

MINUTES

CITY OF THE DALLES
BUDGET COMMITTEE

May 14, 2024
5:30 p.m.

In Attendance: Scott Randall, Darcy Long, Tim McGlothlin, Dan Richardson, Jann Oldenburg, Allyson Schock, Ben Wring, Sandy Haechrel

Committee Absent: Rod Runyon, Serena Smith

Staff in attendance: City Manager Matthew Klebes, Legal Attorney Jonathan Kara, City Clerk Amie Ell, Finance Director Angie Wilson, Community Development Director Joshua Chandler, IT Director David Collins, Public Works Director Dave Anderson, Police Chief Tom Worthy, Human Resources Director Daniel Hunter, Library Director Jeff Wavrunek, Airport Manager Jeff Renard

CALL TO ORDER

The meeting was called to order by Chair McGlothlin at 5:30 p.m.

ROLL CALL

Roll call was conducted by City Clerk Ell. Scott Randall, Darcy Long, Tim McGlothlin, Dan Richardson, Jann Oldenburg, Allyson Schock, Ben Wring, Sandy Haechrel present. Rod Runyon, Serena Smith absent.

APPROVAL OF MINUTES

It was moved by Randall and seconded by Smith to approve the minutes of the May 1, 2023 Budget Committee meeting. The motion passed 8 to 0; Randall, Oldenburg, McGlothlin, Richardson, Schock, Long, Wring, Haechrel voting in favor; none opposed; Runyon, Smith absent;

BUDGET PRESENTATIONS BY FUND

MINUTES
BUDGET COMMITTEE
May 14, 2024
Page 2

General Fund

Matthew Klebes City Manager shared information with the Committee about the SafeSpace Children's Advocacy Center of the Gorge. (see attached) He asked for direction from the committee regarding their request for the \$25,000.00 funding request.

It was the consensus of the Committee was to reduce the reserves for future expenditures in the amount of \$25,000.00 to move to fund the request form SafeSpace.

Library Fund Budget

Jeff Wavrunek Library Director presented the Library Fund. Highlights and changes included;

- The new library van was scheduled to arrive August 2024, the delay was due to supply chain issues
- The City Facilities Supervisor was seeking quotes for replacement of the HVAC System. This project would be paid 50% by the City and 50% from the Library per the parameters of the 4th Intergovernmental Agreement. All upcoming capital projects would be 50/50.
- Carpet will also be replaced.
- Auditors for the City were not happy with The Dalles library paying for the propane at Shaniko and the books in Dufur and Maupin. These funds will now all be paid out of the Wasco County Budget.
- Contract services were decreased because consortium fees, hot spot fees, internet and website fees would all be moved to the County budget.
- Decreases in the materials section of the budget were all due to the fact that the funding would be moved to the County budget.
- Assets of less than \$5000 were also decreased as all new computers would be moved to the County budget.

Richardson asked why there was an increase in the Library Fund from around \$1.5 Million to just over \$4 million.

Wavrunek said during the covid years there had not been as many purchases on books and interactive equipment for the children's room. He said the library van had been rolled over a couple of budgets.

Angie Wilson Finance Director said for the second year in a row the Library had budgeted a reserve for future expenditure.

Wavrunek said reserve for future expenditures was for projects such as needed landscaping, roofing, and contingency for possibility of higher than anticipated cost of HVAC system.

McGlothlin what was meant in the goals by creating a more “Unified Library District”.

Wavrunek said this meant making the District run smoother. The Library Board was reviewing service models at other locations in the district. By paying for their materials and fees from the County budget it was becoming more unified. Another example was lining up performers for children reading programs to visit libraries in the district on dates and times close together in order to cut costs.

Airport Fund Budget

Jeff Renard Airport Manager presented the airport budget. He reviewed the goals and focuses for Fiscal Year 24/25.

Changes noted were;

- Grounds maintenance was increased in the contractual services line item
- Auditing service fees were increased
- Engineering services increased due to the increase in the number of projects being done
- Due to deferred maintenance there were increases in the building and grounds line
- Vehicles and Repair increased based on the need for additional equipment for ground maintenance

McGlothlin asked why there was a big jump in revenue.

Klebes said there had been large federal grants acquired or were anticipated to be received.

Wilson noted a CARB loan from the Community Aviation Board in connection with the Columbia Gorge Community College educational hangar.

Klebes said an EDA grant had taken years to be funded.

Wring asked how close the Airport fund was to reaching the goal of financial sustainability

Renard said the new T-Hangars, catching up on increases to leases for CPI, firefighting closed runways, and improved fueling capacity had all lead to new and increased revenues streams that would help meet that goal soon.

Haechrel asked what ideas there were for non-aviation business on the airport property.

Renard said a phase 2 development of the business park would eliminate the existing closed

MINUTES
BUDGET COMMITTEE
May 14, 2024
Page 4

runway. The closed runway was being used by many entities including Salem, Gresham and local police departments, Team Oregon, Oregon State Autonomous Vehicles, NW Auto Association, and a number of others. Repaving another piece of property to have a space for those events plus more. There was a natural amphitheater on the property that kept loud sound from reaching the City.

McGlothlin noted future needs for saving for an updated airport terminal. He asked if we were eligible to have charter or taxi air services at the airport with the length of the current runway and on-site fire safety standards.

Renard said the type of aircraft that came in would determine the fire response requirements. The length of the runway tied to the aircraft was debatable. Different smaller aircraft were able to use it. There were about four different charter service companies that frequented the airport delivering private citizens in smaller aircraft. He said a priority was updating the terminal that had been built in the 1940s and was disintegrating around them.

Wring asked for more information about the rehabilitation for runway 7/25.

Renard said runway 7/25 was the shorter of the two runways and the FFA wind data said the runway should not be in use. He said the FAA wanted to pay for the minimum amount of runway space possible. There were a couple of things that would drive that runway to be open; it had the LDA approach system to allow jets to land inclement weather, additional monitoring equipment had been secured to track the wind onsite and compare to the FAA data.

McGlothlin said making changes in the fuel storage system had led to expanded fuel sales. He said he had noticed greater military visits as well.

Renard said yes. It had been a huge component to fire fighting aspects. Both the State of Oregon and Federal fire fighting agencies had deemed the airport as a surge base. It was centrally located in region six and had enough ground space to have a dozen helicopters that could be left as a base. There was good freeway access to ensure there would always been fuel. He said the military was also coming because of the access to fuel.

Public Works
Street Funds

Dave Anderson Public Works Director presented the Street Fund Budget. Highlights included;

- The beginning fund balance had decreased from \$1.8 million down to \$317,000. This was due to the fact there had been big swings in street maintenance projects that had been deferred since the Covid years. The backlog of accumulated funds had been spent.

MINUTES
BUDGET COMMITTEE
May 14, 2024
Page 5

- State Shared Revenues included \$1.3 million from the State Vehicle Fund
- \$750,000 contribution from the general fund was in the street fund to do more maintenance projects and continue work on ADA (American's with Disabilities Act) transition plan to install sidewalk ramps prioritizing routes to schools and commercial areas.
- Zayo is a fiberoptic company that uses the right-of-way but does not currently pay franchise fees as those are set up to collect money from services in the City. Zayo just runs through and does not sell inside the City.
- There is a local \$0.03 gas tax that was slightly declining with a total of about \$475,000.
- There was \$175,000 coming in from the water fund and \$158,000 from the sewer fund. This was because pipes run under the streets and these were to compensate for the cost to impacts on the streets.
- A computerized street maintenance system helped the City to determine which streets and what type of works should be done with the available budget to make the best use of the funds and keep the streets maintained. This required updated inventory and data every five years. It was in the budget to do the update.
- The 6th Street bridge needed replacement. There were funds included in the budget to do an engineering study for concepts to replace it.
- An accounting change had moved funding from Capital Projects to instead be included in maintenance materials costs.
- Funds for new road counters were included.
- Capital projects included; ADA sidewalk program, paving overlay, and ADA ramps

Oldenburg asked if the increase in traffic was considered where new developments were going in when determining where maintenance would be done.

Anderson said the traffic was included in the model.

Oldenburg asked if it was considered building that would be happening in the future or if it only counted pre-existing homes in the model.

Anderson said if it was a subdivision where the developer was building the street the information was included. The model determined where best the money allotted was to be spent to provide the greatest benefit to the community.

Wring asked about the payment to Wasco County for street striping.

Anderson said the City buys the materials then contracts with the County to do street striping as they have the equipment for this. The City and County will often help one another with different projects as one had the appropriate equipment and the other does not.

Transportation System Reserve Funds

Anderson highlighted items in the Transportation System Reserve funds. These included;

- Street Reserve Funds
 - Machinery Purchases - crack seal machine for purchase in FY 24/25, building funds for biosolids truck scheduled for a purchase in FY 25/26.
- Transportation Reserve Fund
 - Funds were being built for the Scenic Drive stabilization project
 - Construction of East 12th Street Sidewalks going from Thompson St east. ARPA funds will be used for this project.

Water Fund

Anderson said the water fund was supported almost entirely by water user rates. It was the 10th year in a row there was not rate increase included in the budget. Historically growth in the community was keeping up with the costs related to inflation. Over the last 2-3 years the water revenue had flatlined and inflation had eaten into the beginning fund balance lowering it drastically in recent years. An update to the Water Mater Plan will include a Financial Analysis with recommendations for future funding needs. Anderson said he decided to wait for the Master Plan to make informed decisions about any changes to the water utility financials.

Highlighted items in the water treatment portion of the budget included;

- Corrosion mitigation and repainting of pipes at the water treatment plant.
- Seal of cracks in base of water treatment plant.
- Rental of equipment for cleaning out sludge at water treatment plant is to do the work instead of contracting the work out.
- Property insurance increase was largely related to a revaluation of the Crow Creek Dam.

Highlighted items in the water distribution portion of the budget included;

- Addition of 1.0 was FTE due to the increase in work of annual tasks such as meter replacements and system flushes, and the need for additional staff as there will soon be two new wells and a pump system.
- A new ASR (Aquifer Storage and Recovery) monitoring was included as per state laws for this type of well.
- More electricity with the addition of the wells.
- New systems will require fiber optic lines for communication and monitoring.

Water Capital Reserve Fund

Anderson highlighted items in the Water Capital Reserve funds. These included;

MINUTES
BUDGET COMMITTEE
May 14, 2024
Page 7

- The Water Master Plan would address the decrease in transfer into the reserve fund.
- Grant paid for projects; watershed forest management plan, flood analysis, watershed fuels reduction, and watershed tree planting.
- Work to complete the Dog River Pipeline was also included.

Wastewater Fund

Anderson noted the sewer utility was also largely funded by the sewer rates with decreasing trends similar to the water fund. Highlighted from the wastewater fund were;

- There were no new additional personnel or programs for the wastewater fund.
- Phone increase was for new fiberoptic line to monitor new sewer systems.
- A significant decrease in the permit portion of the budget was because a five-year permit was purchased in the previous year that was not required for the new fiscal year.

Sewer Special Reserve Fund

Anderson said this was the fund for building the monies and completing projects for the wastewater collection system. Highlights from this fund included;

- Funds were being built for a future project to upgrade the SCADA (Supervisory Control of Data Acquisition) system
- Continuation of slip line project to rehabilitate old sewer lines without having to dig them up.
- Funds were being built to upsize sewer main and storm drains in 1st Street east of Webber.

Sewer Plant Constructions Fund

Anderson said this fund was for building monies to take on projects related to the wastewater plant. Items highlighted from this fund included;

- Funds were being built to update the Wastewater Master Plan.
- System Development Charges (SDCs) that would be coming from new large industrial developments would moved from the Sewer Special Reserve Fund into the Sewer Plant Constructions Fund.

Special Assessment Fund

Wilson said the special assessment fund was used to fund Local Improvement Districts (LIDs).

MINUTES
BUDGET COMMITTEE
May 14, 2024
Page 8

There were no new projects planned for the 24/25 fiscal year. Payments for nuisance abatements would be continue to be pursued in the coming year as well as a continuation of the 60/40 residential sidewalk program, 50/50 sidewalk program. There would be an increase in the 80/20 low income program. A commercial sidewalk rehabilitation program would also be included.

Haechrel asked if the curbs were done when the sidewalk was also done.

Anderson said the curbs were not included in the sidewalk rehabilitations.

Richardson asked where the amount of \$102,970 came from.

Wilson said this was the amount that had been brought in from the Enterprise Zone Funds that had been needed to cover the costs.

Capital Improvement Funds

Klebes presented Capital Improvement Funds. Items highlighted included;

- Library carpet will be replaced.
- A door security system would progress in the coming year.
- A request from the Beautification and Tree Committee for benches and trashcans for the downtown area. This was in coordination with waste management who would be providing free service.
- Fencing for the containment of Lewis & Clark Festival Park during ticketed or reserved events.
- Reserve for further facility improvements to build monies for future larger improvement needs.
- General services improvements included beautifying the roundabout and allocating resources for lighting system needs.
- Matching funds from the Library for the cost of replacement of the HVAC system.
- Dock maintenance funds were included. Example of a past use was a replacement of handrail.

Special Revenue Funds

Wilson said the unemployment reserve fund was used to pay bills for unemployment, past payments were used to determine the amount for proposed budget. The community benevolence fund had historically been used for the Veteran's Memorial.

Klebes said Special Grants Funds included ARPA (American Rescue Plan Act funds). These

MINUTES
BUDGET COMMITTEE
May 14, 2024
Page 9

funds had been allocated to 12 Street improvements and the purchase of property on 3rd Street to support new developments in the area. The remaining of the ARPA money was proposed to be used to address deficiencies, hinderances or burdens to the City. Projects included in this line item were improvements of GIS software, digitization to preserve City records and make them more accessible, radio upgrade for the Police Department, evidence refrigeration storage, and police body armor. These were one-time received funds that were to be used for one-time funded projects that would ensure future growth and success or remove deficiencies.

Klebes noted Opioid Settlement expensive was where the City placed fund received from several different settlement agreements. There was a partnership with Wasco County who also received opioid settlement dollars. An opioid task force consisting of members from Wasco County and the City was working to identify best practices and opportunities for the funds and worked with North Wasco Central Public Health's overdose prevention taskforce. There were restrictions on how the funds could be used. The task force was doing the work and due diligence to make recommendations of how to use the funds going forward. It is unclear what the total payment will be coming in.

Joshua Chandler Community Development Director highlighted these areas of the Special Grants Fund;

- Under the Integrated Planning Grant line item, a Brownfield grant had \$10,000 remaining and would be closed out in fiscal year 24/25. He said the City had applied for another \$500,000 Brownfield grant which was reflected in the same line item. The purpose of that grant would be to assist with redevelopment of Brownfield properties. The current grant was shared throughout the region, the new applied for grant would be solely for City properties.
- The 1st Street Riverfront Connection was for streetscaping along 1st Street. Final construction plans for the project were to soon be completed. The project would also receive funding through the Urban Renewal Agency (URA).
- The URA and City were both contributing to redeveloping property on 3rd Street into a parking lot.
- The TGM grant for the Westside Area Plan was a grant with DLCDC and ODOT that was to be pursued.

Klebes added there had been discussion at the URA and City Council around support for a plaza type project at the intersection of Federal Street and West 2nd Street. This would possibly be included would be included with the 1st Street Riverfront Connection Project. Review and redesign of concept renderings for a Federal Street Plaza along with additional input from the community members would be used for cost estimates so staff could come back with recommendations of how to potentially accomplish that.

Haechrel asked what the West Side Plan was.

MINUTES
BUDGET COMMITTEE
May 14, 2024
Page 10

Chandler said it was an integrated planning and transportation grant that would be a study to develop a comprehensive look at the incorporating improving road systems and encouraging more mixed-use development. That side of town had been annexed into the City last and there were many roads that had been built to County standards and were in need work to bring to up to City standards.

Wilson said the State of Office Building fund was used for expenditures related to the operation and maintenance of the facility located at 700 Union Street. The revenue sources for this fund was from the leases of the building with the state unemployment and DHS offices. Typically, the City paid 50% of capital projects and the state offices paid the other 50%. The budget included replacement of one of the HVAC units for the building. The fund included other projects not yet identified. The projects would be identified once new lease agreements were completed with the state office buildings. The projects would be brought back to council for approval before moving forward with any work.

Klebes reviewed items from the Special Enterprise Zone proposed budget on page 236. He highlighted projects including; Safe Routes to Schools, Community Wi-Fi Network, Infrastructure Master Plans, Commercial Sidewalk Programs, Airport Fund matching funds grants.

Wring asked if the downtown wi-fi was going to be a complete replacement or an assessment.

Klebes said it had been broken into zones and as a part of the review process they would determine which zones would be replaced.

Richards said there appeared to be around \$5 million coming in and it would all be going out. This was leading into a discussion on how to use Enterprise Zone funds as the cart was in front of the horse.

Klebes said the projects not yet identified and infrastructure master plans were yet unknown and money would not be transferred out until those numbers were known. He said work sessions would begin in June in collaboration with Wasco County to determine a process for how to spend these funds.

Richardson said this part of the budget was a rough draft in advance of that conversation.

MINUTES
BUDGET COMMITTEE
May 14, 2024
Page 11

Debt Management Funds

Wilson reviewed the debt management funds. She said this was where the bonds and loans were located in the budget. She reviewed the loans and bonds and their statuses.

McGlothlin reiterated the Airport was funded in partnership with Klickitat County, each paying 50/50.

McGlothlin asked if anyone wished to testify in support or opposition related to the proposed budget.

There was none.

The public hearing portion of the meeting was closed.

Haechrel asked that the change be made to include the funding for Safe Space in the budget.

Klebes said the consensus he had heard from the committee during that portion of the meeting \$25,000 would be used from the future expenditures portion of the budget to fully fund the request from Safe Spaces.

APPROVAL OF BUDGET (forward to City Council for Adoption)

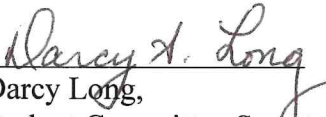
It was moved by Long and seconded by Randall to approve the proposed budget with the addition of \$25,000 for Safe Space Children's Advocacy Center from the Reserves for Future Expenditures and recommend its adoption to the City Council as amended. The motion carried; Long, Randall, Oldenburg, Shock, McGlothlin, Wring, Richardson, Haechrel voting in favor; none voting opposed; none absent;

ADJOURNMENT


Being no further business, the meeting adjourned at 8:30 p.m.

Submitted by/
Amie Ell, City Clerk

SIGNED:


Darcy Long,
Budget Committee Secretary

ATTEST:


Amie Ell,
City Clerk