

CITY OF COQUILLE
BUDGET COMMITTEE MINUTES
April 20, 2009

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

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

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 Mai seconded the motion; all members present voted in favor.

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

Committee Member Davis declared he might have a conflict of interest but felt he could remain impartial. Council Member Daniels declared he is a member of the Coquille Ambulance Volunteers.

3. Public Hearing on State Revenue Sharing

At 7:10 p.m. Chairman Wiese opened the Public Hearing on State Revenue Sharing. City Manager O'Connor stated that it was the time and place as advertised for public input on the use of State Revenue Sharing Funds in the amount of \$31,102.

Chairman Wiese said last years request totaled \$11,962 with an additional \$500.00 approved for Operation Coquille to cover an increase in insurance. This year there is the Coos County District Attorney requested for the SCINT Program in the amount of \$2,702. The other request the City has received are CCAT \$3000, Women's Safety Resource Center \$480, Neighbor-to-Neighbor \$600, RSVP \$1,000, Coquille Valley Historical Museum \$3,000, Operation Coquille \$1,000, Coquille Reader Program \$2,700, and the Belloni's Ranch \$862. Finance Director Dufner said Women's Safety Resource requested their amount be changed to \$2,000. Mayor Britton said the director of Women's Safety Resource contacted him about the dollar amount that can be requested and he told her what the procedure is and let her know they can ask for additional dollars. The program assists both men and women and the program if funded by grant dollars. Chairman Wiese said that the City is does a good job managing the State Revenue Sharing dollars.

Gary Hanson said he is the interim director of the Belloni Boys Ranch. His request for \$862 is used for the shelter operation, which is similar to the amount asked for in the past. Thirty three percent of the youths using the shelter are from Coquille, which is about the same as Coos Bay. The shelter provides temporary interim care to youth and requests the City's support.

Manager Bruce Bennett of the Transit District of Coos County said this has been a year with rising gas prices, and the use of the bus has increased dramatically. The stimulus money has provided a new bus for Coquille, which is wonderful. We are requesting funds that can be use for matching grants from the federal government. CCAT will receive approximately \$200,000 from the public transit fund and we need matching funds of \$175,000. CCAT will receive funds in the amount of \$100,000 from the state and look for cities and other donations for the remaining \$75,000. The ARRA stimulus dollars are only to be used for capital purchases, we are asking for \$3,000.

Councilor Short said the reading program director asked that their request be withdrawn because she has dollars left from last year and they may not have a room for the program.

City Manager O'Connor said Neighbor-to-Neighbor is used to help settle civil issues between neighbors.

Member Anderson said that she feels that those asking for financial support should send a representative to the budget meeting to give an update about their programs. Councilor Capehart said Patty Strain had been at a council meeting to talk about the Coquille Valley Historical Museum.

Hearing no other comments Budget Chairman Wiese closed the public hearing at 7:24 p.m.

Member Anderson made a motion to accept the State Revenue Sharing funds and disbursement at follows; SCINT Program \$2,702, CCAT \$3000, Women's Safety Resource Center \$2,000, Neighbor to Neighbor \$600, RSVP \$1,000, Coquille Valley Historical Museum \$3,000, Operation Coquille \$1,000, and the Belloni's Ranch \$862. Council Member Capehart seconded the motion. Mayor Britton amended the motion to add the balance of \$1,180 be given to the Belloni Boys Ranch. Councilor Short seconded the amended motion, all voted in favor of both motions.

4. Presentation of 2009-2010 Budget

City Manager O'Connor said we are still in the capital construction phase and will be moving into the heavy construction on the wastewater treatment plant. It will be ongoing for the next few years and hopefully the water plant improvements will be completed .by the end of this fiscal year. O'Connor said the City of Coquille has not been as successful in the stimulus project packages. The City applied with ODOT for 120-day projects. We applied for an overlay on Central from Tenth Street to HWY 42 in coordination with the county's project, the second project was to complete the South Mill Avenue through to HWY 42 on the east end of the GP property, the third project was the river walk and they had to be shovel ready, which they are, we did not receive any dollars for those projects. ODOT said the projects chosen were ones that were on the transportation list in previous years. Our requests would be rolled down to the local government small city pool of \$5 million with 194 communities competing. 45 cities with a population over 5,000 split \$45 million based on their population. We also applied to DEQ for a \$45 million for the clean water act with 75% being a grant and 25% with a 0 percent interest rate for 20 years with a \$5 million cap. After submitting the application, DEQ said we were not eligible because we are on their list to receive a loan from them. After speaking with our state legislators, DEQ said wait and see if you receive any dollars. O'Connor met with the Governor's Economic Revitalization Team for Southwest Oregon and explained the difficulties with the stimulus funding processes. A DEQ representative said she would be interested to see how Coquille ranks during this process as it makes it difficult for small communities. The Department of Transportation is giving fifty awards of \$100,000 requests. The requirements say you can only pave good streets; you have to have pavement history and design documentation from inception of the road. O'Connor has contacted ODOT's point person who is going to be check on the requirements as he was not aware of them. If you took the \$100,000 you would be subject to federal requirements or you can give the state 6% and you can use the money on whatever streets you choose. Councilor Member Capehart asked if Ray Knapp would be of any help, O'Connor was not sure. He also said that he doesn't feel that we have not requested anything that we don't need. O'Connor commended his staff and the budget committee for all the work they put into this process over the years. Chairman Wiese said the audits are always good and O'Connor said we have received the Outstanding Budget for the past three years

5. Budget Discussions/Recommendations

Budget Chairman Wiese reviewed the budget process with the committee and staff.

Finance Director Dufner said he would like to change the process by starting with the detail and then the overall picture. This year staff will present their section and Dufner will ask for recommendations for each department at the end of each.

Finance Director Dufner reviewed support services goals such as high level of service, look for potential revenue sources, prepare reports for council and improve the website. Some of the accomplishments planned for this year would be to upgrade network including back-up system, improve website. Operating revenue has remained stable. The beginning fund balances has dropped over the years as planned, which includes the purchase of City Hall, transferred funds to the street fund, and the Police Departments in car cameras, but they should stabilize at this time. Some franchise fees will increase and others decrease and the state revenue will increase due to taxes. Mayor Britton asked what would happen since Charter is in reorganization stage. City Manager O'Connor said that they sent a letter saying that they have a plan to continue to pay the franchise and other fees owed during the process. The goal is to increase the beginning fund balance to \$800,000, which would carry us through the receiving of taxes in November. Mayor Britton asked if there is anything that stood out that needs to be looked at, Dufner said not at this time. The transfers between funds are used to pay for the services provided to and from the Library, for which they have not been charged before. The money will be given back to them, as it should help with the grant process. Member Kelley asked if a sight has been secured for the Library, City Manager O'Connor said not at this time. Dufner said the transfer in lieu tax payment from the sewer plant was set years ago and they may need to be evaluated due to the water plant improvements and a new sewer plant is to be built. Finance Director Dufner said that policy and legislation can be set or changed by council. Under council goals this year budget is funds for all council members to attend the LOC conference and continue to support recognition of volunteers and employees. Council Member Capehart said it will be Coquilles 125th Birthday and we will have a ceremony in February 2010. Member Anderson said that she thinks that Council Goals should be increased by \$2,000 to help with the celebration. Muenchrath asked if the budgeted amount of the codification would be enough, Dufner said it could be increased. He said there is \$94,000 of unallocated funds in the general fund. Mayor Britton said to increase council goals from \$4,000 to \$7,000.00, which would reduce the amount of unallocated funds.

Police Chief Dannels said he has been working for the last 8 months is Police Department perception in the community and confidence from the community has been increased, they work 24 hours 7 days a week. Chief Dannels did ask for an increase for fuel this year due to the volatile costs. A Grant application has been submitted for one officer position for 3 years, with the City paying the position the fourth year. Dannels said \$15,000 a year has being paid to lease vehicles and he is switching those back to owning our own because maintenance cost are no longer included in the lease. Dannels he has started a reserve account to purchase a new police car late next year. One of the goals is to continue to work with the schools under the School Resource Office, and if the grant were approved he would work 20 hours a week. Council Member Muenchrath thinks the Police Department needs more money budget to provide more tools and resources to continue the positive work they have been doing. Council Member Muenchrath said he feels the following items should be increased training, advertising reserve program, and crime prevention. Mayor Britton said that he feels the reserves do need some support from the City. Chairman Wiese asked that we work on a specific budget numbers. Chief Dannels said on the crime prevention, he would like some small things to give to the kids possibly increase to \$1,500. Member Kelley said she feels there is not enough budgeted for tires. Mayor Britton said there should be \$3,000 budgeted for tires. Council Member Muenchrath said crime prevention should have \$2,000, travel and training should have \$10,000 budgeted. Dannels said the reserves have their own account under the agency fund, basically what they earn they can spend. Council Member Muenchrath thought the school education should be budgeted at \$1,500. Mayor Britton said uniforms are very expensive and wants the officer to look professional. Dannels said the officers are provided pants as needed and 4 shirts. Finance Director Dufner said he has the tires budget increased from \$1,000 to \$3,000, Crime Prevention from \$300 to \$2,000, travel and training from \$7,600 to \$10,000 and school education from \$800 to \$1,500. Member Kevin McKeen asked if enough overtime dollars have been budgeted. Dannels said he monitors those cost closely. Member Anderson asked that the courts be asked to be more specific with scheduling of court times to help control the cost of overtime. Mayor Britton asked that the crime prevention budget be increased due to the economic times.

Public Works Director John Higgins said he is the only one working in the planning department. The Planning Commission updated Title 17 zoning code changes and this year's goal is to complete the City's transportation plan. The change is \$100,000 for the TMG grant we may receive.

The Code Enforcements is a ½ time person that is shared with the Police Department. Mayor Britton asked if the pay rate is high enough to keep someone in that position, and will they continue to look for a better job, Dufner said it is an hourly position with benefits. City Manager O'Connor said with the benefits and it may become a union position.

The Parks Department has one grounds keeper and he takes care of the parks, community building grounds, and city hall property and also the Public Works Department. Chairman Wiese asked if we always get the \$4,700 grant and Higgins said yes which is used for the maintenance of the ramp, dock and restrooms. Member Graham asked if the camp host is paid, Higgins said, no he is provided electricity, water, sewer and a campsite and his responsibilities includes keeping the grounds and bathrooms clean.

The Community Building had the roof replaced at the cost of \$80,000, purchase of some new tables and chairs and refinishing of the floors. There is one full time employee, a part-time person and volunteer. In 2009-2010 we would like to install an electronic sign, install new drapes, remodel the kitchen, and update the electrical panel. This year we would like to replace the hood over the stove and the intake valve. Council Member Short asked how much was budgeted for the electronic sign Higgins said approximately \$30,000.

Library Director Conner said they would continue to provide extremely high levels of customer service. In 2008 and 2009 print and audio items were added and old materials were cleaned out. Conner said 89,000 items were circulated, provided 58 children's programs, computers for 10,000 users. There is \$230,000 in reserves for the new library, which is not enough to buy a building. The Friends of the Library are continuing their fund raising projects. Member Davis asked what would the renovations cost if the McKay's building were purchased, Connor said \$1.5 million.

Fire Chief Waddington said the Ambulance receives revenue from patient transport and fire-med receipts. There 2.5 paid fire fire/paramedic and 20 volunteers, they average 550 calls per year. They provide CPR and First Aid Training and vital checks. At this time the number of fire med applications is 460. Some of the goals are to get their training record computerized. At some point they would like to hire a billing clerk and to hire a 40-hours a week EMT intermediate. Fuel, tires and training have been adjusted, but nothing went up and the plan is to buy a new ambulance in 2010-2011. The Ambulance district is approximately 400 square miles.

Waddington said the Fire Department is tax funded with 1.62 FTE and 41 volunteers. The goal is to continue working with the citizens about fire prevention programs and training, assist with the smoke detector program, meet Oregon and national training requirements, develop and maintain pre-fire plans. Develop and gather information for a new public safety building for fire and EMS. In the budget is \$20,000 for the building fund and we plan on getting a feasibility study. The current building does not meet the earthquake standards and the goal is to have a new building in the next 5 years on the same site. The rural fireboard pays half the budget of the Fire Department.

Public Works Director Higgins said the street fund is used to maintain the gravel and paved streets, curbs and gutters, lighting, culverts, sidewalks, spring cleanup, street signs in the City. There are not enough funds in the street fund to keep up with the repairs. Due to the increase of street lighting it was necessary to reassign one ¼ of an employee's wages to another fund and reduce the budget of street repairs, alternate forms of revenue to be found. The 2009-2010 objective is allow time develop alternative funding for street and sidewalk maintenance, continue with new sign projects and maintain the streets as good as we can. Councilor Member Muenchrath asked how much would it take to help with the streets projects, O'Connor said 1 million dollars for 20 years.

Public Works Director Higgins said the special improvement funds are used for local improvements, and there is nothing in the plan at this time.

Higgins said the Public Works capital projects fund is used by other funds to reserve money for capital projects, in addition this fund loans money to the Urban Renewal Agency for projects of the URA. The City would like to continue with spending \$200,000 to \$250,000 on road projects and pave some section of a street. The business license fee has been reclassified from the street fund because it use is restricted to capital projects.

Public Works Director Higgins said the goal is to provide high quality drinking water to the citizens of Coquille and retain enough capacity for emergency and growth needs. The major accomplishments in 2008-2009 was replacing several water lines and to complete the water plant improvements by the end of June. The objective for 2009-2010 is to continue to improve and maintain the system, keep rates reasonable and repay the loan. The capital work is coming to a close and the maintenance and repair cycle will continue.

Higgins said sewer fund would be starting a major capital project to build a new waster water treatment plant. The objective is to complete the new plant and have the moratorium on new hook ups ended. Finance Director Dufner said the increase in the budget is due to the cost of the plant and the rates will continue to increase from 1 to 4 years depending on the funds that can be secured. Staff will continue to try to obtain a grant or stimulus dollars to help with the project. The state average for a monthly sewer charges for cities our size is \$42.00.

Public Works Director Higgins said the sidewalk fund's goal is to continue to make repairs or replace sidewalks and the City to provide a safe environment for pedestrians. During 2008-2009 the sidewalks on 1st were repaired and the sidewalks on Central were replaced. Another project will be planed based on an engineering study on needed sidewalk repairs.

Finance Director Dufner said the housing fund would be used as a wash account for a block grant received by the Umpqua Coastal Housing Center. The program provides education for the first time homebuyers.

Dufner said the perpetual care fund benefits the Library 1/3 and the community building fund receives 1/3. The money invested is receiving 5.25%. The library will receive approximately \$33,000 for their building fund and the community building will receive approximately \$55,000 for drapes, sign and other repairs.

Finance Director Dufner reviewed his budget assumptions, the general fund and the other fund graphs.

Member Anderson recommended approval and forwarding of the budget to the Coquille City Council as amended: the Police Department's tire budget increased from \$1,000 to \$3,000, Crime Prevention from \$300 to \$2,000, travel and training from \$7,600 to \$10,000 and school education from \$800 to \$1,500. Member Graham e seconded the motion all voted in favor.

6. Approval of City Tax Levy Rate

Member Anderson made a motion to approve the tax levy rate of 6.1038 per \$1,000.00. Councilor Member Short seconded the motion; all present voted in favor.

7. Adjournment

Chairman Wiese adjourned the meeting at 10:15 p.m.

Chairman, Loran Wiese

ATTEST: _____
Secretary, Mollie Anderson

**COQUILLE URBAN RENEWAL AGENCY
BUDGET MEETING MINUTES
April 20, 2009**

1. Call to Order

Chairman Wiese called the Urban Renewal Agency budget meeting to order at 10:16 p.m.

2. Presentation of the 2009-2010 Budget

Executive Director O'Connor said URA is a capital projects fund whose goal is to increase the tax value of the district. The 2009-2010 goals are to forward \$50,000 for river walk, which has a pending application at the State Parks to help complete a section, \$75,000 we continue to carry on our books as part of the pledged contributions to pay the grant writer if he is successful in securing \$2.5 million in grants. There is a portion set aside to finish the road at the GP site

Parker asked if the URA is exempt from prevailing wage laws, and O'Connor said not if the project is over \$25,000.

Chairman Wiese asked if we would be going out for a bond, O'Connor said \$1,000,000 is budgeted in and out if the consultant finds it feasible.

Mayor Britton made a motion to recommend approval of the proposed 2009-2010 Urban Renewal Agency budget. Councilor Muenchrath seconded the motion, all present voted in favor.

3. Adjournment

Chairman Wiese adjourned the meeting at 10:20.

ATTEST: _____
Secretary, Mollie Anderson

Chairman, Loran Wiese