

CITY OF MCMINNVILLE
MINUTES OF BUDGET COMMITTEE MEETING
Held at the Civic Hall on Gormley Plaza
McMinnville, Oregon

Wednesday, May 13, 2015 at 6:00 p.m.

Presiding: Rick Olson, Mayor

Recording Secretary: Rose A. Lorenzen

Councilors:	<u>Present</u>	<u>Absent</u>
	Scott Hill Alan Ruden	Remy Drabkin
	Kellie Menke	Kevin Jeffries
		Larry Yoder

Budget Committee:	<u>Present</u>	<u>Absent</u>
	Jerry Hart John Mead	Robert Dodge
	Brad Lunt Travis Parker	Brad Robison
	Kris Stubberfield	

Also present were City Manager Martha Meeker, City Attorney Candace A. Haines, Community Development Director Mike Bisset, Finance Director Marcia Baragary, Fire Chief Rich Leipfert, Police Chief Matt Scales, Planning Director Doug Montgomery, Library Director Jenny Berg, Information Systems Director Murray Paolo, Parks and Recreation Director Jay Pearson, Kids on the Block Manager Janet Adams, Senior Accountant Ronda Gretzon, Payroll Accountant Chris Secrist, Engineering Services Manager Rich Spofford, Public Works Superintendent David Renshaw, Wastewater Services Manager Dave Gehring, and a member of the news media, Don Iler of the *News Register*.

AGENDA
ITEM

1. CALL TO ORDER: Mayor Olson called the meeting to order at 6:00 p.m.
2. ROLL CALL: Recording Secretary Lorenzen called roll. It was noted that Councilors Drabkin, Jeffries, and Yoder and Budget Committee Members Dodge and Robison had been excused from the meeting.
3. ELECTION OF BUDGET COMMITTEE CHAIRPERSON: Councilor Menke MOVED to elect Councilor Scott Hill as Budget Committee Chair and further MOVED that the nominations be closed; SECONDED by Councilor Ruden. Motion PASSED unanimously.

Budget Committee Chair Hill expressed his appreciation to the Budget Committee members for the volunteerism they show and to the department heads and staff for the work they do every day.

4.

PRESENTATION OF BUDGET MESSAGE: City Manager Meeker presented her first Budget Message. She opened the presentation with a quote from the Oregon Office of Economic Analysis which stated that although economic expansion appears to be relatively strong, it continued to be prudent to be cautious financially. The forecast calls for peak growth rates of 2.6 percent over the 2014 - 2016 time frame. Doing the basics well continues to be is critical.

Ms. Meeker reviewed the Budget Assumptions and noted that that the Proposed Budget is balanced and is mostly "hold the line" with one time expenditures for building maintenance at the Community Center and the Aquatic Center. Additionally, there are funds budgeted to purchase a new ambulance. She explained that although the reserves are being spent down, it is with purpose in that the City will be buying back deferred capital expenditures both in its employees and its infrastructure.

Ms. Meeker reviewed employee compensation and stated that both General Service and union employees will see a 2.1 percent cost-of-living adjustment (COLA) and that for the first time since 2000, there will be General Service employee salary adjustments. These adjustments will be phased in at 2.5 percent step increases over the next four years. Although not every employee's salary will be adjusted, approximately 70 percent of the City's General Service employees will see an increase in addition to the COLA.

Ms. Meeker stated that the City's health insurance premiums are scheduled to increase 12.7 percent effective January 1, 2015. Because of this increase in premium costs, the General Service employees will move to a new, lower premium insurance plan that will include a VEBA.

Staffing levels in the Fire Department and Planning have each increased .5 FTE to bring staffing levels back to pre-recession levels and one new Building Inspector has been budgeted and will be implemented only if the building activity expected increases are realized.

Ms. Meeker discussed the budget highlights from each of the departments, which include:

- The purchase of two new Police cruisers;
- In the Fire Department, funds have been budgeted for the continued recapitalization of a ladder truck, an engine, a water tender, as well as an ambulance;
- Library Plaza enhancement project will be completed in 2015 - 16 and included improvements for lighting and security;
- Parks and Recreation will continue its new NW Neighborhood Park Plan in conjunction with the Kiwanis Club. Additionally, limited exterior

repairs will occur at the Aquatic and Community Centers. There will be an earlier start for the Park Ranger Program and there is a new cook shelter and footbridge budgeted at City Park.

- The Wastewater Capital Fund budget reflects both a \$2 million rehabilitation of the Cook School Sanitary Sewer system and \$2.8 million for the completion of the Water Reclamation Facilities expansion.
- The passage of the Transportation Bond Measure added significant funds for both basic street maintenance and for system improvements as laid out in the Master Transportation Plan.

Ms. Meeker advised that the only items that remain unfunded were an air handling compressor at the Police Department; two Police vehicles; a remodel at the Fire Department; the interior renovation at the Aquatic Center; and maintenance at the Wortman Park Shelter.

Ms. Meeker related that the challenges ahead will include rate increases in the PERS retirement system, police personnel levels, and additional technology. She explained that the Police Department is below the staffing level median for comparably sized cities by three sworn officers.

In conclusion, Ms Meeker advised that she was aware of three different groups who would approach the Committee during the meeting. They include Your Community Mediators, Homeward Bound, and Zero Waste.

Ms. Meeker noted that the work on the Proposed Budget was a concerted effort from many staff members and she thanked all who participated in the budgeting process. She gave special thanks to Finance Director Marcia Baragary and Senior Accountant Ronda Gretzon, along with the other Finance Department staff members and the Management Team.

Chair Hill thanked Ms. Meeker for her seamless transition into the City Manager position and to the department heads for their input in the Proposed Budget narrative.

5. PUBLIC TESTIMONY ON THE PROPOSED 2015 - 2016 BUDGET:
Budget Committee Chair Hill opened the Public Hearing at 6:25 p.m. and asked for public testimony.

Steve Iverson, Zero Waste, stated that the Zero Waste non-profit organization was formed to present a "zero waste" vision. Its 10-year plan is to remove 90 percent of the City's trash from landfills and incinerators. Early estimates show that the City is currently at about 50 percent. He reviewed the "6 Rs" - reduce, refuse, reuse, repair, recycle and compost, and redesign of product durability and of packaging.

Mr. Iverson explained that the organization is asking for financial assistance of \$9,400 to assist them with their three major campaigns: fluorescent tube-to-LED conversions for local businesses and the City of McMinnville; voluntary, free waste audits for local businesses to assess their waste stream and to advise on reduction, reuse, and recycling options; and to give recycling and public education during local events. The requested amount will allow them to hire four Linfield interns to assist with their projects.

A discussion regarding other avenues of funding occurred. Mr. Iverson noted that the group has worked this past year on building a core group, developing partnerships, attending the Yamhill County Master Recycler course; fundraising; buying equipment, and initiating projects. They received a grant from Canned Aide for recycling tents and a training expert will assist them in staging an event.

Zero Waste has enrolled several businesses in their florescent tube to LED tube conversions. He further explained the 2015 - 16 work plan which includes coordinating with local businesses, hiring and training four Linfield College interns beginning in September 2015, and developing waste audit protocols and checklists.

Beth Karecki and Marlena Bertram spoke on behalf of Your Community Mediators. They highlighted the types of programs that Your Community Mediators have in place and how they leverage their finances to cover the costs of the programs. They noted that their funding request is \$21,593 for the next fiscal year.

A question and answer period ensued regarding the ability to successfully apply for grants in a very competitive market and whether the City has the ability to add a line item to its budget for funding mediation.

Dawn Witt, Homeward Bound Pets, distributed the organization's new brochure and noted that the spay/neuter program donations go strictly to the spay/neuter program and nothing goes to the shelter.

Ms. Witt advised that because of the efforts of the spay/neuter program, 13,715,855 kittens have not been born. She noted that they raised their request \$1,000 to \$6,000 from last year's request. The organization asked for \$5,000 and received \$3,000 from the City last year

Budget Committee Chair Hill closed the public hearing at 7:36 p.m.

6. PUBLIC HEARING - ON POSSIBLE USES OF STATE REVENUE SHARING: Budget Committee Chair Hill opened the public hearing on the possible uses of state revenue sharing at 7:37 p.m. He advised that the State Revenue Sharing Law, ORS 221.770, requires cities to annually pass an ordinance or resolution

requesting state revenue sharing money. In order to receive state revenue sharing in 2015 - 2016, a city must have levied property taxes in the preceding year and must hold a public hearing before the Budget Committee to discuss possible uses of the funds and hold a hearing before the City Council on the proposed uses of funds in relation to the entire budget. He stated that the \$290,000 of state revenue sharing available to the City is proposed to be spent in the following manner:

• YCTA Public Transportation Support	\$ 22,500
• Support of McMinnville Economic Development Partnership	39,882
• Police - Police Patrol Vehicles (2)	66,140
• Police - Replace Narcotics Canine	8,150
• Police - MDTs and related equipment (3)	24,313
• Police - Mobile radios (2)	5,000
• Police - Tasers	7,800
• Police - Firearm ammunition	10,645
• Fire - Thermal Imaging Camera	8,000
• Fire - Tablet computers (3)	8,100
• Aquatic Center - Paint exterior of building	23,500
• Aquatic Center - Replace rusting exterior Siding	4,800
• Community Center - Patch, repair, paint Exterior Stucco	12,000
• Park Maintenance - Zero turn rotary mower	13,000
• Library - Window Caulking and Stucco Repair	12,470
• Library - Workstation replacements (11)	18,700
• Library - Security cameras and lighting For Plaza	<u>35,000</u>
Total Possible Expenditures	<u>\$320,000</u>

No public testimony on the proposed uses of state revenue sharing was heard.

Budget Committee Chair Hill closed the public hearing at 7:38 p.m.

7.

REVIEW AND DISCUSSION OF PROPOSED 2015 - 2016 BUDGET: Budget Committee Chair Hill suggested that the Proposed Budget document be reviewed in the same manner as previous years - major section by major section. He pointed out that he had enjoyed the department managers' insights into their respective departments and the reports gave the Budget Committee members a chance to review future challenges and opportunities in each of the departments.

Personnel Services: Budget Committee Chair Hill referenced the tables, in particular, Table 3 which shows that the City has 156 FTE, 154 Part-time employees; and 1,278 volunteers. He said that he is always amazed at the number of volunteers and he believed that those numbers should be celebrated.

Administration - Community Services: Mayor Olson stated that he felt it prudent within the next year to engage in discussion regarding how the City funds community service organizations. Discussion ensued, following which the Budget Committee, by consensus committed \$21,000 to Your Community Mediators; \$5,000 to Zero Waste provided matching funds are found; and \$4,000 to Homeward Bound for a total of \$30,000. The group noted that it was their wish to extend that commitment for one year to Your Community Mediators and to Homeward Bound for three years.

Finance: Budget Committee Member Lunt asked about how ambulance billings are handled. He asked if there was a problem between the software used and billing. Fire Chief Leipfert stated that while there have been glitches between software and billing, it hasn't impacted billing. The problem is the Medicare / Medicaid reimbursement schedule.

Police: Budget Committee Member Lunt asked whether body cameras have been factored into the budget. City Manager Meeker explained that staff is trying to resolve the issues surrounding personal confidentiality with the cameras. Police Chief Scales added that the state is looking at not making cameras mandatory. He also noted that there is a great deal of discussion surrounding how to store the video without incurring significant costs.

Municipal Court: Budget Committee Chair Hill asked about decreasing revenues in Municipal Court and whether that was a trend. City Attorney Haines replied that the Court is starting to see more repeat and hard core offenders who have a tendency to not pay their fines. The staff works the accounts in the best manner possible; yet revenues are down.

Building Fund: Budget Committee Member Parker asked if there was a good balance between commercial and residential construction. Planning Director Montgomery advised that the City is very interested in encouraging jobs and then residential. As the City continues to come out of the recession from 2008; he believed that over time, there would be a return to balance.

8. BUDGET COMMITTEE RECOMMENDATION TO APPROVE THE 2015 - 2016 BUDGET AS PROPOSED OR AMENDED AND TAX RATE: Budget Committee Chair Hill asked for a motion to approve the Proposed Budget as amended and to approve the permanent tax rate of \$5.02 and the debt service property tax levy of \$2,851,740.

City Councilor Ruden MOVED to approve the budget for the 2015 - 2016 fiscal year in the amount of \$100,989,932 with the following amendments: to increase the Community Service line item from \$18,000 to \$30,000 as reported to staff; and he further MOVED to approve taxes for the 2015 - 2016 fiscal year, at the rate of \$5.02 per \$1,000 of

assessed value for operating purposes and \$2,851,740 for the general obligation bond levy in the Debt Service Fund for principal and interest; SECONDED by Councilor Menke. Motion passed unanimously.

9. ADJOURNMENT: Budget Committee Chair Hill adjourned the Budget Committee Meeting at 8:46 p.m.

Rose A. Lorenzen, Recording Secretary