

CITY OF COQUILLE
BUDGET COMMITTEE MINUTES
April 18,2016

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

Budget Committee Present: Julie Watte, David Jennings, Clay Davis, Lynn Kindred, Arnie Hill, Ron Tollenaar III, Alyssa Misfeldt

Staff Present: City Manager Ben Marchant, Finance Director Chuck Dufner, Fire Chief Dave Waddington, Public Works/ Planning Director Urban, 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 Davis nominated Loran Wiese for the position of Budget Committee Chairman. Committee Member Heaton seconded the motion, and 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, and 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 7:05 p.m.

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

Melissa Nagel Senior Services Area Manager of Aging represented CCAT. They provided approximately 3,904 people with rides including 496 seniors 1,103 disabled and 2,305 from general public last year. Member Capehart asked if a second bus from Coquille could be added, and she said the routes and times are being reviewed to help with court scheduling. Member Rowe asked if they are still delivering senior meals, and Ms. Nagel said yes.

Melissa Nagel Senior Services Area Manager represented senior meals. She said the program has been increasing about 17% a year, and that trend is expected to continue, and some inbound meal recipients are on a waiting list. All Coquille funds stay in Coquille. Member Rowe asked what the rent amount is for the Community Building, and Finance Director Dufner replied it was

\$300 a month. Member Rowe would like to be able to give more to help. Ms. Nagel said they have lost food in the refrigerator due to a break down, and the door being left open once. Member Rowe made a motion increase the senior meals donation amount from \$2,500 to \$3,600. Member Capehart seconded the motion, and all voted in favor.

Don Delyria represented the Operation Coquille Farmers Market, which is held at the old GP site. They have been open since 2004 and they are requesting \$1,000. Budget Committee Chairman Wiese said he was surprised they did not have to pay space rent, and Mr. Delyria said that has been changed and the vendors will pay \$5. Member Rowe asked if they were able to take EBT and WIC, and Mr. Delyria replied that they are working on that for this year. Delyria said the money would be used for advertising, lease from city, portable potty, and fire suppression. Member Graham said it looks like form the request that this is a onetime request, and Mr. Delyria said that is the goal.

Don Delyria also represented Operation Coquille hanging flower baskets. He noted that all the baskets survived except one, and the flowers are being planted at this time. Member Short asked if they still pay a sports team to water, and Mr. Delyria said that they have not been able to set that up at this time.

Don Delyria also represented Operation Coquille Garden Tour. They asked for \$1,100, and it will be used for advertising and printing of materials. Last year there were 112 participants, which is very good for Coquille. Shannon is the Secretary and Treasurer for Operation Coquille. Member Capehart asked if they were working with the Chamber on the program, and Shannon said they haven't, but they do have an advertising program.

City Manger Marchant said that he received a request from the Coquille Garden Club for the upkeep for the Clock Tower. Member Heaton made a motion to donate \$500 to the Operation Coquille Garden Club Clock Tower fund from the occupancy tax. Member Graham seconded the motion, and all voted in favor.

Angela Phillips, Program Manager, represented Neighbor to Neighbor. They are asking for \$1,000 for the program, which assists with small claims, property issues, and works with the department of human resources, foster programs along with many others. Several people were helped in Coquille.

Member Rowe said he spoke with the Women's Safety Source, they provide a needed service to the community, and they are a great asset. They served approximately 46 people from Coquille, they depend on cities donation, and he was surprised they did not request more.

Member Heaton urged council to give consideration to the Chamber of Commerce because they are very active in the community. Chairman Wiese asked when the donation became \$5,217, and Member Rowe said last year it went to \$5,000.

Terri Craggs, President of the Coquille Historical Society Museum, requested \$3,000, which helps pay for utilities and building upkeep. They provide tours for children, and they had over 2,000 volunteer hours last year. Member Heaton asked how the renovation was going on the floors, Craggs said HGE estimated the cost at \$200,000 for the repairs, and they are also hoping to take some windows out, put up a wall, and move the entrance.

City Manager Marchant said he has been serving as the Chairman of SCDC. He believes the City does receive a great deal from them as they promote the GP site to potential site selectors and businesses, and they are requesting \$5,000. Member Rowe said that they are working on marketing the community. The Budget Committee Chairman Wiese said he feels the SCDC has spent millions of dollars over the past 15 years to bring jobs to the community and they were not successful. City Manager Marchant said they have several reports showing jobs that continue to flourish due to their contacts. Member Rowe suggested to continue to support the program for a few years to help them succeed. Member Heaton asked if we have a number of how they have helped Coquille, Marchant said he doesn't believe Coquille has received any jobs at this time. Member Jennings asked if other cities are participating, Marchant said most cities are with varied amount of memberships. Member Rowe said he feels we should support this group because they have done some good and are working many new projects. Member Hill said he thinks it is a good program and the City should invest.

Shirley Bower, Treasurer Coquille Carousel, said they are requesting \$1,500 to help promote the Carousel throughout the county. She thanked the City for their support in the past. Member Rowe asked how much rent they are paying, City Manager Marchant said they are not charged anything, but they did vote to pay \$100 a month to help with utilities. Member Misfeldt asked how is the carousel going to help Coquille, and Ms. Bowers said it will bring people here and they are also teaching children and adults how to carve.

Chairman Wiese closed the public hearing at 8:10 p.m.

Member Rowe made a motion to adopt the State Revenue Sharing funds disbursements as amended in the amount of \$14,850 as follows: CCAT Transit, \$3,000; Neighbor-to-Neighbor, \$1,000; Belloni's Ranch, \$1,000; Women's Safety Resource Center, \$500; South Coast Development Council \$5,000; SCBEC Senior Meals \$3,600; SMART Reading Program \$750. Member Capehart seconded the motion, and all voted in favor.

3. USES OF OCCUPANCY TAX

Member Short made a motion to accept the occupancy tax disbursements in the amount of \$13,517 as follows: Operation Coquille Farmer's Market, \$1,000; Operation Coquille Garden Club Clock Tower, \$500; Operation Coquille Garden Tour, \$1,100; Operation Coquille Flowers, \$1,200; Coquille Chamber of Commerce, \$5,217; Coquille Carousel, \$1,500; and Coquille Valley Historical Museum \$3,000. Member Chappelle seconded the motion, and all voted in favor

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

4. Public Hearing Presentation of 2015-2016 City Budget

Chairman Wiese said if there are 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 the budget is looking a little more encouraging due to the timer sale funds. The City continues to look for creative ways to increase our operating capacity and find

new revenue sources. The Jefferson School building has become an office mall, and the City has subdivided the property into eight lots to be sold which would increase tax revenues. The road project planned is to fix the sinking area of Central Blvd across from City Hall with a project cost estimate of \$300,000. The City received a grant in the amount of \$50,000, and the County will partner with the City for this project by providing in kind material and manpower. There is a concern about growing costs that are beyond our control. In the future insurance premiums will increase, as will PERS, which may cause a burden on the city and cause staffing issues. We want to maintain a healthy reserve to help in leaner years, and give the city a chance to find sustainable funding sources.

Member Davis asked the amount of the timber sales revenue, and Marchant said the estimated amount is about 1.18 million, but the harvest has been postponed until fall or even next winter.

4. Budget Discussions/Recommendations

Finance Director Dufner said some changes needed to be made due to the fact that the USDA loan has a stipulation that requires the current sewer rate must cover the current year operating expense of personnel, materials, and other debt with sufficient revenue remaining to pay 105% of the USDA bond. The carryover from previous years is not considered in the calculation, and we may not be in compliance for 2015-2016 due to a spread sheet error. Finance Director Dufner reviewed his changes in the general fund, sewer fund, and the water fund. Some of the changes include a correction of the utility clerk employee, and dropping a new public proposed public works employee. Miscellaneous income that has been going to the water fund in the past will be put in the sewer fund. The budget has been increased for the inflow and infiltration work as the USDA and the DEQ loans require the City to work on this issue.

The fire fund had a typo which increases tires by \$2,700 and dispatch reduced by \$18,000. A linkage error shows a building reserve in building consulting as \$264,639, which is the wrong line item, and was redistributed to equipment reserve in the amount of \$40,000, and to the building reserve \$239,939.

Chairman Wiese asked how Finance Director Dufner found the errors, he said when he received a letter saying that we were not in compliance and then finding out we were out of compliance and we were able to lower expenses and increase revenue to comply. Finance Director Dufner said we are also requesting an increase in water and sewer rates over the next couple of years to keep those funds in compliance with the loan stipulations. The consequences of not being in compliance are receipt of a letter the first year, and then they look for a trend and get more serious if you do not try to comply.

Public Works Director/Planner Kevin Urban talked about the responsibility of each department. He said he was told that the Port of Bandon will be giving the City \$6,500 towards the cost of the fish cleaning station. There were three major projects completed this year including completing the Jefferson School subdivision, including installing the water line and meters for the new lots. There was also a sewer line extension, and two overlay projects. One was 6th and Baxter, the other was between 7th and 8th Streets on Collier, and the second also had a new waterline under the street.

- Planning budget was reduced to the fact that there will not be a rare student next year. The rare student we have this year is doing a great job.

- Parks and recreation they would like to upgrade the fish station. The replacement of the docks at Sturdivant Park Project will begin, which could take two years. The City will work with the State Marine Board, Oregon Department of Fish and Wildlife, and the Port of Bandon on design and funding. In the budget this year is install lighting and a gazebo at Reitman Park. Urban is writing a grant to replace the 5th Street Park play equipment, as it is in very bad shape. They will work with the River Walk Committee if they receive their grant from the Recreation Trail Program. They will be working in Sturdivant Park on a play area that will not be ruined by the flood waters.
- Community Services has budget for construction of a concession stand for the large auditorium.
- Street Fund would like to install some culverts and work on some ditches to help with the gravel roads. They will continue to work on hot and cold patching during the year. Urban said South Henry has several issues due to the natural springs and the slope of the road. They also need a new street sweeper, and Member Hill asked how many hours does it run, which is usually every Friday. Urban said that he will contact the Coos County and Roseburg Forest Products about helping with the purchase if they would like their areas swept. Member Hill asked Urban if he has checked about having a private contractor, and Urban said that may not be cost effective. Hill said that he feels \$150,000 for a sweeper is expensive and that money could be put to better use. Jennings said there may not be many private contractors that do that type of work.
- Urban said the Capital Projects Fund has some street overlays planned, and the repair of the slide on Central across from City Hall. Member Short asked how much South First would cost, Urban said if we replace everything it would be \$800,000. Member Watte asked if there are emergency plans if there is an earthquake, and how are we going to handle the sewer and water issues. Urban said if it is bad enough there will not be a lot of buildings standing. We do have a generator and a few ways to handle things.
- In the Water Fund, Urban has budgeted the installation of a pitched roof on the Henry Street pump station, purchase a generator for the water plant, new intake screens at the raw at the intake screens at the river. The screens will be partially paid for by a grant the city received. Also budgeted is the purchase a valve exercise machine, and repair of water lines on S. First Ave.
- The Sewer Fund will be working on I & I, and start with reline the manholes along Cunningham Creek. Member Heaton asked about the line item for laterals for home owners, and Urban said that is a loan program for residents to replace their lateral lines. Also budgeted is the purchase a ¾ ton service truck.
- The Sidewalk Fund has budget to replace the sidewalk across from City Hall when the road is repaired.
- The Property Management Fund will sell the Jefferson School lots and have the timber sale.

City Manager Marchant presented the Police Department budget:

- They will be continue with the current staff and the K9. The City will be working on getting the municipal court to be able to increase revenue. The Police Department has been receiving donated cars that have lots of wear and tear, and they are moving forward to purchase two cars, one for day shift and one for night shift. This year one new vehicle will be purchased, and the second will be purchased the following year. Member Davis asked if there will be a backup car, Marchant said yes. There are eight positions funded, and three are vacant at this time. Member Jennings asked if another position would be added, and Marchant said not at this time.

Fire Chief Waddington presented the Ambulance and Fire department budgets:

- The ambulance service is funded by fees, not taxes, for the past 40 years. He thanked council for passing the resolution to look at becoming an ambulance taxing district. The Fire-Med program will change the next year. This year \$15,000 will be received from the Rural Fire District (RFD), which the City will match. The Rural Fire District is contributing \$15,000, and would like it to go in to the equipment reserve fund if the Ambulance Department does not need it for operating expenses. Member Watte asked how people would be taxed, and Waddington said it would be a property tax. Member Rowe asked how long has the RFD committed to contributing \$15,000 to the ambulance fund, and Waddington said it is year to year. Member Jennings said he understood that the County Commissioners have to review the resolution, and how did City Manager Marchant think they will respond. He said he does not know how they will respond, or if it would be on the November ballot as the process could take up to two years. Jennings asked if there would be an elected board, and City Manager Marchant said yes, and he hopes they would not need additional staff. Waddington agreed. Member Hill asked who will develop the ballot measure, and Marchant said that will be up to the County Commissioners.
- Chief Waddington said there are no line items that have really changed from last year. The Rural Fire District provided half of the budget money for the Fire Department for the 2015-2016. Chief Waddington said they will be able to put money into the equipment reserve for future purchases and they are looking at grants for seismic upgrades to the station. Member Hill asked Fire Chief Waddington if he had anytime timeline for the upgrade or new station, and Waddington said it will depend on funding.

Library Director Conner presented the library budget:

- Library Director Conner said the library budget is not much different from this year. The goal is to get library plans back from HGE with updated costs, and then they will start grant writing. They continue to receive rent from McKay's Market. Member Graham said there is a budget for a cataloger is that position going to be filled, and Conner said it is not the same position, because the library assistants are doing light cataloging and they hired a part time circulation desk person to allow the library assistants to catalog.

Finance Director Dufner presented the general fund budget:

- The Policy and Legislation budget has increased by \$76,000 due to hiring a full time

municipal judge, and moving some of the donations from the state shared revenue line item to promotions line. The remainder of the state shared revenue funds will go into promotions.

- The Support Services Fund is looking at purchasing a power supply or generator for City Hall due to the fact that when the power goes out it is very hard to function and provide services. Dufner believes the building is already wired as the previous owners had a generator.
- In the Perpetual Care Fund, some bonds that are only earning about 2.5% as the higher yielding bonds have matured.

Member Capehart made a motion to recommend approval and to forward the budget as presented with amendments for the fiscal year 2016-2017 in the amount \$14, 562,508 and include un-appropriated funds of \$204,046. Member Chappelle seconded the motion, and all voted in favor.

Chairman Wiese opened public hearing at 9:56 p.m. to take comment on the proposed budget for 2016-2017. There were no comments from the public.

Chairman Wiese closed the public hearing at 9:57 p.m.

5. Approval of City Tax Levy Rate

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

6. Adjournment

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

ATTEST: _____
Secretary, Rene Collins

Chairman, Loran Wiese