
CITY OF CANBY
BUDGET COMMITTEE MEETING
May 18, 2023

Committee Members Present: Brian Hodson, Shawn Varwig, Elizabeth Chapin, Traci Hensley, Michelle Hensley, Jason Padden, James Davis, Jack Pendleton, Herman Maldonado, Scott Sasse, Lisa Potter, and Eric Arndt.

Committee Members Absent: Christopher Bangs

Staff Present: Eileen Stein, Interim City Administrator; Joe Lindsay, Assistant City Administrator/City Attorney; Eric Kytola, Finance Director; Jamie Stickel, Economic Development Director/Communications Specialist; Todd Wood, Transit & Fleet Director; Heidi Muller, Transit Coordinator; Don Hardy, Planning Director; Jorge Tro, Police Chief; Jose Gonzalez, Police Captain; Doug Kitzmiller, Police Captain; Eric Laitinen, Aquatics Program Manager; Jerry Nelzen, Public Works Director; Spencer Polack, Public Works Lead; and Jeff Snyder, Public Works Manager.

CALL TO ORDER: Chair Padden called the meeting to order at 6:02 p.m., followed by a roll call.

NEW BUSINESS:

A. Elect Budget Committee Chair

****Councilor Varwig nominated Scott Sasse as Budget Committee Chair. Motion was seconded by Council President Hensley and passed unanimously.**

B. Elect Budget Committee Vice Chair

****Councilor Varwig nominated Michelle Hensley as Budget Committee Vice Chair. Motion was seconded by Council President Hensley and passed unanimously.**

C. Receive Budget Message

Joe Lindsay, City Attorney, provided an overview of the budget. The City had worked to bring forward a balanced budget. It was for \$44.4 million, a little more than last year's budget, with a General Fund of \$24.8 million and the rest in capital projects and one-time expenses. He bragged about what each department had accomplished last year.

D. Review FY23-24 Proposed Budget

Eric Kytola, Finance Director, noted errors in the budget. He would bring corrections to the next Budget Committee meeting.

There was discussion regarding the inaccuracies in the document and if they could move forward reviewing the budget tonight. A Parking Lot was established for

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ongoing questions that would be answered in future budget meetings.

1. General Fund

- a. Administration – Mr. Kytola explained the responsibilities of the department, 2022-23 highlights, 2023-24 goals, and budget detail. There was a decrease in the budget due to moving an FTE to the Finance Department and less for professional services. Supplies and services had increased.

Councilor Davis suggested keeping the line item for the Mayor and City Council at \$12,000 instead of increasing it as proposed.

Councilor Hensley asked about the technical services expense. Mr. Kytola said it was for the classification and compensation study.

Mayor Hodson did not see the expense for the City Administrator recruitment. Mr. Lindsay said that would be included in the updated document. Mr. Kytola said it would be coming from contingency.

- b. HR/Risk Management – Mr. Kytola explained the responsibilities of the department, 2022-23 highlights, 2023-24 goals, and budget detail. The budget would decrease due to professional services reductions. Liability insurance had increased.

Councilor Davis asked about wage increases. Mr. Lindsay stated for the two bargaining units, the cost of living went up 4% for one and 2.5% for the other.

- c. Finance – Mr. Kytola explained the responsibilities of the department, 2022-23 highlights, 2023-24 goals, and budget detail. There was an increase due to adding an FTE.

Councilor Davis said the Council needed to accept the audit before it was sent to the state.

Councilor Padden suggested budgeting for a consultant to do some of the finance tasks that were behind. Staff would report back at the next meeting if a consultant was needed.

There was discussion regarding having the front desk person be in Finance as opposed to Admin and the number of remote workers vs. in office.

- d. Court – Mr. Kytola explained the responsibilities of the department, 2022-23 highlights, 2023-24 goals, and budget detail. There was a small increase related to attorney services.

Mr. Lindsay noted attorney services included a contract prosecutor and two contract defense attorneys. It was a conservative number as they would be negotiating the contracts to reduce the cost.

- e. Planning/Building – Don Hardy, Planning Director, gave an overview of the

robust activities supporting the Transportation System Plan and Comprehensive Plan update work. There had been a reduction in building permits, however many platted lots still had to go through the process. The professional and technical services increase was for consultant work for the plan updates and additional work for the Urban Growth Boundary expansion as well as implementation of new upcoming house bills and I-205 tolling representation. The goal was to have the Transportation and Comp Plans completed by December 2024. If they had to be continued to the next year, the cost would be much less. The UGB expansion was still unknown. However, they would not see a budget like this next year for this amount.

Councilor Varwig asked about the department costing more than they made, and how they could get to more cost recovery. Mr. Hardy said they had done a fee increase, but the intensity of permitting had been down. If the permitting increased, they would be closer to cost recovery.

Mr. Kytola said reserves were used when budgets were over. He would bring back an update on the reserve balance.

Councilor Padden suggested putting money aside for future code updates.

Mr. Hardy said the Building Department was continuing with site plan reviews. All other services were contracted with the County.

Committee Member Pendleton asked about the number of FTEs. Mr. Hardy said the County was not doing all of the reviews and all current staff was needed.

- f. Police – Jorge Tro, Police Chief, discussed increased calls for service. He asked for an increase in the budget to hire another officer. There would be interviews for the new Code Enforcement position next week. There was an increase in materials and services and dispatch and radio fees.

Councilor Padden asked about funding for the Behavioral Health Specialist position. Chief Tro said there was a plan to continue funding the position after the ARPA funds ran out.

Chief Tro noted equipment capital had gone up for computers and he had planned to use ARPA funds for body and car cameras as well as an emergency management consultant. He was looking into purchasing a K-9 unit next year.

There was discussion regarding the increase in calls, fringe benefits, and target for 1.5 officers per thousand.

- g. Parks/Cemetery – Jerry Nelzen, Public Works Director, gave an overview of the Parks department facilities, maintenance, and capital projects.

It was suggested to put \$15,000 in the budget to support Canby Kids.

Councilor Hensley asked about FEMA reimbursements from the ice storm. Mr. Kytola would bring back an update to the next meeting.

Councilor Padden asked about setting money aside for future turfing of the fields. Chair Sasse said the rental fee would be used for turf replacement.

Councilor Padden thought those funds should be allocated for that in the budget so it would not be spent on something else.

There was discussion regarding the dog park being on hiatus and funding the overage for the Community Park project.

Mr. Nelzen said they were requesting one additional employee for Parks and one part-time employee for Recreation. Regarding the Cemetery, they had to buy a new Mausoleum lift machine.

There was consensus to add a third Budget Committee meeting on June 1.

- h. Economic Development – Jamie Stickel, Economic Development Director, spoke about the activities of the department, 2022-23 highlights, and 2023-24 goals. Most of the budget was continued efforts as normal. They planned to continue awarding Community Enhancement Grants as well.

There was discussion regarding which organizations were eligible for the grants, cap of \$2,000, what to do if there was grant funding left over, why the current budget was over \$70,000, how the department was funded mainly from Urban Renewal which was going away and how to continue to fund it, quantifying how much Economic Development time was used for Urban Renewal, return on investment of economic development and the Urban Renewal District, and banking some of the money not used for tech services internal charges to reduce the cost for next year.

Councilor Padden suggested hiring someone to do grant writing for the City.

COMMITTEE DISCUSSION: None

PUBLIC COMMENT: None

REVIEW ACTION ITEMS/QUESTIONS FOR STAFF FOLLOW-UP AT MAY 25 MEETING: The Budget Committee would continue to review the budget at the next meeting on May 25, 2023.

ADJOURN:

The meeting was recessed at 8:42 p.m.