

CITY OF COQUILLE
BUDGET COMMITTEE MINUTES
April 19, 2010

Council Present: Mayor Steve Britton, E.N. "Corky" Daniels, Loran Wiese, Bruce Parker, Matt Muenchrath and Linda Short

Budget Committee Present: Darlene Kelly, Clay Davis, Terri Mai, Mollie Anderson, Paige Pyner, and Nikole Graham

Staff Present: City Manager Terence O'Connor, Finance Director Chuck Dufner, Police Chief Mark Dannels, Fire Chief Dave Waddington, Library Director Anne Conner, Public Works Director John Higgins, Deputy 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

Mayor Britton called the meeting to order at 7:05p.m.

2. Election of Budget Committee Officers

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

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

3. Public Hearing on State Revenue Sharing

At 7:07 p.m. Chairman Wiese opened the Public Hearing on State Revenue Sharing.

Finance Director Dufner said we are required to have hearing stating how the funds will be used. Last year's requests totaled \$15,344, this year the total is \$11,062. This year there was not a request from the SCINT Program. The other requests the City has received an unspecified amount from CCAT in the past we have provided \$3000 annually, Women's Safety Resource Center \$420, Neighbor-to-Neighbor \$600, RSVP \$1,000, Coquille Valley Historical Museum \$3,000, Operation Coquille \$1,000, Belloni's Ranch \$2042 and SOVO submitted a request with no amount. The Chamber of Commerce submitted a request last week in the amount of \$2,000. Chairman Wiese said that the City is does a good job managing the State Revenue Sharing dollars.

Roger Langley, Executive Director of the Bob Belloni Boys Ranch, asked that City of Coquille continuing contributing \$2,042, due to loss of funding from the state and other funding programs. Mayor Britton asked if the percentage of children from coquille remains the same; Mr. Langley said the number is a little less than last year. The shelter provides temporary interim care to youth and requests the City's support.

Bruce Bennett, Manger of the Transit District of Coos County, said they kept their promise that they have not levied any taxes over the years. The City has a new bus with 12 seats and they have established a new route called the South County Connector providing more service. They will continue to improve service to the City and are asking for the continued support of \$3,000. Mayor Britton asked how many people are using the service and what do they charge. CCAT is estimated to provide 3,182 riders from the service area. The cost is \$1.50 for seniors, \$1.00 for children and \$2.00 for adults.

Chairman Wiese said Neighbor-to-Neighbor is used to help settle civil issues between neighbors.

Member Anderson asked why SCINT was not asking for any money, City Manger O'Connor said because they received federal funding.

There was no one present to speak for Women's Safety Resource, Neighbor to Neighbor, RSVP, Operation Coquille or the Coquille Valley Historical Museum.

Doris Hutchinson, Director of the Chamber of Commerce, said there is shortage of funds and they need some help. Member Short said Coquille needs to advertise and the Chamber does not have enough money and thinks they need the support. City manager O'Connor asked how much would go to advertising; she was not sure and some would be used for operations.

Finance Director Dufner said you might want to consider using some of state revenue dollars to help with promoting Coquille. Chairman Wiese said he thought that was a good idea and would like to see a plan because he does not think it is a good time for business license fee. Mayor Britton asked if that would go through the Chamber or who, City Manager O'Connor said that the best thing is to ask for proposals to be presented for review by Council. Member Daniels suggested putting it under Council Goals and then disburse the requests are presented.

Councilor Daniels made a motion to budget \$4,000 of the state revenue sharing money to be used for promoting the City of Coquille as requests are approved. The motion was seconded by member Anderson all voted in favor.

City manager O'Connor said that the local girl's softball team will be approaching Council with their needs. Member Graham said Coquille is starting their own group and for \$40.00 the children will receive quality coaching, shirt and a hat. The practice and the games will be held in Coquille. Linda Short said we need to support the local youth sport programs.

Member Anderson asked how much money is budgeted in council goals, O'Connor said \$2,000. Anderson feels the line item should be increased due to the requests that will come during the year. Chairman Wiese wants to make sure everyone's request is treated the same. Councilor Short feels we need to let people know the money is available to help.

Finance Director Dufner said the remainder of the state revenue sharing funds are budgeted in the general fund and if you spend the \$16,000 you will have to cut the budget somewhere else. Council goals were reduced by \$1,000 due to the request by the City Manager to reduce the budget. Member Anderson made a motion to increase the council goals budget from \$2,000 to \$5,000, the motion died from lack of a second. Council felt they would deal with request for funds on a case by case basis during the year. Finance Director Dufner presented the request by Southwestern Oregon Veterans Outreach (SOVO) for funds, the members and Council felt they needed more information about the project and would like someone to speak about it.

Hearing no other comments Budget Chairman Wiese closed the public hearing at 7:39 p.m.

Member Anderson made a motion to accept the State Revenue Sharing funds and disbursement at follows,; CCAT \$3000, Women's Safety Resource Center \$420, Neighbor to Neighbor \$600, RSVP \$1,000, Coquille Valley Historical Museum \$3,000, Operation Coquille \$1,000, Coquille Chamber of Commerce \$2,000, Bob Belloni's Ranch \$2042, and \$4,000 for promoting Coquille. Council Member Davis seconded the motion, all voted in favor of both motions.

Committee Member Davis declared a conflict of interest but felt he could remain impartial during the budget process.

4. Presentation of 2009-2010 Budget

City Manager O'Connor presented the budget message for fiscal year 2010-2011. The budget is being

affected by national and global economy. The negative economic trends reported daily in the national, state and local news is also influencing Coquille. The costs for providing services are increasing at a greater pace than the pace of increasing revenue. The proposed general fund budget for 2010-2011 is 5% less than the last budget. This year's budget will continue on last year's trend and will consist of infrastructure construction. Capital projects include the new aquatics center, waste water treatment plant a portion of the river walk, continued street paving projects and a paving project at Sturdivant Park. The construction of the wastewater treatment plant is tentatively scheduled to start in mid to late fall and will take approximately 18 months. By maintaining a long term and incremental structuring of the City's utility rates the City Council has assured that the City has the financial resources to proceed with the current wastewater capital project.

This year the Urban Renewal District will float its first bond to assist in the construction of the aquatic center, develop a plan to underground the utilities and enhance the pedestrian and shopping experience.

This year you will see actual construction of taxable properties on the old GP site as the Coos Curry Electrical Cooperative and McKay's Market start construction, with the possibility of an additional commercial investment on the site.

The City has aggressively taken advantage of pursuing federal stimulus opportunities. The City was successful last year in receiving \$96,000 of stimulus funds for street projects. The City is hopeful in securing stimulus dollars for the police department and the river walk project in the year to come.

This year there is a possibility that the library could take the next step towards its goal of securing a facility large enough to accommodate its needs for the next 20 years.

As in previous years the budget is being presented as the result of proactive stances taken by the current and previous City Council and Budget Committees as well as the concerted effort of the department heads and employees. The City will continue to maintain the current minimal staffing levels in all departments.

The Sewer Utility fund is continuing to benefit from the small incremental rate increases, which is allowing the City to move forward with engineering and construction work to replace the current waste water system treatment facility. Staff is recommending a \$1.00 month account increase for both July and December, which will increase revenue by \$28,000.

The increasing cost of fuel and energy presents a continual challenge for departments. As the economy continues to have economic difficulties, the City has responded by reducing the number of maintenance projects and positions vacated by retirement will go unfilled. The City continues to strive to be the most efficient and effective organization possible. The budget contains both current and long term financial plan for the City.

For year 2010-2011 property tax revenues are estimated to be \$960,630, which results in an increase of \$21,709.

The State Tax Street Fund has the least amount of funding, but the greatest need. The fund FTE has been adjusted which resulted in a decrease of approximately \$29,000 in personal services for the fund. An estimated \$208,695 will be spent on paving projects during 2010-2011.

The water fund has no scheduled rate increases this year and has enough revenue to meet operation and capital needs for the year.

The budget is balanced and is in accordance with the Oregon Budget Law. City Manager O'Connor acknowledged the efforts of the department heads and their staff and those volunteers who labor on behalf of the City.

5. Budget Discussions/Recommendations

City Manager O'Connor said he would like all the department heads to give their reports and see if anyone has a question.

Finance Director Dufner reviewed his comments in the budget brief. He stated that the City Manger asked all departments to lower the overall cost of services without reducing the value of their services.

Policy and legislation department budget last year was \$55,544, this year the proposed budget is \$52, 544 the reduction is due to the reduction of the 125th celebration.

Support Services budget has been adjusted in several areas including increasing the Finance Directors hours from 90% to 100% due to the upcoming projects including loan accounting. Staff will be limited to one conference per year except for the City Manager. A heat pump will need to be replaced with a more efficient model and thermostat covers will be installed. Other budget savings will come from an upgrade in software in 2009-2010, bank fees have been reduced since the change to Sterling Savings Bank. The budget for support services will be \$411,274, which is a 5% decrease.

Police Chief Dannels said this year's budget was based on the goals and objectives set for the department. Council was very generous last year to help with the cost of training which was split between the employees based on needs. The police department is working hard on recruiting and retaining the best employees and they are not willing to sacrifice quality, which can be a challenge. The reserve program is working well and will continue to grow. Employee salaries need to meet market standards which is harder in a smaller community, staff negotiated 3% per year raise for the next 3 years.

The Police Department has worked the past year on building trust and confidence within the community through community programs, events and efficient enforcement tactics.

Over the last 18 months it has been expensive to move from leased to non-leased vehicles. Thanks to Coos Bay and some other agencies the task was completed for \$30,000.00 and all the vehicles are owned by the City. The budget includes \$10,000 for newer used car. The standardization including fire arms, uniforms, evidence room and forms will continue to be an ongoing process. The accreditation does include a steel lining of the evidence which will have a cost associated with it. The cost of criminal investigation has been very costly this year due to the processing of evidence. The police department budget has been reduced by five percent. They will continue to apply for grants in the upcoming year. Budget Committee Member Paige Pyner asked about the three bikes that the police department and when they will be used, Chief Dannels said they will be used in the better weather and during the Gay 90's festival.

Public Works Director John Higgins the planning department consists of the Planning Director who is also the Public Works Director and is assisted by the Accounting Clerk. The City receives a \$5,000 grant from the Department of Land Conservation and Development on yearly basis to assist in the planning process and help pay for a portion of staff cost. Last year's budget was \$1,816 this year's proposed budget is \$17,007 due to a portion of the Public Works. Director/Planner wages are now shown in the Planning Department

The Codes enforcement has a budget of \$500 to be used for abatement notices. The ½ time employee position is vacant, there is no plans to fill it at this time.

Public Works Director Higgins said the Parks Department has one employee who takes care of the parks, mowing, sprinklers and playground equipment. The Oregon State Marine Board gives the City a grant in the amount of \$5,000 per year to maintain the boat ramp, grounds, docks and restrooms at Sturdivant Park. The budge has been increased due to the grants applied for; if the grants are not received the money will not be spent.

The Community Services department is supervised by the Public Works Director which includes all the activities that take place within the building including the swimming pool preparation for the summer season. The Building Supervisor is retiring after 30 years of service, and the position will not be filled which will save approximately \$40,000 in the upcoming budget year. Some of the cleaning will be contracted out and the remainder of the work load will be divided among other personnel. The capital outlay portion of the budget has been delayed due to budget restraints, but Urban Renewal will be asked to purchase and install a new electronic stand alone reader board for the front of the building.

The Street Fund personal services include a portion of the Public Works Director, Supervisor and two employees. The budget has been reduced because portions of the Public Works Director and Supervisors wages from the Street Fund have been reduced. The change shows a better reflection of the work load.

The Special Improvement fund is set-up so that any time there is Local Improvement District for improvements the City can contribute and there has not been any in many years.

The Capital Projects fund is used to transfer money to departments for major projects. This year \$600,000 in URA dollars is budgeted to cover projects that city staff will need matching funds for possible grant funds. One of the goals is to purchase a portable sludge drying plant. Staff will also apply for a \$25,000 small city grant to assist in paying for any street overlays.

The water department maintains two water supplies, treatment plant, five water reservoirs and 31 miles of distribution lines, six booster pumps, water meters and 100 fire hydrants. The material and services portion of the water fund budget has been decreased by \$37,700. The capital projects budget represents the ongoing larger projects that will be done to upgrade the system including a system that provides a telemetry to all of the finished water storage tanks and pumps to the water treatment plant.

The Sewer Departments goal is to meet DEQ and EPA requirement for discharging effluent into the Coquille River and allow new construction in the City by continuing with the design and construction of a new plant. The department maintains 19.24 miles of the collection pipe, 372 manholes, and 3 lift stations including the plant influent lift station and the waste water plant. The capital outlay portion of the budget supports the projects that are considered above and beyond general maintenance of the system. There is \$10,000 increase in the administrative charge to reflect the changes in current operations. The rates are scheduled to increase a \$1.00 per account in July and December. The estimated increase in the future rates will be between \$4.00 and \$8.00 depending on terms of loans and grants.

Library Director Conner reviewed the Library's mission and goals. The current year included adding 1,062 items which brought the end year total to 41,395. The budget requested for 2010-2011 is \$336,775, which includes a new library building purchase with a note payable, rental income. There is no cost of living increase in staff pay this year. Chairman Wiese asked where the rental income would come from; Library Director Conner said if the property was purchased for the library, it could be rented out to a business such as a dollar store until the funds were secured for the renovation.

Fire Chief Waddington said the Ambulance Department's mission is to provide effective emergency medical care to injured and ill persons for whom ambulance services have been requested. The goals included to provide emergency medical response services to all patients in the ambulance service area within response time standards, and provide various training to the community. Hire a billing clerk and a 40 hour a week EMT to work the day shift Monday thru Friday and replace the 10 year old ambulance. Ambulance receives revenue from patient transport and fire-med receipts. The Ambulance district is approximately 400 square miles and responded to 575 calls last year. The department provides a drop off site for cans, which supports the boxes that are sent to the people in the military.

Fire Chief Waddington said the Fire Department mission is to eliminate all fire deaths, protect structures from fire loss, and to provide the necessary life support services. The goals include providing a community wide fire prevention classes and activities, smoke detectors, meet national training standards and participate in pre fire plan programs. The fire department has one fulltime and one half time personnel (the ½ time fire and ambulance are the same person). There is also a part time paid Assistant Chief, 39 volunteer firefighters, 14 pieces of apparatus and an emergency response trailer. Last year the fire department responded to 132 calls, the district is approximately 80 square miles. The Fire District pays 50% of the fire department's budget each year. The process continues to develop and gather information for a new public safety building for fire and EMS, the current building was built in 1962.

Chairman Wiese requested Finance Director Dufner to review the budget summary section. The total proposed budget for all funds for the 2010-2011 year is \$19,712,404, which is \$2,238,455 more than last year's adopted budget. Some of the increase is due to grant money that may be received, if the grant is not received the money will not be used and capital projects caused an increase in the overall budget number.

Mayor Britton asked if there is any way to set aside money for the ODOT building, Finance Director Dufner said yes dollars can be set aside for that and it would go to Council with whatever changes they choose. City Manager O'Connor said that ODOT will be having an appraisal done of the property, there seems to be some confusion if the property will be sold or traded. Finance Director Dufner said money could be borrowed or a portion of the URA funds could be used if the building became the new Fire Department. There also could be a portion of \$500,000 that has been set aside for a grant that may be available if the grant is not received. Member Anderson said all the department heads have worked hard to stay within their budgets and admires them for it. Chairman Wiese said he liked the 2009-2010 performance review because it gave him a lot answers of what happened over the year.

Member Anderson recommended approval and forwarding of the budget to the Coquille City Council as amended with the total budget being \$19,719,121 and unappropriated funds of \$152,944 in the general fund. Member Mai seconded the motion all voted in favor.

6. Approval of City Tax Levy Rate

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

7. Adjournment

Chairman Wiese adjourned the meeting at 10:05 p.m.

ATTEST: _____
Secretary, Mollie Anderson

Chairman, Loran Wiese

**COQUILLE URBAN RENEWAL AGENCY
BUDGET MEETING MINUTES
April 19, 2010**

1. Call to Order

Chairman Wiese called the Urban Renewal Agency budget meeting to order at 10:06 p.m.

2. Presentation of the 2009-2010 Budget

Finance Director Dufner said the URA total budget is \$1,764,425.

Taxes will increase by \$37,000 coming from new construction within the district; interest income will increase \$5,000 due to higher cash balances upon completion of loan. Administrative expenses will increase due to consultant cost for bond issue to a total of \$150,000.

The goals for the fund are to provide matching funds for grants for various projects and a new electronic sign at the Community Building.

Niki Graham asked why the sign is more important than new windows or more improvements to the kitchen. Executive Director O'Connor said the request has been put aside for the last several years. Member Britton said that there will not be anyone to change the sign. Member Graham asked about the heating issues at the building and O'Connor said new thermostat are being installed and should help manage that issue.

Member Anderson made a motion to recommend approval of the proposed 2010-2011 Urban Renewal Agency budget. Member Parker seconded the motion, all present voted in favor.

3. Adjournment

Chairman Wiese adjourned the meeting at 10:15.

ATTEST: _____
Secretary, Mollie Anderson

Chairman, Loran Wiese