

CITY OF COQUILLE
BUDGET COMMITTEE MINUTES
April 20,2015

Council Present: Mayor Matt Rowe, Councilors Loran Wiese, Linda Short, Fran Capehart, Susan Heaton, Dennis Graham, and Dave Chappelle.

Budget Committee Present: Terry Mai, Bryan Baird, Julie Watte, David Jennings, Clay Davis and RJ Brenner

Staff Present: City Manager Ben Marchant, Finance Director Chuck Dufner, Fire Chief Dave Waddington, Police Chief Janice Blue and City Recorder Rene Collins

Press: None

Audience: A roster of those present is on file in the City Recorder's Office

1. Election of Budget Committee Officers

Mayor Rowe called the meeting to order at 7:02p.m.

Committee Member Short nominated Loran Wiese for the position of Budget Committee Chairman. Committee Member Heaton seconded the motion; all members present voted in favor. Clay Davis declared a conflict as he is the City's insurance representative, but felt he could make an impartial decision.

Member Capehart nominated City Recorder Rene Collins for Secretary. Member Watte seconded the motion; all members present voted in favor.

2. Public Hearing on State Revenue Sharing

Budget Committee Chairman Wiese opened the Public Hearing on State Revenue Sharing at 7:06 p.m.

Finance Director Dufner said we received requests from organizations from the community and a few additional requests we received today. Sometimes representatives from the organization will talk about their requests.

Russell Pederson Transit Manager of CCAT thanked the City for the money they have received in previous years. They turn the \$3,000 into \$30,000 which helps with their budget of \$829,000. They expect to provide approximately 3,810 people with rides from Coquille this year and are requesting \$3,000. Member Rowe asked if they were still delivering the Meals on Wheels. Mr. Pederson said yes and they planned on continuing that service.

Member Heaton said the Garden tour brings a lot of people to town. The citizens open their gardens and yards to people and give a lot of gardening information to the community during the tour. She encouraged the city's continued financial support to help with advertising and operating expenses.

Kathi Simonetti, Chamber of Commerce, is requesting \$5,217 to be used to advertise and promote the community. The advertising will include local events, the river walk, carousel, local businesses and anything that will help increase tourism. This year they are a working chamber and they sold ads in the 101 Places to Visit program to help pay for the project which is a 3 page ad which costs approximately \$6,300 and they are advertising in The Window. This year they would like to advertise in the Sunset and Travel Oregon magazine to promote tourism in Coquille. This year she has worked with a map company to show more concentration in our area. They print at least 250,000 copies. Member Brenner asked if there was a way of tracking a return on this type of investment. She will be working on a tracking card and something to get visitors to stop at the Chamber. Member Baird said he is concerned about the amount of revenue sharing dollars versus the amount being requested and if the entire amount of \$5,217 is granted to the Chamber they will be using a 1/3 of the money.

Chairman Wiese said the Coquille Historical Society Museum has requested \$3,000 which is a constant.

Finance Director Dufner said the Coquille Valley Christian Ministerial directly helps the city's water customers and he spoke with Pastor Duke about sending in a request and he is not sure what happened to it. Finance Director Dufner said he put in the amount of \$1,500 because he knows the benefit it provides to the local citizens.

Finance director Dufner, said he did not receive an official request from Senior Meals so he put in \$2,000 which is less than last year due to the reduced amount of rent they pay for the use of the community building.

Cheryl Brown, Area Manager of the South Coast SMART reader program, said Lincoln School of Early Learning supports the program and they also have a program for 1st-3rd grades. Volunteers read to the children from 15 minutes to 30 minutes every week for 7 months. The money is used for books and the operating costs of the program which is \$300 per child. Member Jennings asked if other cities are donating money. She said they will receive money from the City of North Bend. Finance Director Dufner said the request did not have an amount so he put in \$500 which is the amount requested in the past.

Member Short read a letter from the Coquille Carousel requesting \$1,000 to help promote the Carousel throughout the county. Member Baird asked if this would be separate from the Chamber advertising, Member Short said yes.

Roger Langlie, Executive Director Bob Belloni Ranch, said they have submitted a proportional ask in the amount of \$1,000 for their difficult program. They average 13-14 beds being utilized of the 18 available. They have a budget short fall in the amount of \$13,500. Member Rowe asked how many of the children were from Coquille. Mr. Langlie said about 11% of the youth they served were from the City of Coquille and that the cost is approximately \$165 per day. Mr. Langlie said their website has a lot of interesting history about the organization and the programs they offer.

Chairman Wiese closed the public hearing at 7:50 p.m.

Chairman Wiese said these are the requests; CCAT Transit, \$3,000; Neighbor-to-Neighbor, \$900; Belloni's Ranch, \$1,000; Operation Coquille, \$1,100; Operation Coquille Garden Tour,

\$1,200; Coquille Valley Historical Museum, \$3,000; Women's Safety Resource Center, \$500; Chamber of Commerce, \$5,217; and Coquille Valley Christian Ministerial \$1,500, SCBEC Senior Meals \$2,000, SMART Reading Program \$500, Coquille Carousel \$1,000 for a total of \$20,917 and staff has asked to keep it around \$16,000.

Member Short said that it is hard to give money to people that do not attend the meeting even though they all have good projects. Finance Director Dufner said he did not call the individuals and ask them to attend, it was published in the newspaper twice. Chairman Wiese said that it might be a good idea to create a policy that if you are requesting money that you need to attend the State Revenue Sharing Hearing. Member Brenner asked if the SCBEC Senior Meals and the Coquille Valley Christian Ministerial submitted a request. Dufner said he received an oral request from Pastor Duke and that SCBEC Senior Meals did send in a request for money. City Manager Marchant said at the last City Council Meeting Council asked staff to look at a transit lodging tax which by law 70% must be reinvested in tourism and related marketing and the ordinance has not been brought before the council but there could be supplemental income source if the ordinance was adopted. He stated the remainder of the state shared revenue is put into a promotional fund to help promote the City and that amount could be less this year if everyone wanted to fund the entire request of \$20,917 or you could allocate less and use some of the money in the promotion fund for specific advertising promotions later in the year.

Member Rowe said he does not have a problem giving the extra amount because it is promoting the City. Member Baird agreed because the spirit of the promotion program is what the Chamber is doing.

Member Rowe asked what the Women's Safety Outreach program is. Finance Director Dufner said it is to let the people in Coquille know what services they offer. Several budget committee members agreed that those asking for money should give a presentation.

Member Heaton made a motion to accept \$36,000 in State Revenue Sharing Funds. Member Short seconded the motion; all voted in favor

Member Heaton made a motion to disburse the State Revenue Sharing funds as follows: CCAT Transit, \$3,000; Neighbor-to-Neighbor, \$900; Belloni's Ranch, \$1,000; Operation Coquille, \$1,100; Operation Coquille Garden Tour, \$1,200; Coquille Valley Historical Museum, \$3,000; Women's Safety Resource Center, \$500; Chamber of Commerce, \$5,217; and Coquille Valley Christian Ministerial \$1,500, SCBEC Senior Meals \$2,000, SMART Reading Program \$500, Coquille Carousel \$1,000 for a total of \$20,917. Member Chappelle seconded the motion; all voted in favor.

3. Public Hearing Presentation of 2015-2016 City Budget

Chairman Wiese said if you have questions about the budget please ask them because it is important that you are sure about the budget numbers and the distributions.

City Manager Marchant said things have not changed very much from last year. Revenues are scarce and we are trying to provide the same service, and keep costs steady. The city has become very creative by purchasing some property to sub divide and sell the lots which would increase tax revenues and the City is working on a timber sale. These would be onetime revenue items and so the expenditures need to be planned and there has been discussions about setting aside 1/3 for road construction, 1/3 general fund reserves and 1/3 for property management. The City has grown in terms of the property by purchasing the ODOT building, which is housed with

fire equipment and the public works department including equipment. The three road projects planned have been postponed due to the sinking of Central Blvd across from City hall which has been an ongoing issue over the years even when ODOT owned it. There has been a consistent decline in the general fund reserves due to the fact that the revenues have not been able to meet the expenses of the general fund. Over the past few years the general fund has been using between \$125,000 and \$150,000 out of the reserve to cover expenses. Staff has proposed a lean budget that balances the deficit and without adding any additional revenues. A police officer position has been eliminated that was budgeted previously and is vacant at this time. We put a hold on non-union raises, and reallocated some costs for services provided between funds. The budget committee can chose to fund some of these items by making changes or finding additional revenue. With only 5 police officers and one leaving shortly it will put the police department in a very tight spot if someone is sick or at training which then will cost more in overtime or if someone leaves the department. The City is looking at funding a 6th police officer for 3 months to see what happens with staff in the next 90 days. Member Baird said he reviewed the budget showing it started in \$136,000 in the hole. He asked if the Cola affects all employees; City Manager Marchant said no, only non-union which is about half of the staff. Marchant said it would become a union negotiation next time. Chairman Wiese said he doesn't like that some of the employees will not be getting raises but it is the reality. Marchant said the raises are approximately \$8,000 for the non union employees. Member Watte said on page 3-3 the ending funding balance has been decreasing over the last 4 years and how will it be in 4 years from now. Chairman Wiese said that is because the general fund is the hardest to fund. City Manager Marchant said about a 1/3 of the timber sale funds will go into the general fund reserve to build it back up. Member Jennings said it is his understanding that the PERS rates are stable and have been going down but what would happen if there was an unfavorable decision in the court do we know what type of financial impact that could have on the city; Finance Director Dufner said we have not received a rate at this time but we believe that it will increase by 6% every biennium.

4. Budget Discussions/Recommendations

Finance Director Dufner reviewed the cuts in the general fund and other possible sources of revenue page 248. One person is going part time and he wants to add a full time person that would track account receivables on the Springbrook system for the court, and lateral repairs loans. Police will add a 6th person for the next few months, and we are looking at a RARE student to help in planning. Employee Arellano's time has been switched. Some of his salary is due to the number of different things he does. During the Council Work Session we discussed increasing the franchise fees, there could be an additional \$131,000 in yearly income. The Water and Sewer department pay a tax in lieu fee which has not been increased in several years and that could be increased. The allocations for services provided could be updated.

Finance Director Dufner said it makes the most sense to raise the franchise fees. Member Baird asked about the municipal court, Dufner said the revenue would be increased due to bringing the process in house. Member Baird said the franchise fee was contested by citizens of Coos Bay and North Bend and do we know what their rates are; Marchant said 7%. Brenner said if the water and sewer franchise was increased would that increase the monthly billing amount.

Finance Director Dufner said not necessarily but it is a possibility. Mayor Rowe said he is concerned about losing an officer and then the overtime goes up which costs more than the lost officer. Dufner said the overtime costs have been high the last few years due to people being at the academy; the new person would be a lateral transfer which would help control the costs. Chief Blue said that some of the overtime costs are not controllable due to time spent at court.

Member Jennings said officers working a lot of overtime can cause fatigue which can cause errors in judgement so it is important to keep that position if possible. Member Baird said because we are the county seat with a jail this is not the normal city of 4,000. The budget committee supports the need for the 6th officer in the police department. City Manager Marchant said the 6th position would give the police department more flexibility and allows for the K9 to be dispatched. The budget committee said they need to be looking at the 6th officer on an ongoing basis. Member Chappelle asked how the budget cuts will affect training; Chief Blue said officers are required to take certain training and the department always takes advantage of free training and they do need some additional training in certain areas. Member Chappelle said the Fire Department also requires training.

Chairman Wiese said he would like the department heads to review any major issues or changes in their budgets.

Finance Director Dufner reviewed the following changes:

- In the sewer fund there will be more work surveying the lateral lines so some time has been shifted from streets to sewer.
- Planning is looking at getting a RARE student to help with the planning, and a ½ time utility person will assist Planner Urban and assist in the accounting office.
- In the Parks and Recreation Department Planner-Public Works is working on a park master plan, fish cleaning station and the Rietman Park Grant.
- Community Services will be working on paving and lighting in the Reitman Park.
- State tax street fund pays for pot holes and street lights and Urban is saving for street sweeper.
- Capital Project Funds major focus is streets which will receive part of the timber sale money and the project for this year will be the sinking of the road on Central Blvd.
- Water fund will be for the Henry Street pump station needs a new roof and added ¼ of new billing clerk salary. The water treatment plant needs a generator and the City will run water and sewer lines to the Jefferson properties.
- Sewer fund will pay for a ¼ of the utility billing clerk salary, lateral loan program, sewer line to Jefferson school property
- Sidewalk fund budgeted building a new sidewalk on the sinking of the road on Central Blvd area. Member Watte asked who decides what the charge would be hooked to the sewer city services and will it be deterrent to people purchasing lots, Dufner said about \$9,000 and he did not think that would make a difference as the contractor considers it a cost of doing business. Marchant said the idea is to increase the tax base.
- Member Baird asked why the administrative costs in the Property Management costs have increased; Finance Director Dufner said marketing the City and any unanticipated

costs of the timber sale. Member Watte asked what will the \$200,000 in capital outlay be used for; Finance Director Dufner said the money will come from the timber sale and it will be used to help develop the GP site.

Chief Blue presented the police department budget:

- Chief Blue said the only thing that has changed is getting a newer 3rd vehicle that would be a patrol vehicle and be used daily, additional cars would still be needed because they are all on duty sometimes. She is also looking at purchasing a couple of tablets. Member Rowe asked why some agencies are going to the SUV's, she said sometimes because of weather but she prefers a patrol car. City Manger Marchant said a new vehicle costs about 35,000 but we were only able to budget \$20,000. Member Brenner asked what are we sacrificing by spending only \$20,000 vehicle, Chief said it would depend on the mileage. Member Jennings said the community has expressed issues with the jail time release and prosecuting from the DA's office, City Manager Marchant said we continue to have a dialogue with the County about their process. Member Jennings asked if there is still a problem with citizens reporting issues, Chief Blue said yes it is ongoing even though they are told the police will respond.

Fire Chief Waddington presented the ambulance and fire department budgets:

- The ambulance service is funded by fees and this year \$15,000 from the rural fire department which the City will match. Waddington said the ambulance fund does not receive tax dollars it has to be self supportive. The Rural Fire Department is contributing \$15,000 and the City is matching those funds for the 2015-2016 budget. Fire Chief Waddington said he would be looking at things to try and find stable funding based on the work session discussions. Member Brenner asked why there was a large increase in insurance costs, Finance Director Dufner said it was due to an employee change. Member Watte asked what was the plan to aggressively promote the Fire Med Program; Waddington said they are looking at that program and what is going to work for the program in the future.
- The last few years the Rural Fire Department provided half of the budget money for the Fire Department; for the 2015-2016 budget the contribution will be \$137,000. Chief Waddington is looking at hot tarring the roof, upgrading the storage at the ODOT building, painting the fire station. Finance Director Dufner said on Page 2-39 there is a line item named transfers to other funds that should be zero and move \$15,000 to the equipment reserve line item because the Rural Fire Department will be donating \$15,000 to the ambulance fund.

Finance Director Dufner presented the library budget

- The library budget is not much different from this year. The goal is to get some plans to change the McKay's building into a Library and make fund raising decisions based on those plans.

Finance Director Dufner presented the general fund budget.

- Support services fund is looking at purchasing an accounts receivable module in the

amount of \$10,000 which will be ran by the new person in the accounting department.

- In the Perpetual Care Fund the following two transfers are budgeted; \$20,000 to the community building and \$10,000 to the library fund for the new library.

Member Brenner said he is in favor of the raising of the franchise fees if it does not cost us any business. He asked what the timing of raising the franchise fees would be because the additional revenue would cover the cost of the sixth officer, a increase of \$15,000 for a vehicle for the police department and non union cost of living increases. Finance director Dufner said we have been talking about rebuilding the reserve fund and we are already making some optimistic assumptions and he is reluctant to spend the money at this time if the franchise raise was approved. Member Brenner asked about increasing our internal fees with the water and sewer departments to help with the gap and adopt new franchise fees that could cover any potential losses. Finance Director Dufner said at this time there are too many assumptions to make changes to spend possible additional revenue at this time. Member Baird said there is a possibility of income from fines to increase if we have our municipal court. Chairman Wiese said one of the priorities is to get the sixth officer back in the budget. Member Brenner is concerned that we do not have a definitive plan to have the sixth officer. City Manger Marchant said that we don't always gain by being frugal. The Police Department was up to full staff for about 2 months and having that sixth officer would make a huge difference. Brenner asked what would we have to do to make this part of this budget, Chairman Wiese said there would have to be a reworking of the budget.

Member Watte asked why the part time pool manger salary increased; City Manger Marchant said this year we have a part time assistant pool manager as well as a pool Manager to make sure there is someone to cover the shifts. There will also be additional life guards with each one working less hours.

Member Capehart made a motion to recommend approval and to forward the modified presented budget for the fiscal year of 2015-2016 in the amount of \$13,656,157.00. Member Short seconded the motion, all members voted in favor.

5. Approval of City Tax Levy Rate

Budget Committee Member Capehart made a motion to approve the tax levy rate of 6.1038 per \$1,000. Budget Committee member Short seconded the motion; all voted in favor.

6. Adjournment

Chairman Wiese adjourned the budget meeting at 9:54 p.m.

Chairman, Loran Wiese

ATTEST: _____
Secretary, Rene Collins

COQUILLE URBAN RENEWAL AGENCY
BUDGET MEETING MINUTES
April 20, 2015

1. Call to Order

Chairman Wiese called the Urban Renewal Agency budget meeting to order at 9:54 p.m.

2. Presentation of the 2015-2016 Budget

Chairman Wiese opened the public hearing at 9:54 p.m.

Finance Director Dufner said he has budgeted \$447,000 which is the amount of money the URA will collect this year less the \$100,000 for the entry way. The discussion has been to possibly use the \$447,000 for the downtown revitalization.

There was no comment from the public.

Chairman Wiese closed the Public hearing closed at 9:56

Member Capehart made a motion to recommend approval of the proposed 2015-2016 Urban Renewal Agency budget. Member Mai seconded the motion; all present voted in favor.

3. Adjournment

Chairman Wiese adjourned the budget meeting at 9:58 p.m.

Chairman, Loran Wiese

ATTEST: _____
Secretary, Rene Collins