

City Hall
206 N. Main St
Toledo, Oregon 97391
6:00 PM



Toledo Budget Committee
Budget Committee Training – also via Zoom Meeting Platform
May 26, 2026

Virtual Meeting: The Budget Committee will hold the meeting in person for the Budget Committee and staff as well as through the Zoom video meeting platform. The public is encouraged to attend the meeting electronically.

Public Comments: The Budget Committee will not take any public comments at this meeting as this will be an informational/training session only.

1. **Call to Order & Pledge of Allegiance**
2. **Roll Call**
3. **Consent Agenda**
 - a. 05-12-2026 Budget Committee Meeting Minutes
4. **Review/Discussion Budget Committee Processes/Procedures**
5. **Adjournment**

The meeting is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting by calling city offices at (541) 336-2247.

City Hall
 206 N. Main St.
 Toledo, Oregon 97391
 6:36 p.m.



**CITY OF TOLEDO
 Budget Committee Meeting Minutes
 May 12, 2026**

1. Call to Order

- a. Budget Office Huebner called to order at 6:36 PM on Tuesday, May 12, 2026, at Toledo City Hall, 206 North Main Street, Toledo, Oregon 97391. The meeting was held in person and via the Zoom Meeting Platform.

2. Roll Call and Determination of a Quorum

Committee Member	Present	Absent	Via Zoom
Mayor Mix	X		
Councilor Riley		X	
Councilor Kauffman		X	
Councilor President Silvia	X		
Councilor Burns		X	
Councilor Keating	X		
Councilor Chambers	X		
Barry Bruster		X	
Ricky Dyson		X	
Dakota McKnight-Todd	X		
Anne Learned-Ellis	X		
Jonathan Mix	X		
Kim Bauman	X		
Stephanie Smith	X		

- a. Staff Present: City Manager Rich Huebner. Public Works Director Brian Lorimor, Accounting Supervisor Cindy Oleman, HR Director Shawna Gribskov, Utility Clerk Caleb Hall, Fire Chief Dave Lapof (Online), Finance Director Mindy Switter, Interim Financial Director Judy Richter (Online) Police Sergeant Aaron Pitcher (Online), and City Recorder Paul Johnson

3. Consent Agenda

- a. The consent agenda included minutes from the 2024 and 2025 URA Budget Committee meetings, the April 7, 2026 Budget Committee Training Meeting, and the May 5, 2026 Budget Committee Meeting. Council President Silvia confirmed he had reviewed the April 7 and May 5 minutes with staff prior to the meeting.
- b. **Motion** to approve the Consent Agenda was made by Mayor Mix and seconded by Councilor Keating. The motion carried by unanimous voice vote.

Committee Member	M	S	Yay	Nay	Abstained	Absent
Mayor Mix	X		X			
Councilor Riley						X
Councilor Kauffman						X
Councilor President Silvia			X			
Councilor Burns						X
Councilor Keating		X	X			
Councilor Chambers			X			
Barry Bruster						X
Ricky Dyson						X
Dakota McKnight-Todd			X			
Anne Learned-Ellis			X			
Jonathan Mix			X			
Stephanie Smith			X			
Kim Bauman			X			

4. Discussion of Budget

- a. The City Manager opened the budget review and facilitated discussion across several areas of the proposed Fiscal Year 2026-2027 operating budget.
- b. **General Fund Revenues (Page 14)**
 - i. Mayor Mix raised a question regarding line item 402700 (Refunds and Miscellaneous), noting a significant reduction from the prior year's budgeted amount of \$155,649 and estimated actual of \$150,000 to a proposed \$58,000. Finance Director Judy explained that this line item is a catch-all and is difficult to project with precision. It was clarified that a large insurance settlement of approximately \$95,000 and a FEMA reimbursement of approximately \$75,000 related to an ice storm had inflated prior-year actuals, neither of which was expected to recur. The conservative projection was therefore tied to pre-surge historical levels.
 - ii. Councilor Chambers asked about line item 405386 (Transfer from City Council Strategic Funds), which reflected a decrease of approximately \$190,000 from the prior year. The City Manager explained that this figure is a calculated balancing amount—the difference between projected revenues and estimated expenditures—rather than a fixed estimate. He also noted that a redistribution of salary allocations across the general fund and utility funds contributed to lower general fund expenditures this year. Specifically, the City Manager's and City Recorder's salary distributions

were revised from a 94/6 split (general fund/utilities) to a 60/40 split based on a more accurate reflection of time spent across fund areas. The Finance Director and HR Director positions were similarly adjusted.

- iii. A question was raised regarding line item 402748 (Toledo Rural Fire Protection revenue), which showed a projected \$60,000, an actual of \$22,000, and no revenue budgeted for the coming year. The City Manager explained that East Lincoln Fire Protection District had ended its contract with the city in October and vacated the facility. An outstanding invoice had been sent but remained unpaid. The city currently lacks a formal collections process, and no revenue from this source was projected until that process is established.

c. **City Council Strategic Reserve Fund (Page 39)**

- i. The City Manager provided background on the State of Oregon's Strategic Investment Program (SIP), which grants a 15-year property tax exemption to qualifying large capital investment projects. In 2019, Georgia Pacific (GP) applied for and received SIP approval for the Juno Project. The exemption took effect in 2023 and is anticipated to run through February 2038. In lieu of full property taxes on assessed value above \$25,000,000, GP pays a community service fee negotiated at 35 percent of the otherwise-applicable taxes. The city's role was to enter into a fund-sharing agreement, and a 2023 resolution established specific criteria for how these SIP funds may be spent, which is why the revenue flows into the City Council Strategic Reserve rather than the general fund.
- ii. Councilor Chambers led a substantive discussion about the risk profile of this revenue source. He noted that industrial property valuation is dependent on the presence of equipment, and that if GP were to remove equipment or significantly alter the project, the assessed value—and thus the community service fee—could decline substantially. He observed that the SIP revenue is the primary mechanism currently balancing the general fund and questioned whether it should be characterized as one-time or ongoing revenue. The City Manager acknowledged the question and indicated he intended to contact Business Oregon to understand whether the state monitors approved SIP projects for continued compliance over the exemption period. Mayor Mix noted that the city has become increasingly reliant on this transfer, growing from \$200,000 in FY2023-24 to nearly \$1,000,000 in FY2025-26.
- iii. Mayor Mix also noted that projected SIP revenues for the current year were originally estimated at \$500,000 but came in approximately \$400,000 higher than anticipated, due in part to a supplemental budget approved roughly one month prior to accommodate unexpected expenditures offset by the additional SIP income.

d. **General Reserve Fund (Page 46) and Building & Property Reserve (Page 45)**

- i. The City Manager described the general reserve fund as reserves funded by transfers from the general fund in prior years. The beginning fund balance of approximately \$703,000 represents the ending fund balance from the current year. The committee acknowledged that no new transfers

into the general reserve fund are anticipated in the proposed budget, meaning the city is drawing down existing reserves to fund capital expenditures without replenishing them for future years.

- ii. Councilor Chambers stressed that this represents the last cycle in which unspent capital reserves can be used to fund the current year's capital plan without establishing a new source of capital funding. The City Manager agreed, noting that capital projects are being budgeted at conservative levels and that projects may be deferred if revenues underperform during the year.
 - iii. A committee member asked about parks equipment and improvements. The City Manager noted that equipment was acquired from the ARC Center at a discounted value and would be installed at Maple Street Park. He also confirmed a \$20,000 parks line item under the Building and Property Reserve fund. Finance Director Judy added that the ongoing parks master planning effort was designed in part to improve the city's competitiveness for grant funding.
- e. **Stabilization Fund (Page 55)**
- i. Finance Director Judy explained that the stabilization fund was established using one-time revenue to set aside funds in anticipation of significant increases in PERS (Public Employees Retirement System) contribution rates. The fund earns interest but receives no new contributions, and the city previously used a portion of it to make a side-account payment to PERS, which reduced the city's unfunded liability and lowered annual costs through a 25 percent match offered by PERS at the time.
 - ii. Councilor Chambers again emphasized that the stabilization fund represents one-time revenue. With approximately \$362,000 remaining to be appropriated, this fund will effectively be depleted after the coming budget year. He noted that between the stabilization fund, the City Council Strategic Reserve, and the general reserve fund, the city is consuming multiple one-time sources to fund ongoing operations—a practice that cannot be sustained beyond one additional budget cycle.
- f. **Public Safety Building Remodel Fund (Page 56)**
- i. A proposed transfer of \$800,000 into the public safety building remodel fund was discussed. The City Manager explained this transfer originates from the Urban Renewal Agency, not the general fund, and is intended to build a reserve to supplement any state legislative allocation for the project. The city plans to return to the state legislature in January to again request \$5,300,000 for the project. A prior request was not funded, attributed in part to a mid-biennium change in the project's floor plan and in part to a very competitive pool of requests relative to available funds.
 - ii. Mayor Mix noted that the city has invested over \$1,600,000 to date in the public safety building, which remains unusable, exclusive of the original acquisition costs. Councilor Chambers cautioned against placing excessive weight on the stated reasons for the prior legislative denial, noting that the state capital budget process is primarily political rather than criteria-based. He suggested that direct engagement with Representative Gomberg and

Senator Anderson would be more productive than adjusting the project application. Mayor Mix added that the legislature had also viewed the unfinished projects of the Port of Toledo and the Toledo Pool District as a factor, and that clearly distinguishing the city as a separate entity from those bodies would be important in future testimony.

g. Water Fund Revenue Correction (Page 33/35)

- i. Mayor Mix identified an error in the beginning fund balance for the Water Fund on page 33. The figure as printed was \$600,266; the correct amount, derived from the ending fund balance on page 35, was \$560,300—a difference of \$39,966. To maintain a balanced budget, a corresponding reduction was proposed to the Water Distribution contingency line item (page 35), reducing it from \$137,007 to \$97,041. The corrected total Water Fund revenue and expenditure figure was established at \$2,199,350.
- ii. **Motion** to amend the Water Fund revenues and expenditures to correct the beginning fund balance on line item 124001000 to \$560,300 and to reduce the Water Distribution contingency line item 0121256401000 to \$97,041, resulting in balanced Water Fund revenues and expenditures of \$2,199,350, was made by Mayor Mix and seconded by Councilor Keating. The motion carried by unanimous roll call vote.

Committee Member	M	S	Yay	Nay	Abstained	Absent
Mayor Mix	X		X			
Councilor Riley						X
Councilor Kauffman						X
Councilor President Silvia			X			
Councilor Burns						X
Councilor Keating		X	X			
Councilor Chambers			X			
Barry Bruster						X
Ricky Dyson						X
Dakota McKnight-Todd			X			
Anne Learned-Ellis			X			
Jonathan Mix			X			
Kim Bauman			X			
Stephanie Smith			X			

h. Department Operating Budgets and Capital Improvement Plans

- i. **Police Department:** The City Manager noted that \$30,000 is budgeted for potential renewal of the department's legacy records management software subscription, which remains active during an ongoing transition to a new platform. He indicated a plan to discuss with Chief Pace the possibility of combining that \$30,000 with \$20,000 identified in a supplemental budget to hire temporary administrative support to complete the data migration before the March renewal date, potentially saving the subscription cost. Council President Silvia had separately raised the need for additional part-

- time administrative support for the police department, and the City Manager confirmed that \$20,000 had already been identified by Finance Director Judy for this purpose in an upcoming supplemental budget.
- ii. **Fire Department:** Mayor Mix inquired about the proposed cardiac monitor upgrade. Fire Chief Lapof confirmed the equipment would be a certified remanufactured unit, compatible with ambulance equipment, and would enable advanced EMTs to interpret cardiac rhythms, communicate STEMI diagnoses, and in appropriate cases request direct helicopter transport.
 - iii. A committee member asked about the fire station roof replacement, specifically the difference in longevity between the composition shingle and metal roofing options quoted. Staff indicated a 40-year warranty had been identified for one of the architectural (malarkey) shingle options, while the metal roof option was understood to have a longer lifespan. The cost difference between the two options was noted as significant.
 - iv. **Street Striping:** The City Manager noted a proposed \$55,000–\$56,000 CIP item to restripe approximately 180,000 linear feet of centerline and fog line across city streets. He added that a prior contractor had completed substandard work on a stretch of Highway 20 and had not been paid; a different firm was being engaged to both correct that section and complete the broader restriping project. The City Manager also flagged that a portion of restriping costs within the Urban Renewal Area boundary could potentially be charged to the URA budget rather than the general fund, reducing general fund expenditure pressure—a budget amendment he indicated he may bring forward during the year.
 - v. **Library:** A committee member asked about the consolidation of the library's "Supplies" and "Office Supplies" line items. Library Director Harrison explained that in the library context the distinction between the two categories was largely arbitrary, and consolidating them would simplify bookkeeping. Mayor Mix suggested that "Supplies" was a more inclusive label than "Office Supplies" for the combined line item. The library director agreed and the committee proceeded with a motion to consolidate.

- vi. **Motion** to reduce the Library Office Supplies line item (001-700-600100) to \$0 and to increase the Library Supplies line item (001-700-60800) to \$8,000 was made by Mayor Mix and seconded by Councilor Chambers. The motion carried by unanimous roll call vote.

Committee Member	M	S	Yay	Nay	Abstained	Absent
Mayor Mix	X		X			
Councilor Riley						X
Councilor Kauffman						X
Councilor President Silvia			X			
Councilor Burns						X
Councilor Keating			X			
Councilor Chambers		X	X			
Barry Bruster						X
Ricky Dyson						X
Dakota McKnight-Todd			X			
Anne Learned-Ellis			X			
Jonathan Mix			X			
Kim Bauman			X			
Stephanie Smith			X			

i. **Broader Fiscal Concerns**

- i. Councilor Chambers offered an extended summary of the committee's financial context. He noted that as recently as FY2022-23, the general fund beginning fund balance was \$2,100,000; in the current proposed budget, it stands at \$830,000. In prior years—FY2019-20 through FY2021-22—no transfers from reserve funds were required to balance the general fund. Transfers began in FY2022-23 at \$240,000 and have grown consecutively, reaching approximately \$1,000,000. The unappropriated ending fund balance, historically in the \$300,000–\$400,000 range, sits at approximately \$84,000 in the proposed budget.
- ii. Councilor Chambers stated plainly that the budget as presented does not meet the committee's own guiding principle that one-time revenues be used only for one-time expenditures, and that he would vote yes on this budget but would not do so again under similar conditions. The City Manager accepted this characterization and acknowledged that his first year was spent learning the organization. He expressed confidence that with a new Finance Director and fresh perspectives, the coming year would yield new approaches to aligning revenues and expenditures.
- iii. Council President Silvia echoed the concern and expressed interest in seeing greater attention to grant revenue, noting that the library's strong track record in grant-writing demonstrated that external funding is attainable. The City Manager identified the redistribution of salary costs across fund centers as immediate low-hanging fruit, and indicated he would explore additional opportunities throughout the year.

5. Public Comments

- a. In-person/Online Comments
 - i. No public comments were received from in-person attendees or online participants.
- b. Submitted Comments
 - i. No submitted comments were received.

6. Decision Items

- a. Motion to approve the City of Toledo's Fiscal Year 2026-2027 budget as amended by the Budget Committee in the amount of \$26,722,746, to approve a tax rate of \$5.18 per \$1,000 of assessed value, to approve \$176,687 in bonded debt, and to accept state revenue sharing, was made by Council President Silvia and seconded by Mayor Mix. The motion carried by unanimous roll call vote.

Committee Member	M	S	Yay	Nay	Abstained	Absent
Mayor Mix		X	X			
Councilor Riley						X
Councilor Kauffman						X
Councilor President Silvia	X		X			
Councilor Burns						X
Councilor Keating			X			
Councilor Chambers			X			
Barry Bruster						X
Ricky Dyson						X
Dakota McKnight-Todd			X			
Anne Learned-Ellis			X			
Jonathan Mix			X			
Kim Bauman			X			
Stephanie Smith			X			

7. Adjournment

- a. The City Manager invited all committee members to attend a debrief meeting the following week at 6:00 PM in the Council Chambers to discuss process improvements. The meeting was adjourned at 8:45 PM.

APPROVE:

ATTEST:

President Tracy Mix

City Recorder Paul Johnson