sewer, and Water funds to put towards capital outlay purchases.
 - b. Director Markee noted a discrepancy in the transfer amount, he shows \$8,000 coming from BC Water. Page 31 shows the transfer out of \$8,000 not \$10,000 from BC Water.
 - c. Finance Director Gann will correct the Bay City Equipment Reserve fund transfer in to \$28,000 and correct line 4 of the requirements to \$38,101.
 - d. Motion by B. Miles to approve page 24 as corrected, seconded by H. Wright.
 - e. Motion passes 11-0

 - f. Motion by T. Josi to continue the Bay City Equipment reserve fund, seconded by K. Baker.
 - g. Motion passes 11-0

- P. FIRE APPARATUS & RELOCATION RESERVE (402-13/19)
 - a. Manager Welch explained a scrivener error on page 25 line 11 and 12.

- Line 11 should state \$53,950, line 12 should state \$140,500.
- b. Fire Chief Griffith explained the fund is used for equipment loan payments and saving for the fire department relocation.
- c. T. Imhoff questioned the status of the fund and the relocation of the fire department.
- d. Chief Griffith stated that the fund was established to create the match amount that may be needed for a grant in the future.
- e. Motion by T. Josi to approve page 25 with corrections to lines 11 and 12. Seconded by B. Miles.
- f. Motion passes 11-0

- g. Motion by D. McCall to continue the reserve fund, seconded by T. Imhoff.
- h. Motion passes 11-0

- Q. PARK & RECREATION RESERVE (404-13)
 - a. Manager Welch explained the purpose of the reserve fund.
 - b. Motion by B. Miles to approve page 26, seconded by T. Josi.
 - c. Motion passes 11-0

 - d. Motion by B. Miles to continue the reserve fund for one year and review again in 2023, seconded by D. McCall.
 - e. Motion passes 11-0

- R. FOOTPATHS & BIKE TRAILS (405-13)
 - a. Manager Welch explained the purpose of the fund.
 - b. Motion by K. Baker to approve page 27, seconded by D. McCall.
 - c. Motion passes 11-0

- S. BAY CITY WATER OPERATING FUND (600-00)
BAY CITY WATER RESERVE FUND (600 13/14)
 - a. R. Markee gave an overview of the Bay City Water Fund and the reserve fund.
 - b. Building has increased and more SDC fees have been received.
 - c. Received ARPA funding to purchase new meters in 2021-2022.
 - d. Water rate study planned for 2022-2023 fiscal year and the cost is split between different funds.
 - e. Motion by T. Josi to approve pages 28-33, seconded by K. Baker
 - f. Motion passes 11-0

- T. BAY CITY WATER SYSTEM FUND (601-00)
BAY CITY WATER SYSTEM RESERVE (601-13)
 - a. R. Markee gave an overview of the Bay City Water System Fund and the Reserve Fund. Percentage of water usage is itemized on page 34.
 - b. Proposed to the Kilchis Water District to add two capital payments, one for \$30,000 per year for five years for repairs to the well and buildings. Second

payment will be \$50,000 per year for twenty years to create match funds available for future grants that will be used for capital improvements.

- c. Motion B. Miles and seconded by H. Wright to approve pages 34 – 39.
- d. Motion passes 11-0

U. SEWER OPERATING FUND (602-00)

SEWER – WASTEWATER EXPANSION (602-14)

SEWER – WASTEWATER EQUIP RESERVE (602-15)

SEWER – SLUDGE REMOVAL RESERVE (602-16)

- a. R. Markee gave an overview of the sewer operating fund, and the sewer reserve funds.
- b. Cash on hand has increased due to the \$450,000 received from ARPA.
- c. Operating fund includes expense for the loan on the screens. Loan amount is for \$300,000 and is 50% forgivable.
- d. Motion by K. Baker to approve pages 40-47, seconded by B. Miles.
- e. Motion passes 11-0

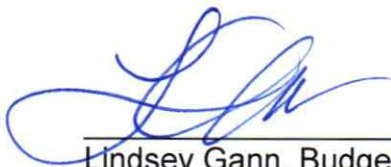
4. PUBLIC HEARING: State Revenue Sharing / Possible Uses

- a. S. Peterson opened the public hearing on the use of the State Revenue Sharing Funds.
- b. The City received no public comments.
- c. Motion P. Vining and seconded by K. Baker to take part in State Revenue Sharing Program.
- d. Motion passes 11-0

5. APPROVAL OF TAXES LEVIED

- a. Discussion was held on the proposed taxes to be levied. The total proposed taxes were at a rate of \$2.57 per thousand. This includes the Permanent Tax Rate 1.5375, Public Safety Levy \$.90, and the Sewer Bond \$.14.
- b. 2022-23 FY will be the fifth year of the 5-year Public Safety Levy at \$.90.
- c. Motion by K. Baker to approve the proposed tax rate, seconded by M. Rawson.
- d. Motion passes 11-0
- e. S. Peterson closed the public hearing.

Motion by H. Wright to adjourn the budget meeting.



Lindsey Gann, Budget Officer



David McCall, Mayor