

CITY OF COQUILLE
BUDGET COMMITTEE MINUTES
April 16, 2012

Council Present: Council President Loran Wiese, “Corky” Daniels, Linda Short, Fran Capehart, Tim Spanberger, Bryan Baird

Budget Committee Present: Darlene Kelly, Clay Davis, Terry Mai, Mollie Anderson, Nikole Graham and Susan Heaton

Staff Present: Interim City Manager/Finance Director Chuck Dufner, Police Chief Janice Blue, Fire Chief Dave Waddington, Library Director Anne Conner, Public Works Director Kevin Urban, Deputy Recorder Rene Collins

Press: The Sentinel

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

1. Call to Order

Council President Wiese called the Budget Meeting to order at 7:04p.m. Mayor Muenchrath is unable to attend as he is on military duty.

2. Election of Budget Committee Officers

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

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

Clay Davis declared a conflict as he is the City’s insurance agent, but feels he can make an impartial decision and no one objected to him serving on the Budget Committee.

Budget Committee Chairman Wiese said if the Budget Committee members have questions please ask. He wants them to feel comfortable with the process and the information. The Budget Committee, staff and council introduced themselves.

3. Public Hearing on State Revenue Sharing

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

Interim City Manager Dufner said we are required to have a public hearing stating how state revenue funds received will be spent and take any public comment. Last year it was decided that \$16,000 would be set aside from the state revenue sharing dollars each year for city promotions that will be used at a later time. During the year the school district asked for \$5,000 to help with the ball field grant they were applying for. Dufner said each person requesting funds was sent a letter and asked to give a presentation explaining how the dollars they receive benefit Coquille. This year’s requests totaled \$16,778 and there is only \$11,000 to spend if the council wishes to continue to put \$16,000 in the promotions account. The Chamber of Commerce has asked for \$3,000 and those funds could come from council goals. Council has been gave additional funds to the Belloni Boys a few years ago and their share has remained the same since. Council could choose to give them the amount they used to request.

Judy Moody, Executive Director of the Women's Safety Resource Center, said they are requesting \$375. They have a support group held in Coquille every Monday night and the request is based on the number of calls received from Coquille.

Barbara Miles, Executive Director Neighbor to Neighbor, says they have requested \$1,000 based on the number of cases for the Coquille area. The additional \$300 is to support the classroom 10 week program for 5th graders. The program cost approximately \$1,700 for the 10 weeks. Council Baird declared that he does use the neighbor to neighbor services in his job. Ms. Miles said all the 5th graders are served in Coquille and the program has been up and running since last February. The number of classroom incidents has declined approximately 10% since the program started. The goal is to present it for 3 years and then the teachers will be given the information and they can incorporate the program into the classroom.

Roger Langley, Executive Director Bob Belloni Ranch, sent a letter and this year the amount of shelter need has increased greatly due to the number of youths that were served. The proportional ask for Coquille is \$842 and he will be amending his asking amount to this as he knows a limited amount of funds is available. They served 201 youths last year with an average stay of 3 weeks, which includes 21 families from Coquille. The youth comes to the shelters for various reasons from mental health, crime, and resolution conflict.

Patti Strain, Coquille Historical Museum, said this is the 3rd time a museum has been started in Coquille and they are getting ready to celebrate their 7th anniversary. They had 638 visitors this last year from 15 western states and a few from out of the country. The museum is closed January and February and they are open the rest of the year. The City has given the museum \$3,000 in the past and they appreciate it. The building is provided by Bob Taylor at no charge which has helped make the museum possible. Member Short said she thinks the Museum is great and thanked the people who donated items for display.

Bruce Bennett, CCAT Transportation, said they are going to spend \$19,000 for fuel for the Coquille dial a ride bus. Today they delivered 30 hot and 30 frozen meals to Coquille house bound citizens. They will have approximately 3,200 riders this year and they are looking to improve their services over the next year. The support the City provides goes to matching funds for grants they receive.

Marvin Jones of the Coquille Soccer Club said they served 138 local children last year. There were 14 teams from kindergarten through sixth grade. The program is run by volunteers, the high school kids are paid to be the referees, and it is a local program. The teams are made up of 8-10 players; all children get to play during the game. He thanked the City for the use of Sturdivant Park for practice and games. The children are charged \$35 which includes a shirt and picture. The \$2,070 will provide soccer balls for the kids, field paint, and maybe some supplies. Sometimes they play games against the Myrtle Point teams at their field.

Christine Coles from RSVP said in 2011 they had 440 volunteers with a total of 81,000 hours of service throughout the county and there are 53 Coquille volunteers with over 10,000 volunteer hours. Volunteers are placed at the hospital, hospice, reading programs, museums and at other local events. They are growing the following two programs: Friendly Visitor and Telephone Check in, which helps keep people independent in their homes. Safety Out Reach for seniors whom a volunteer helps make sure seniors are fire and fall safe. They appreciate what has been given in the past and would like the continued support.

Item City Manager/Finance Director Dufner said Operation Coquille requested \$1,200 for the insurance and gas for the watering truck, but there was no one to speak on their behalf. The Chamber of Commerce has asked for \$3,000 to help cover their expenses. The Mayor is very adamant about continuing to put \$16,000 in the promotions reserve account. Budget Committee Chairman Wiese suggested that the Chamber money be taken out of council goals in the general fund.

Budget Committee Chairman Wiese suggested the following distributions: CCAT Transit \$3,000, Neighbor-to-Neighbor \$700, Belloni's Ranch \$1,000, Operation Coquille \$1,200, RSVP \$1,000, Coquille Valley Historical Museum \$3,000, Women's Safety Resource Center \$400, Coquille Soccer Club \$700. Members Spanberger and Baird said he would like to give more to soccer. Members pointed out that the soccer club did say they would still have soccer even if they did not receive a donation.

Hearing no other comments Budget Chairman Wiese closed the public hearing at 8:02 p.m.

Member Graham made a motion to accept the State Revenue Sharing funds and disbursement as follows: CCAT \$3,000, Neighbor to Neighbor \$700, RSVP \$1,000, Coquille Valley Historical Museum \$3,000, Operation Coquille \$1,200, Bob Belloni's Ranch \$1000, Coquille Valley Soccer \$700, Women's Safety Resource \$400 for a total of \$11,000 and the balance to the Promotional Reserve fund and the \$3,000 requested from Coquille Chamber to be take from council goals in the general fund. Member Heaton seconded the motion; all voted in favor.

Member Anderson made a motion to accept \$32,000 in State Revenue Sharing Funds \$11,000 to be disbursed and the remainder to be put in the promotions reserve line item. Member Capehart seconded the motion; all voted in favor.

4. Presentation of 2011-2012 Budget

Interim City Manager Dufner presented the budget message for fiscal year 2012-2013. In his reading of the summary he reviewed the issues of concerns by fund as follows:

There has been a gradual decline of the general fund ending balance. There are no surplus funds in the state tax street, Library Memorial and Sidewalk fund are stable but there is no surplus to take on any major projects.

The Library and Fire funds are doing well and are able to dedicate a small amount to their respective building and equipment project reserves.

The Perpetual Care Funds continues to earn above market rates and is able to make budgeted transfers to the Library and Community Services.

Dufner is most concerned about the ambulance as they suffer the same problems as most health care providers; it provides the service and is reimbursed fully only by private pay individuals with health insurance and the means to pay any remaining balances. The governmental insurance companies only pay a portion of the bill and the balance cannot be collected. With individuals without insurance often the entire amount must be written off. There will be a change in collection agencies in hope of increasing collections of delinquent amounts. Each year they have lost about \$30,000 leaving their beginning balance at \$30,000 this year.

The water fund may need to raise the rates to build the reserve to undertake phase one improvements outlined in the water system capital projects plan; the water does continue to earn interest from investments.

The sewer fund facility plan originally called for an 11% increase in operation cost but for the current year those costs will be greater due to the transition between the old plan and the new one. An additional operator will be added, increased sludge hauling and chemicals cost while neither plant is operating. The semi-annual rate increases will need to continue until there is sufficient annual income to offset the additional operation cost and the new debt service.

Dufner thanked the department heads and Rene, Becky and Ruth who helped with the finance duties.

There is a replacement page for the police department as the budget numbers had to be updated and the ending balance.

5. Budget Discussions/Recommendations

Police Chief Blue said the tires line item was decreased because they have 13 in stock and all vehicles have good tires at this time. Fuel has been increased due to the fuel crises and the trend is going up. Maintenance agreements increased because the mobile data terminals in the police cars require a monthly data plan. Operating supplies were increased \$1,000 due to the fact that during the last storm they discovered there are a few items they need to purchase. Telephone increased due to the narrow

banding of radio frequencies that becomes mandatory in January 2013. Contractual dispatching went up due to the cost of living increases of 2.7% for dispatchers; which is about \$3,000. Travel and Training budget was \$10,350 and she is asking for \$15,000 to help with the officers required training, which is 24 hours of training every 3 years fire arms; first aid and CPR are those hours. They need some basic training such as assault, firearms, and there will be a new officer. Capital outlay was not used in this fiscal year and Chief Blue hoped to carry it over and get an SUV that can be used as a command vehicle if necessary. Councilor Baird suggested that they look at purchasing the SUV through State Purchasing Program. Member Heaton asked what the additional cost is to get the vehicle out fitted; Chief Blue said \$1,000 including paint.

Librarian Conner said that most of the expenses are the same; however there is a large expectation of the purchase of a building for the Library and they have been negotiating with Les Schwab retirement. They would like to buy the building on contract and rent it to McKay's. State laws require them to sell the building at fair market value and the value is going down and they are waiting for the new appraisal. It was asked if McKay's moves how will the payment be made, Connor said possibly rent it to someone else or the payment could be made from the reserve in the library fund.

Public Work Planner Urban said the Planning fund has some minor changes and there is a \$5,000 Transportation Management Grant that we are hoping to receive. The matching funds have been budgeted. The study is to look at Shelly Road sidewalks.

Codes enforcement has \$500 in abatement expense. The City sends the person a bill or places a lien on the property if necessary. There are ongoing discussions with the attorney about the condemned property process.

In Parks and Recreation there were not a lot of changes; the Sturdivant Park Restroom has been moved due to the fact that we receive \$5,000 from the State Parks, fuel decreased to the fact that the community building is taken care of by the same person. There has been \$50,000 budget for the amphitheatre in case the grants applied for are received.

Some items in the Community Building budget have been changed due to not knowing what the cost of heating the new pool is going to be. Some additional funds have been added to keep the pool open longer including chemicals. The apartment update this year took some of the money budgeted for the kitchen remodel; the remaining funds will be used to do a few more things this year at the community building including drapes and the floors. The kitchen renovation is budgeted for 2012-2013.

The State Tax Street fund budgeted more in tires due to wear and tear. Fuel costs have been raised due to the trend. The guys are doing a few more repairs themselves so repairs are up. The cost of electricity is up so that is reflected in street lights. Member Heaton asked why \$2,000 extra was budgeted in overtime; Finance Director Dufner was not sure; they chose to leave it there. Member Baird asked about the amount of \$12,500 in street maintenance; Dufner said has to do with trending and how it calculates numbers. Member Wiese asked about the \$90,000 in equipment reserve Dufner said it was established to hopefully be able to complete a street projects in the future. The operating contingency is there in case of a shortfall in the fund.

In the water fund software maintenance has increased to \$12,000 because of a licensing fee for the SCADA software system which allows relay of information by radio signal. There is \$300,000 budget to replace the Henry Street Pump Station as it has broken twice in the past year and is very old and half of a new vehicle in the water fund.

The Sewer fund has increased wages because DEQ is requiring the City to add another plant operator, the electricity cost will increase due to the size of the new plant, types of chemicals being purchased will change and the cost could increase as more waste will be processed on site. Also budgeted is the other half of a new vehicle. Part of the new plant is going on line during the summer for the liquid stream which means we need a new person ready to train and the rest of the plant will go online in late February or early March.

Fire Chief Waddington said the Ambulance fund is struggling and is looking for more ways to find funding. The raising of the rates has helped a little. Government insurance funds mandate writing off what they do not pay. There is a thought of changing collection agencies to recover more of the lost funds, and

possibly a sliding scale of repayment depending on the bill balance. There are 2.5 employees in ambulance and there is a possibility of taking .5 out of the ambulance next year and move them to the fire department. Susan Heaton asked how much of the accounts receivables in the arrears are Medicare patients. Chief Waddington was not sure and she asked about placing liens on people's property, Dufner did not think that was allowed on medical bills.

Fire Department is doing well at this time there is 1.62 FTE and 34 volunteers. The last few years the rural fire department provided \$130,000 as did the general fund. Heating oil is required to heat the fire department and due to the cost they are without heat. The rural fire District said they would put in \$137,000 for the 2012-2013 budget year and the general fund will match that amount. The increase was building heat and maintenance and the remainder will put in the building reserve fund. The Equipment reserve is receiving \$20,000 as it has in years past and continues to build. They are researching options for remodeling and adding square footage to the current building or building a new fire station. The current building does not meet the seismic standards which could cause problems in an emergency; with the biggest challenge being funding options for the building. To help with the heating cost they will be researching changing the boiler to natural gas.

Finance Director Dufner said the main increase over all funds was a 3% cost of living increase in wages for non-union employees. The insurance will change from a non-co-pay to a co-pay which will decrease the premium a little. The City is likely to change the insurance to a high deductible plan during the next fiscal year which will decrease the premium cost largely but the City will fund the deductible for the first year. Member Anderson asked how much the cost of living increase costs the City, Dufner said \$23,000 for all departments. Dufner reviewed the presented budget assumptions.

Member Kelley and Heaton asked about section 4 page 14 the amount in donations in the amount of \$174,268, Dufner said that should have been in the total line and he will correct the issue.

Member Heaton asked about Section 4 page 7 what is the Umpqua Housing Agency Grant, Dufner said it is a pass through grant that we serve as the distribution point to Umpqua Housing Agency.

Member Heaton asked about Section 4 page 9 community services decline from 2,000,000 to 60,000, Dufner said it is due to the pool project being completed.

Member Anderson made a motion to recommend approval and forwarding the modified proposed budget for 2012-2013 in the amount of \$20,441,626, which includes an unappropriated fund balance of \$108,709. Member Graham seconded the motion; all voted in favor

Member Anderson made a motion to increase the Police Departments budget by the \$12,960 and add \$3,000 to the council goals line item for the purpose of making a contribution to the Chamber of Commerce. Member Graham seconded the motion; all present 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 Spanberger seconded the motion; all voted in favor.

7. Adjournment

Chairman Wiese adjourned the budget meeting at 10:14 p.m.

Chairman, Loran Wiese

ATTEST: _____
Secretary, Mollie Anderson

**COQUILLE URBAN RENEWAL AGENCY
BUDGET MEETING MINUTES
April 16, 2012**

1. Call to Order

Chairman Wiese called the Urban Renewal Agency budget meeting to order at 10:14 p.m.

2. Presentation of the 2011-2012 Budget

Interim City Manager Dufner said the URA will borrow \$300,000 from the Water Fund and \$50,000 from General Fund to add to the cash on hand to the \$500,000 grant the URA gave to the swimming pool project.

The URA will have a beginning balance of \$33,000 and they will collect \$242,000 in taxes and they will need to make a loan of \$200,000 as the tax dollars are not received until later in the year. Some of the possible projects are Community building park, entryway construction and façade improvements applications totally approximately \$172,407. The total budget for 2012-2013 is \$477,787.

Member Capehart made a motion to recommend approval of the proposed 2012-2013 Urban Renewal Agency budget in the amount of \$477,787 to the URA. Member Short seconded the motion; all present voted in favor.

3. Adjournment

Chairman Wiese adjourned the budget meeting at 10:20.

ATTEST: _____
Secretary, Mollie Anderson

Chairman, Loran Wiese