

**CITY OF THE DALLES
BUDGET COMMITTEE MEETING**

**May 2, 2016
5:30 p.m.**

**City Hall Council Chamber
313 Court Street
The Dalles, Oregon**

MINUTES

Presiding: Chair Gary Grossman

Committee Members

Present: Russ Brown, Tim McGlothlin, Linda Miller, Corliss Marsh,
Barbara Pashek

Committee Members

Absent: Taner Elliott, Rich Mays, Dan Bonham, Dan Spatz

Staff Present: City Manager Julie Krueger, City Clerk Izetta Grossman, Planning
Director Richard Gassman, Finance Director Kate Mast, Public
Works Director Dave Anderson, Librarian Jeff Wavrunek, Police
Chief Jay Waterbury, Project Coordinator Daniel Hunter, City
Engineer Dale McCabe

Also Present: Mayor Steve Lawrence

CALL TO ORDER

Chair Grossman called the meeting to order at 5:31 p.m.

ELECTION OF CHAIR

It was moved by Pashek and seconded by Brown to elect Gary Grossman as Chair of the Budget Committee. The motion carried unanimously, Elliott, Mays, Bonham, and Spatz absent.

ELECTION OF SECRETARY

It was moved by Pashek and seconded by Brown to elect Corliss Marsh as Secretary of the Budget Committee. The motion carried unanimously, Elliott, Mays, Bonham and Spatz absent.

BUDGET OFFICER'S MESSAGE, FISCAL YEAR 2016-17

City Manager Julie Krueger presented the Budget Message. She thanked Finance Director Mast and her staff saying they went above and beyond during the budget preparation. Krueger also thanked the Committee for their volunteerism.

Krueger noted the City Council had approved a 2% cost of living adjustment for the exempt employees, and that was reflected in the proposed budget.

Krueger said in the staff recommended changes to the budget were corrections to the medical benefits which were over estimated. She said those funds had been added to Contingency. She noted various projects had been removed from the budget.

Krueger said she had comments on specific departments and would address those during the review of each department.

She said Public Works Funds would be addressed first, to allow Public Works Director to be absent on Tuesday.

CERTIFY THE TAX RATE

It was moved by Miller and seconded by Pashek to certify the City of The Dalles Tax Rate of \$3.0155 per \$1000 of Assessed Value. The motion carried unanimously, Elliott, Mays, Bonham, Spatz absent.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding the Proposed Budget

Chair Grossman opened the public hearing and invited public testimony.

Finance Director Mast reviewed process and budget law, saying that the meeting had been properly noticed and the documents were posted on the City's website for review.

Hearing no testimony Grossman closed the public hearing.

Public Hearing to Receive Testimony Regarding Uses of State Revenue Sharing

Chair Grossman opened the public hearing.

Finance Director Mast explained this hearing was to consider possible use of State Shared Revenue. She said the Committee would consider possible uses and then make that recommendation to the Council. She said the City had historically used State Shared revenues to support General Fund activities.

Pashek asked if part of the funds could be used to upgrade the sound system in the Council Chambers.

Mast noted that there were funds in the capital projects fund that had been set aside for renovating City Hall, and that some of those funds could be used for that purpose.

It was moved by Pashek and seconded by McGlothlin to recommend use of State Shared revenue to support the General Fund. The motion carried unanimously, Spatz, Elliott, Bonham, and Mays absent.

SET FUTURE MEETINGS

It was the consensus of the Committee to schedule the next meeting for Tuesday, May 3, 5:30 p.m., and to schedule another meeting next week, if necessary.

BUDGET PRESENTATIONS BY FUND

Public Works Fund

Street Funds

City Manager Krueger noted that Northwest Natural Franchise fees had been added to this fund, as well as \$150,000 from the General Fund.

Pashek asked what specific projects were in reserve funds.

Public Works Director Anderson said funds were set aside for Dog River pipeline and the Wastewater Treatment Plant upgrade.

Brown asked what vehicles were budgeted for purchase.

Anderson said BIP 16-009 outlined the use of those funds. He noted that the reader boards purchased previously had been helpful in alerting traffic of work ahead.

Water Funds

Anderson said the \$4 million grant for the Dog River pipeline and private donation for the Lone Pine Well and the 18" Industrial Park water main were under Other Funds.

In response to a question Mast said the -\$10,000 was to write off uncollectable billing.

Krueger noted that the budget did not include a water rate increase.

Water Treatment

Miller asked about machinery costs.

Anderson said \$40,000 was to install previously purchased flow meters.

Marsh asked where the Administrative Fees to the City were.

Anderson said those funds were under To General Fund and included the time of the City Manager, City Attorney, and Police for patrolling the water shed and Finance.

Capital Reserve

Anderson noted that two funding sources for Dog River pipeline were being pursued.

In response to a question he said he was participating in state wide conversations on disaster preparedness. He noted that a category 5 earthquake would be more than the aging systems could handle.

Wastewater Funds

Miller asked why "improve documentation" was still on the list of goals.

Anderson said it was continuing effort that connected maintenance done to a map with pictures that was very helpful.

Miller asked about the increase in Miscellaneous Sales and Service line item.

Anderson said that was discharge permits related to industry growth.

He noted that there was a 3% increase in the budget for the contract with OMI for the running of the wastewater treatment plant.

McGlothlin asked what was included in the computer services line item.

Anderson said support agreements for all specialized programs such as the SCADA program.

McGlothlin asked what was included in Special Utility Equipment.

Anderson said sewer lift station repairs, video camera equipment repair, tools, brooms and repairs for the street sweeper, and \$20,000 for unanticipated wastewater equipment repairs.

SEWER RESERVES

Pashek asked if the City was still saving for a new plant.

Anderson said the existing plant was being upgraded.

SEWER PLANT

Anderson said that grant funds that were being pursued were included in the budget. He said if grant applications were not successful there were loan programs that would be pursued.

Anderson said the plant upgrade was moving forward in stages.

City Manager Krueger said Public Works Director Anderson would not be attending the meeting on Tuesday, in case there were questions for him.

Recess

The meeting recessed at 6:33 p.m., to reconvene after the Urban Renewal Budget meeting.

Reconvene

The meeting was reconvened at 6:58 p.m.

General Fund

General Fund Revenues

In response to a question Mast explained that it was anticipated that the initial fee from the last Enterprise Zone agreement with Google would be received during the current fiscal year and would roll into the Beginning Fund Balance for fiscal year 2016-17.

Mayor Lawrence said he would like the Enterprise Zone fees to be on a separate line item so that it would be easy to track the expenditures against those funds.

Mast said that property taxes and transient room taxes were lower than anticipated in the current

fiscal year due to projects that weren't completed.

Mast said there were expenditures against those funds in the current fiscal year, not the full amount would roll over.

Grossman asked if there was a way to anticipate expenditures this year against the \$600,000 and put that remaining amount on a line item.

Mast said that would reduce contingency and unappropriated funds line items.

City Manager Krueger said that reducing contingency was against current budget policies.

Anderson said it was anticipated that Google would come online 8 months before it actually did, causing a reduction in utility charges during the current fiscal year.

Brown said that \$150,000 was transferred from General Fund to Streets.

Mayor Lawrence said there should be a procedure that everyone understood.

Krueger said staff would prepare a memorandum explaining the one-time expenditures that created the need for General Fund use of Enterprise Zone fees.

City Council

Grossman said several ongoing projects had been moved from City Council into their respective Departments.

City Clerk

There were no questions.

City Manager

Pashek said it seemed like everyone was touching transportation and parking.

Krueger said there were many projects and the various departments and entities were working together.

Economic Development

Brown asked why Contractual Services had significant increase.

Mast said the line item had \$25,000 for a RARE Planner for Main Street; \$50,000 support of

Main Street; \$48,000 for the Business Development Director; \$864 for shuttles at the Dam, and \$12,000 for Economic Development/Riverfront Trail.

Mayor Lawrence said he didn't see the need for Riverfront Trail Manager. He said the Project Coordinator could handle it.

It was noted that the \$12,000 for the Riverfront Trail Grant Manager was in the budget twice; it would be removed from Contractual Services as it was in part time salaries.

In response to a question Hunter said the Main Street Executive had a lot going on for one person and needed assistance. He said the Business Recruitment and Development program had just started and the RARE Planner would be assisting with that project.

Grossman cautioned against increasing staff, saying Council should consider how staff could be funded after the first year.

Mast noted that the RARE program was through AmeriCorps and must be applied for each year.

Krueger said by design Main Street was a volunteer organization.

Mayor Lawrence said Main Street had accomplished many things, three parklets and being instrumental in bringing Tokola to The Dalles.

Grossman said Council should hold Main Street accountable for the use of funds, much like it does with grant funds.

Legal and Judicial

In response to a question Judge Peachey said the Mental Health Court was successful. He said 20-30% of the people who came to his court had mental health issues. He said the court was once a week and Center for Living was a partner in the process.

Grossman asked about the fluctuation in expenditures for Court Appointed Attorneys. Peachey said the need fluctuated. He said the fee for court appointed attorneys was \$50 per hour which was significantly less than the going rate.

Finance and Utility Billing

Mast noted the major change was in contractual services in Utility Billing and was due to outsourcing the printing and mailing of utility billing. She said the costs were about the same as the cost of a machine and employee time to do the printing in house.

Personnel

Brown said that Councilor Elliott had asked him to express Elliott's concern that reserves were being drawn down for things like the concert series. Brown said they both felt it was prudent to hold off on hiring a Human Resources Director until it was known how much revenue the concert series would produce.

Mayor Lawrence said there were reserves from going from three positions to two in the City Manager/City Clerk offices. He said it was the most important part of the budget.

Krueger said the plan was to have someone hired by July 1.

Marsh said with the personnel changes, the funds were available and should not be tied to the concert series.

Mast said the timing of the hiring was a Council decision, and putting funds in the budget allowed for that decision.

Planning

Planning Director Richard Gassman said the Planning Department was requesting a RARE Planner for the purpose of working on the Vision Action Plan update and accumulation, organization of the historical resources in The Dalles. He said the goal would be to have everything on the City Website with a map for visitors and community members to use.

He said the Planning Department had not had a RARE Planner for two or three years. He said that applying does not guarantee award. He said that preliminary applications had been received from 48 jurisdictions with only 25 positions being assured.

Police

City Manager Krueger said she had just been informed that Wasco County had increased 911 costs by 19%. She said the budget of \$315,726 did not reflect their request of \$377,000.

She said she had a meeting with Wasco County scheduled for next week and would report back to Council.

Technology

McGlothlin asked what was in Computer Services.

Mast said Sunguard, HTE Court module, Caselle software, and ADP processing fees.

McGlothlin asked what was in Miscellaneous Expenses.

Mast said unforeseen needs.

General Services

Grossman noted that Park and Dock Maintenance had gone down considerably.

Krueger said that a lot of projects were done last year.

Codes Enforcement

In response to a question Mast said Contractual Services included nuisance abatement costs and the purchase of weevils for puncture vine eradication.

Dog Control

No questions.

Mayor Lawrence asked why there was \$65,000 going to the Airport.

Mast said those funds were for operations. She said both the City and Klickitat County provided that amount to the Airport. She said the goal was for the Airport to become self-funding.

Library

District Librarian Wavrunek said the Children's Addition was coming along and was expected to be complete in June.

ADJOURNMENT

The meeting was recessed at 8:13 p.m. to reconvene Tuesday, May 3 at 5:30 p.m.

Respectfully submitted:

Izetta Grossman

City Clerk

Signed: _____

Corliss Marsh
Corliss Marsh, Secretary

Attest: _____

Izetta Grossman
Izetta Grossman, City Clerk

Changes to Proposed Budget - FY16/17

Fund	Fund #	Dept	Staff Recommended Changes	Line Item	Amount Added	Amount Reduced
Staff Recommended Changes to the Proposed Budget						
				05/02/16		
General	001	Beginning Balance	The bulletproof glass for the Police reception area was anticipated to be done in FY15/16, but will now need to roll over into FY16/17	001-0000-300.00-00	23,000	
	001	City Council Dept		001-0100-410.50-60	23,000	
General	001	Finance	Remove replacement furniture for Finance Directors office	001-0900-415.69-80		6,000
General	001	Utility Billing	Remove front desk windows glass replacement	001-0950-415.69-80		2,000
General	001	General Services	Asbestos Removal moved to FY17/18	001-2300-419.43-10		20,000
General	001	General Services	New Truck & Sander moved to FY17/18	001-2300-419.74-20		35,000
General	001	Police	Paint Garage moved to FY17/18	001-1300-421.72-20		7,500
General	001	Other	Add to Unappropriated Ending Fund Balance	001-9500-490.89-00	70,500	
General	001	Beginning Balance	Reduce by \$46,000, as Council has approved expenditure of that amount to underwrite a concert sheduled for July 3, 2016.	001-0000-300.00-00		46,000
General	001	Other	Reduce Unappropriated Ending Fund Balance by \$46,000 to balance the reduction in Beginning Balance.	001-9500-490.89-00		46,000
State Office Building	021		Remodel 2nd Floor Restrooms moved to FY17/18	021-2200-419.73-30		20,000
State Office Building	022		Add to Contingency	021-9500-419.88-00	20,000	

Changes to Proposals Budget - FY16/17

Fund	Fund #	Dept	Staff Recommended Changes	Line Item	Amount Added	Amount Reduced
General	001	City Clerk	Medical Benefits (over budgeted)	001-0200-410.21-10		1,516
General	001	City Manager	Medical Benefits (over budgeted)	001-0300-410.21-10		1,516
General	001	Economic Dvlp	Medical Benefits (over budgeted)	001-0350-410.21-10		908
General	001	Legal	Medical Benefits (over budgeted)	001-0700-410.21-10		1,516
General	001	Judicial	Medical Benefits (over budgeted)	001-0750-410.21-10		1,516
General	001	Finance	Medical Benefits (over budgeted)	001-0900-410.21-10		5,146
General	001	Utility Billing	Medical Benefits (over budgeted)	001-09500-410.21-10		3,031
General	001	Personnel	Medical Benefits (over budgeted)	001-1000-410.21-10		2,573
General	001	Planning	Medical Benefits (over budgeted)	001-1100-410.21-10		5,605
General	001	Police	Medical Benefits (over budgeted)	001-1300-410.21-10		48,285
General	001	IT Technology	Medical Benefits (over budgeted)	001-1700-410.21-10		-
General	001	General Services	Medical Benefits (over budgeted)	001-2300-410.21-10		1,636
General	001	Codes Enforcement	Medical Benefits (over budgeted)	001-4000-410.21-10		-
General	001	Animal Control	Medical Benefits (over budgeted)	001-4500-410.21-10		1,137
General	001	Contingency	Medical Benefits (over budgeted)	001-9500-490.88-00	74,385	
Library	004		Medical Benefits (over budgeted)	001-2100-455.21-10		11,361
Library	004		Library Books	004-2100-455.64-20	5,000	
Library	004		Assets Less than \$5,000	004-2100-455.69-80	6,361	
State Office Bldg	021		Medical Benefits (over budgeted)	021-2200-419.21-10		1,636
State Office Bldg	021	Contingency	Medical Benefits (over budgeted)	021-9500-419.88-00	1,636	

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