

CITY OF COQUILLE
BUDGET COMMITTEE MINUTES
April 15, 2013

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

Budget Committee Present: Darlene Kelly, Clay Davis, Terry Mai, Mollie Anderson, Nikole Graham, Bryan Baird, and Julie Watte

Staff Present: City Manager Ben Marchant, Finance Director Chuck Dufner, Fire Chief Dave Waddington, Library Director Anne Conner, Public Works Director Kevin Urban, City Recorder Rene Collins

Press: The World

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

1. Call to Order & Pledge of Allegiance

Mayor Rowe called the meeting to order at 7:04p.m.

2. Election of Budget Committee Officers

Committee Member Dennis Graham nominated Loran Wiese for the position of Budget Committee Chairman. Committee Member Capehart seconded the motion; all members present voted in favor.

Member Nikole Graham nominated Mollie Anderson for Secretary. Member Capehart seconded the motion; all members present voted in favor.

3. Public Hearing on State Revenue Sharing

Budget Committee Chairman Wiese opened the Public Hearing on State Revenue Sharing at 7:09 p.m.

Budget Chairman Wiese reviewed the State Revenue Sharing money request for 2013-2014. This year's requests totaled \$16,117 including CCAT Transit \$3,000, Neighbor-to-Nighbor \$1,000, Belloni's Ranch \$2,042, Operation Coquille \$1,200, Operation Coquille Garden Tour \$500, Retired Senior Volunteer Program (RSVP) \$1,000, Coquille Valley Historical Museum \$3,000, Women's Safety Resource Center \$375, Chamber of Commerce \$2,000, and Smoke on the Water \$2,000,

Roger Langley, Executive Director of Bob Belloni Ranch, said this year's request is for \$2,042. The shelter's need has increased with the increase in the number of youths served. The shelter served 236 youths last year with an average stay of 3 weeks, which includes youths from 16 families from Coquille. The program assists in helping the Coquille Police Officers as an alternative when a youth cannot be placed in secure detention or their family cannot be found. Member Chappelle asked how many youths can be housed; Langley said they have 18 beds in the facility.

Dianne Courtright, Operation Coquille Treasurer, said they have requested \$1,200 for the cost of insurance on the flower truck. The Garden Tour is asking for \$500 which is to help with the promotion of this project. Member Nikole Graham asked where are they are going to advertise; Ms Courtright did not know all the details but said they would have posters and sandwich boards made and the event would be promoted throughout Coos County. Mayor Rowe said that \$500 does not go very far due to the cost printing.

Christine Coles, Director, RSVP, had 410 volunteers in 2012 that gave approximately 75,000 hours of service throughout the county and Coquille volunteers gave over 9,300 volunteer hours. Volunteers are placed at the hospital, hospice, reading programs, museums, and at other local events. RSVP also oversees two programs: Friendly Visitor and Telephone Check-in, which helps keep people independent in their homes. The organization is starting to consider the issue of senior hunger and exploring this problem. They appreciate what has been given in the past and would like the continued support in the amount of \$1,000. Budget committee member Darlene Kelley said the Meals On Wheels Program is very important for the seniors and Coquille's program provides a lot of meals.

Shirley Bower, Chamber of Commerce, is requesting \$2,000 to be used mostly for advertising local events.

Terrie Craggs, President, Coquille Historical Museum, said this is the 3rd time a museum has been started in Coquille and they are preparing a celebration for their 8th anniversary. The City has given the museum \$3,000 in the past and it is crucial for the museum to stay open. Due to the building being deeded over this year to the Coquille Historical Society, all the costs of building maintenance will be the responsibility of the Society. Member Chappelle said the museum is run totally by volunteers. Member Short said it is nice that people can donate their treasures to the museum.

City Manager Marchant said Smoke on the Water is scheduled for August 31 as a two day event. Ron Panda and Tony Meyers have volunteered to be the organizers this year, and they would like to keep the event going.

Chairman Wiese closed the public hearing at 7:30

Chairman Wiese asked Finance Director Dufner how much the City would receive this year in taxes. Mr. Dufner said approximately \$32,000 but the amount varies from year to year.

Member Anderson made a motion to accept the State Revenue Sharing funds and disbursement as follows: CCAT Transit, \$3,000; Neighbor-to-Neighbor, \$1,000; Belloni's Ranch, \$2,042; Operation Coquille, \$1,200; Operation Coquille Garden Tour, \$500; RSVP, \$1,000; Coquille Valley Historical Museum, \$3,000; Women's Safety Resource Center, \$375; Chamber of Commerce, \$2,000; and Smoke on the Water, \$2,000. Member Nikole Graham seconded the motion; all voted in favor.

Member Capehart made a motion to accept \$32,000 in State Revenue Sharing Funds. Member Chappelle seconded the motion; all voted in favor.

4. Presentation of 2013-2014 Budget

City Manager Marchant presented the budget message for fiscal year 2013-2014. In his reading of the summary, he reviewed the issues of concerns by fund as follows:

The budget was developed in the context of a lean economic environment. The City economy has been stable but depressed over the last many years. The City has managed its resources wisely, prudently and conservatively. This budget represents modest increases beyond the City's control; for example: fuel, insurance, and retirement fund costs.

City Manager Marchant also talked about how decisions made in the past affect budgeting today; for example: the new Waste Water Treatment Plant will have increased operating expenses because it is now capturing a larger amount of storm drain water, which has also caused the rates to be raised in the past. In the future, the new plant will allow the City to keep up with maintaining operations and repaying the debt service.

The City also purchased a building from the ODOT which will become the public works maintenance yard reflected in the public works portion of the budget. An amount is set aside for remodeling this building in the next couple of years. Plans

also include creation of additional parking and park access on the site.

The Library funds will be used to purchase the property where McKay's grocery currently resides from the Les Schwab Retirement Group. This purchase will impact our bank balance and future library services.

The staff has had some turnover in the last year, presenting opportunities to realign skills, talent, and resources to better meet the City's current needs, and to keep the City a dynamic and learning organization, through investing in staff training and the purchase of safety equipment.

Upcoming projects include phase 2 of the River Walk with the possibility of grant dollars, implementing the new traffic pattern and road alignment on 1st Street, and improving the intersection at Birch Street in front of the Community Center. There is also the possibility of a road improvement project on 3rd Street from Baxter to Dean Street.

Member Watte asked why Les Schwab decided to sell the property and building where McKay's is located; City Manager Marchant said the Les Schwab Pension portfolio managers did not want to have property management in their portfolio. She asked how the City arrived at the buying price. Manager Marchant said the appraisal came in at \$550,000; the participants were willing to start negotiations at \$425,000, and the City negotiated \$400,000. Member Watte asked if the taxes paid to the City would change and Manager Marchant said taxes are included in the lease and will continued to be paid.

5. Budget Discussions/Recommendations

Since Chief Blue was ill, City Manager Marchant presented the police department budget. Chief Blue has requested a budget line item for a Lieutenant position. The person hired for this position could possibly fill her role when she retires and help with training and mentoring staff. There is also a part time officer position which could be filled by a reserve officer when the department is short-staffed. The focus is on professional development. Not all professional classes are required, but officers need to gain skills in other areas to maintain officer safety. The department will try to raise funds for a canine unit requiring a special vehicle to transport the dog. The government now requires narrow band radios affecting officer and public safety. The impact of this requirement has been negative and requires more radio repeaters. Although the police negotiations have not been completed at this time, a 3% salary increase has been budgeted. Operational supplies reflect our continued effort to improve emergency first aid equipment.

Member Watte wanted to know why there is an increase in pension and in health insurance. Finance Director Dufner said the Union's insurance premium increased and PERS Pension is mandated to go up 6%. The City pays 25% for every dollar paid. Member Baird said the proposed overtime budget is \$30,000 which is lower than the actual cost in past years and asked if that figure needs to be increased. Manager Marchant answered that part of the increase reflects staffing changes this year and part of it involves hours covered by grant-funded overtime efforts such as efforts to increase seat belt use, and extra DUII patrol and speed checks in that line item. The addition of a Lieutenant is expected to alleviate some of the overtime pay and give Chief Blue more administrative time and attention to the officers. Member Watte asked if the crime rate is down or had it increased. Manager Marchant did not know and said the Chief could answer that question. Member Chappelle asked about the cost of a canine unit. Manager Marchant said costs are estimated about \$48,000. He added the Police Department will be looking for donations and people are very supportive of a canine unit especially since any seizures can help pay for the program and improve the police force revenue stream.

Public Work Planner Urban said the Planning fund has some minor changes with a possible \$4,500 Transportation and Growth Management Grant as the matching funds have been budgeted. Member Anderson asked what a RARE student is and Planner Urban replied it stands for Remote and Rural Enterprise Student who would help with planning projects. Member Watte asked the cost for a building permit, and Planner Urban replied the System Development Charge is about \$7,000 which includes money for water, sewer, storm water, and parks for the City. State Building codes also have a charge.

Codes enforcement has budgeted \$1,000 in abatement expense. There has been an increase of activity caused by the foreclosure of homes. Banks leave the house in the owner's name on the County tax roles presenting difficulty in establishing legal possession of the property. The City sends a registered letter requesting the owner of record mow their grass or clean the yard. If the request is not honored, the City charges the owner or places a lien on the property if payment is not received for clearing the yard. Current code does not address all property maintenance issues. In the future, the code could be updated.

Planner Urban said Parks and Recreation had few changes. New budget items include River Walk maintenance and a new part time seasonal person for parks to help with grass cutting in summer. Finance Director Dufner said seasonal help will be contracted through an employment agency and the line item in the budget should be corrected to reflect the addition of \$4,000 in material and services for the anticipated part time help. This expense was left out of the budget, and consequently, will decrease the general fund carry-over. Planner Urban said he is

applying for a grant to create a Parks Master Plan which would become part of the Comprehensive Plan.

Budgeted in the Community Services Department is a line item to upgrade the Community Center kitchen and the safety swim program. Member Graham asked why there was nothing budgeted in the janitorial contract; Planner Urban answered that a part-time janitorial employee is listed under personnel.

In the Street Fund, the budget included a part-time seasonal worker to help with hot patching. Some street signs need to be upgraded to meet new requirements in regard to reflective standards.

In Capitol Project funds, a road improvement project planned for 3rd Street uses a \$25,000 grant to overlay the section between Baxter and Dean.

In the Water Department fund, the Henry Street pump station will be under renovation including pumps and valves. Member Watte questioned the \$50,000 in the water system maintenance line item. Finance Director Dufner replied that a portion of the cost is for upgrades to the auto-read systems, which life spans are ending necessitating replacement. Member Watte said chemicals for the water are \$35,000 and suggested that taking some of the chemicals out of the water like fluoride could reduce the budget. Planner Urban said that action necessitates a public hearing and a Council item.

The waste water plant completion is in the near future, reflected in additions and deletions on the budget. The Sewer fund should address inflow and infiltration (I&I) issues. The waste water treatment plant processes approximately 600,000 gallons in the summer and 4 million gallons in the winter of product; which indicates an I&I problem as the figures should be similar.

Repairs to the sidewalks on 3rd street will be reviewed when the paving project on 3rd is done. The City plans to investigate the sidewalk and pavement on Central across from City Hall for future renovation.

Property management probably will not have any activity this year, except for the loan payment due to Coos Curry Electric Co-op for part of the cost of build a portion of Mill Street.

Librarian Conner said the Library is now fully staffed, but a part-time person could be hired if there is extra money later in the year. Conner said she believes having a new library would beautify and benefit the City economically. Member Watte asked why the line items of insurance and building maintenance increased; Conner

said it is due to buying the McKay's building. Member Watte asked why the line item for part time help was reduced. Finance Director Dufner responded that a correction increase of \$6,000 needs to be made to the part time line in personal services.

Fire Chief Waddington said the Ambulance fund has 2.5 FTE and 20 part time volunteers. Chief Waddington is applying for a \$20,000 grant to purchase 2 stair chairs and 20 portable radios. Council will receive a request in May to increase the Fire-Med charge from \$40 to \$50. This plan now has 365 members, with family members making the total 1,200 covered citizens. There are no requirements to belong to the Fire-Med program. Waddington said approximately 6 months ago, the Ambulance Department contracted a billing person and the fund is now in the black. Member Chappelle asked about the bad debt of \$200,000. Chief Waddington replied that this debt is caused by government insurance agencies failing to pay charges.

Fire Chief Waddington said the Fire Department is doing well with an FTE of 1.83 and 36 volunteers. The last few years the rural fire department provided half of the budget in the amount of \$137,000 added to the general fund. Chief Waddington is applying for a \$20,000 grant to allow the purchase of radios and protective clothing gear. The training budget was raised \$4,000, and the Chief would like to have a home and smoke detector inspection and suggestion program. Chief Waddington plans to talk about safety zones around homes during the summer. Finance Director Dufner said only \$4,000 should be in the budget for training and \$11,000 for radios, using some grant money.

Finance Director Dufner said this year he asked each department to relate their budget plans, increases, and purchases to the strategic plan that Council adopted. On page 2.2 you will see how the department requests are related to the strategic plan.

Finance Director Dufner said in the policy and legislation fund there was an increase in council goals of \$1,000 to help support Gay 90's. Coquille promotions will receive another \$16,000 for the third year with the original goal eventually being approximately \$100,000 in the fund.

Director Dufner said the Support Services fund shows no major increases. Retirement costs increased due to the mandated 6% increase and health insurance increased by 5%. Materials and services include the upgrade of the server and the computers in October. The Perpetual Care fund is the repository for the Rietman trust money funding, 1/3 of the interest to the Library and 2/3 to the Community Services. Only the interest and none of the principal of this fund may be spent.

Earnings of the fund have decreased because of the maturation of the long term bonds.

Member Anderson made a motion to recommend approval and to forward the modified proposed budget for 2013-2014 in the amount of \$16,354,696 with the following changes; a) increase part time budget line in Parks to \$4,000, b) increase part time budget line in Library by \$6,000, c) put the training total in the Fire fund as \$4,000 and increase the total equipment purchase to \$11,000 d) move \$4,000 from contractual janitorial to part time personnel in Community Services, and e) correct the total in capital improvements from \$60,000 to \$50,000. Member Nikole Graham seconded the motion; all voted in favor

6. 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 Anderson seconded the motion; all voted in favor.

7. Adjournment

Chairman Wiese adjourned the budget meeting at 9:32 p.m.

Chairman, Loran Wiese

ATTEST: _____
Secretary, Mollie Anderson

COQUILLE URBAN RENEWAL AGENCY
BUDGET MEETING MINUTES
April 15, 2013

Call to Order

Chairman Wiese called the Urban Renewal Agency budget meeting to order at 9:33 p.m.

Presentation of the 2013-2014 Budget

The Urban Renewal Agency (URA) has a beginning balance of \$114,058 and will collect \$242,000 in taxes, with other revenue of \$75,484 for total revenue of \$317,484. Expenses budgeted for Materials and Services is \$312,542 which includes \$285,912 for projects. The total budget for 2013-2014 is \$431,542.

Some suggested projects include improving the entrance at Adams and Hwy 42 at \$100,000, with possible façade improvements of \$22,407 and other projects totaling approximately \$163,505 for a total of \$285,912

Member Capehart made a motion to recommend approval of the proposed 2013-2014 Urban Renewal Agency budget in the amount of \$431,542 to the Urban Renewal Agency. Member Chappelle seconded the motion; all present voted in favor.

3. Adjournment

Chairman Wiese adjourned the budget meeting at 9:45.

Chairman, Loran Wiese

ATTEST: _____
Secretary, Mollie Anderson