



MADRAS CITY COUNCIL WORK SESSION

Monday, March 18, 2024 at 5:30 PM

City Council Chambers, 125 SW "E" Street, Madras, OR 97741

Telephone (541) 475-2344 www.ci.madras.or.us

This meeting is open to the public. However, Council does not take public comments at Work Sessions and no formal decisions will be made.

Join via Zoom:

<https://us02web.zoom.us/j/2912614668?pwd=MIJ3ZzhOYzg0ZkhwOTZ0REgrWTFYdz09>

Passcode: **5414752344**

Join via teleconference:

From a cell phone: **971-247-1195**

From a land line phone: **1-877-853-5257**

Meeting ID: **291 261 4668#**

Participant ID: **#**

Passcode: **541 475 2344#**

AGENDA

I. Call Work Session to Order

II. Roll Call

III. Work Session Topic(s)

1. Discussion on Council's Goals and Priorities with Respect to the FY 2024-25 Budget

IV. Additional Discussion

V. Adjourn Work Session

CITY OF MADRAS
Work Session Report

Meeting Date: March 18, 2024

To: Mayor and City Council Members

From: Will Ibershof, City Administrator

Through: Will Ibershof, City Administrator

Subject: **WORK SESSION ON THE DRAFT 2024-2025 BUDGET**

Work session where staff will share with the Mayor and council four items. First, where staff predicts 2023-2024 to end. Secondly, what the draft budget looks like with council's goals. Thirdly, what we predict as the revenues for 2024-2025. Finally, staff will need direction on your goals and to align them with the projected revenue.

TYPE OF ACTION REQUESTED:

Discuss

OVERVIEW:

In years past staff would prepare a draft budget for council to consider. This process did not always create a space for council's goals and priorities. This year, staff started the budget process with a council retreat on their goals and priorities. The key items from that retreat are listed below.

Police:

- Two additional officers
- Four new police cars
- Office Assistant
- Body Cameras

Community Development:

- Full-time Code Enforcement Officer
- Additional funding for community clean-up related to homelessness

Public Works:

- Street Funding: Create a Bond committee
- Extending Runway: see if there is a need
- Wastewater: updating master plan funds

Administration:

- Rebranding/telling our story
- Communications Specialist
- Web design- see what we can do with current
- EDCO person shared with County

Finance:

- Forecasting
- Show 3 year trends
- Financial Stability
- Transparency

MRC:

- Clear funding
- Financial footing

The Finance Director then met with each department head and the City Administrator to determine the investments needed to accomplish the goals and priorities. These investments are reflected in the draft budget before you.

STAFF ANALYSIS:

The budget process for FY 2024-25 will be a different for three distinctive reasons.

1. With a new City Administrator that transplanted from another State, there will be a learning curve.
 2. There is a new Finance Director, who started just as the budget process started.
 3. The way the budget was drafted in years past, did not reflect actual costs for labor etc.
- Therefore, the General Fund is experiencing a drop in revenue from the other funds within the budget.

It will not be a surprise, that the projected revenues do not align with the estimated investments. The largest challenge is within the general fund. The table below reflects the difference between the revenues and investments. The city can balance the budget, yet it will reduce the beginning and ending fund balance by almost 2-million dollars.

**City of Madras
2024-25 Budget Worksheet
General Fund**

Description	Adopted	2023-24 Actuals	Yr End Proj.	2024-25 Proposed
Total General Revenues	11,624,381	8,855,455	11,695,511	8,559,789
Total General Expenditures	11,624,381	8,855,455	8,209,038	7,006,903
Ending Fund Balance				1,552,886
Ending Fund Balance	-	-	3,486,473	385,068
Fiscal Policy				
Ending Fund Balance				1,552,885.58
Unappropriated Ending Fund Balance				1,167,817.17
Available Funds				385,068

Revenue

The revenue estimates reflect a decrease of <\$3,064,592> or 26% due to one-time grant dollars in 2023-2024 for the warming shelter capital project. Below is a summary of changes from 2023-2024 to 2024-2025.

**City of Madras
2024-25 Budget Worksheet
General Fund
Revenues**

Description	2023-24		2024-25	Percentage	Amount
	Adopted	Yr End Proj.	Proposed		
Beginning Fund Balance	3,564,072	3,582,543	3,486,473	-2%	(77,599)
Total Revenues	11,624,381	11,695,511	8,559,789	-26%	(3,064,592)

Significant Changes.

- Property tax revenue increases by \$229,329 or 13%
- Franchise fees increase by \$8,926 or 2%.
- Community development fees decrease <\$47,450> or 26%.
- One-time warming shelter capital grants decrease by <\$2,523,581> or 100%.
- Charges for services (indirect from other funds) decrease by <487,865> or 35%.

Expenditures

The expenditure estimate reflects a decrease of <\$3,449,661> or 30% due to the completion of the warming shelter project by <2,762,201>; indirect transfer out from Parks to ISF – PW <\$243,000>, and reduction of Operating Contingency by <\$290,000>.

**City of Madras
2024-25 Budget Worksheet
General Fund
Expenditures**

Description	2023-24		2024-25	Percentage	Amount
	Adopted	Yr End Proj.	Proposed		
Total Expenditures	11,624,381	8,209,038	8,174,720	-30%	(3,449,661)

Significant Changes.

- Police department personnel increases:
- Police officer, \$135,913
- Administrative Assistant, \$126,067
- Admin personnel increases by 1.0 FTE but remains flat from 2023-2024 to 2024-2025.
- Communication Specialist, \$128,859
- Parks allocated 1.25 FTE to personnel. This aligns personnel with projects.
- Personnel COLA 3.5%.
- Health insurance increase, 7.5%.
- Operating contingency is \$510,000 for ARPA funds. Appropriations will be made for police department vehicles and equipment.
- The estimated unappropriated ending fund balance is \$1,167,817. This meets fiscal policy requirements.

Tonight, staff is looking for feedback and direction on aligning the goals and priorities with the projected revenues. Staff is requesting that we focus the discussion to council’s goals and

priorities. That way staff can work towards appropriating the resources to accomplish your goals and priorities.

Following the workshop, staff will further refine the budget, to where we can present a balanced budget to the Budget Committee and council. This is the second step in many to follow as your staff works towards a budget that reflects your goals and priorities.

FISCAL INFORMATION:

SUPPORTING DOCUMENTATION:

STRATEGIC GOAL:

Addresses all the key goals of the council.