



Budget Committee Minutes

May 5th, 2016

Members of the Budget Committee met this day in regular session at City Hall, Brownsville, Oregon at 7:00 p.m.

Present: Chair Don Andrews, Mayor Don Ware, Councilor Mandy Cole, Councilor Lynda Chambers, Councilor Carla Gerber, Councilor Gary Shepherd, Councilor Nan Van Sandt, Councilor Mike Neddeau, Kaye Fox, Rick Dominguez, Marilyn Grimes, Allen Buzzard, Mike McDaniel, Public Works Superintendent Karl Frink, Administrative Assistant Tammi Morrow and Budget Officer S. Scott McDowell.

Absent: All members were present

Public: June Schlosser.

Presiding: Don Andrews.

The meeting was called to order and resumed at 7:00 p.m. by Chair Andrews.

Mr. McDowell took roll call. Roll call is duly noted above. *Mr. Ware made a motion to approve the April 28th, 2016 minutes as corrected. Chair Andrews noted a correction on being "elected" rather than appointed as Chair of the committee. McDowell also clarified the attendance and quorum issue with Council seats. Ms. Cole seconded the motion, and it passed unanimously.*

Chair Andrews opened the floor for public comment. No other members of the public were interested in speaking, so the public comment discussion was closed.

Chair Andrews then turned the meeting over to McDowell for the discussion of the budget document. McDowell discussed the process of reviewing the budget. He will be reviewing notes on each page and answering questions as needed. McDowell said it would be great if we could get through the budget in two hours. McDowell started on page 1, showing the tax rates and bond amounts. Mr. Ware asked about the deposits line items mentioned at the last meeting. McDowell said that he would cover that issue on a later page. McDowell reviewed the reason for the blank 911 line item. McDowell explained that the 911 is taken off the top of the taxes to meet the City's obligation for providing 911. The issue of showing the line item came from the State several years ago; they decided to change it back to the way it was before, which was to not show the monies because they are never actually received by municipalities.

McDowell explained all of the projects that were included in the cost centers of the General Fund. McDowell has budgeted money for utility/general ledger software, park and general buildings including the Central Linn Rec Center, Library roofing, new Library computers, added additional money for the grant match for OPRD, and showed where to find the additional earthquake insurance amounts. McDowell explained that historically the City has transferred money from the General Fund to buildings and equipment and community projects. He reminded



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the Committee that for the last three fiscal years, due to GASB rules, the City is keeping the money in the General Fund for the projects that were highlighted including the money for the Library roofing and money for the playground equipment. McDowell then briefly reviewed the allocated vs. non-allocated discussion from last week. McDowell said the City allocates all monies based on a percentage of work being performed in the various areas. The Worker's Compensation figures are based on these percentages too; figures that are based on actual hours worked. Chair Andrews asked about the money for playground equipment. McDowell said that for the last three fiscal years the Park Board, Budget Committee and the Council have put back funds for potentially adding equipment over between the ball diamonds. McDowell said that Council is considering possibly obtaining equipment from the Central Linn School District for the area. Mrs. Grimes was asked to speak to the grant match. She explained that the Park Board will have to execute a new master plan in order to be eligible for funding consideration. The Park Board updated their master plan in 2010, but the plan is only good for five years.

Mr. Buzzard raised a question about the Linn County Sheriff's Office contract. McDowell explained that Council is concerned about a few issues with the contract. They have delegated Mayor Ware, Councilor Shepherd and Mr. McDowell to have a conversation with Sheriff Riley about the overall increase and concerns the City has about traffic. Discussion ensued. Overall, the City is pleased with some of the improvements with the contract but is concerned about the increase outpacing the general fund. The contract represents 24% of the General Fund. McDowell also said that Jan Henry would be retiring in August and the City is fortunate to have another well qualified individual ready to fill the vacancy. The City has also maintained the agreement with Linn County Court to provide support as needed.

Mr. Buzzard felt that it was not necessary to include money for Council chairs on Page 8, line 33. Discussion ensued. The overall discussion was that the room is used for different purposes including the Planning Commission, Park Board and Municipal Court. Mr. Buzzard made a motion to zero out line 33 on Page 8. The motion was seconded by Mr. Dominguez. Discussion continued. Mr. Shepherd pointed out potential liability concerns with the chairs. The chairs have lasted ten years. Mr. Neddeau said that he took one of the chairs to his shop in an attempt to make a repair. He said that the chair was not repairable due to the chair's construction. Chair Andrews called for the question. Mr. Buzzard and Mr. Dominguez voted in favor of the motion. All remaining members, Chair Don Andrews, Mayor Don Ware, Councilor Mandy Cole, Councilor Lynda Chambers, Councilor Carla Gerber, Councilor Gary Shepherd, Councilor Nan Van Sandt, Councilor Mike Neddeau, Kaye Fox, Marilyn Grimes and Mike McDaniel, voted against the motion. The motion failed 11-2.

McDowell touched on the historic imbalance between the Water & Sewer account. It fluctuates due to the projects being done in any particular fiscal year. Due to the many projects the City has completed, this year's budget does not have a major utility project slated. The budget does appropriate money for engineering and preparing for the downtown sewer project. McDowell indicated that this proposed budget does not include an increase for utilities. Mrs. Gerber asked if an increase could be considered. The Committee will consider a discussion after the general discussion of the utility funds. McDowell and Frink did provide funds for the water line extension through Pioneer Park.



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Mrs. Gerber moved to recommend a 3% increase for utility rates to Council. Mr. Shepherd seconded the motion. Discussion ensued about the potential increase. Mr. Shepherd pointed out that Council is already behind. Putting off increases will only put the City further behind. Mrs. Gerber felt that the City has been keeping pace over the course of the last several fiscal years and thought that should continue. Mr. Ware thought that by keeping a steady increase would prevent a large one in future years. Mr. Buzzard posed a question to audience member June Schlosser. Mr. Buzzard proposed a 1.2% increase based on the area (Consumer Price Index) or CPI. Mr. Buzzard amended the motion to increase of 1.2%. Mrs. Fox seconded the motion. Mr. McDaniel shared a past experience where another municipality had kept rates low for years, but then had to do larger annual increases. No one was happy. Mr. McDaniel feels that 3% is fair.

Chair Andrews called for the question on the motion amendment. Mr. Buzzard, Mrs. Fox, Mr. Dominguez and Mrs. Grimes voted in favor of the amendment. Chair Don Andrews, Mayor Don Ware, Councilor Mandy Cole, Councilor Lynda Chambers, Councilor Carla Gerber, Councilor Gary Shepherd, Councilor Nan Van Sandt, Councilor Mike Neddeau and Mike McDaniel, voted against the amended motion. The motion failed 9-4.

Chair Andrews called for the question on the original motion. Chair Don Andrews, Mayor Don Ware, Councilor Mandy Cole, Councilor Lynda Chambers, Councilor Carla Gerber, Councilor Gary Shepherd, Councilor Nan Van Sandt, Councilor Mike Neddeau and Mike McDaniel, voted in favor of the original motion. Mr. Buzzard, Mrs. Fox, Mr. Dominguez and Mrs. Grimes voted against the original amendment. The motion carried 9-4.

McDowell discussed the Street Fund on Page 18. Ms. Fox asked about Kirk Avenue. Discussion ensued. The overall outcome was that Linn County has used a lot of money from the Linn County Road Department over the years. The County's ability and willingness to take on a project like Kirk Avenue is diminished. McDowell explained that the County is going through a review process about how road improvements are going to be done in the future. McDowell said that officials will want to attend those public discussions planned for later this year.

McDowell reviewed how the Water and Sewer bonds are calculated. The City calculates the payment high in order to yield the correct amount due, based on Linn County's projections for collectible taxes. He explained the City should keep the unappropriated amount between \$40,000 - \$80,000.

McDowell shared with the Committee that Page 24 is where the City is reserving the \$2.50 capital improvements fee that appears monthly on the customer's bill. The money will be used for the Water Treatment Plant upgrade. McDowell said that Staff would like to look into the procurement of the vector truck. Public Works Superintendent Karl Frink said the cost will be nearly \$320,000. Mr. McDaniel asked to be included in this process.

McDowell explained the trust funds, the Transient Room Tax, and the Housing Rehabilitation Fund. The City can receive donations in trust funds for specific purposes. McDowell explained that every other year the City does provide those funds to the Brownsville Chamber of Commerce for marketing purposes. However, the City has collected enough to appropriate money this fiscal year as well. McDowell shared a few of the other projects the City



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has worked with the Chamber on using these funds. Mr. Buzzard answered a question about the percentage charged for this purpose; 6%. McDowell reminded the Committee about the details of the Housing Rehabilitation Fund and shared a few future ideas.

Mr. Buzzard asked about line item 13 on Page 35. McDowell explained that the City uses these funds to enforce nuisance related issues as required by the Brownsville Municipal Code. Mr. Buzzard asked what it would cost to have the season start in May. McDowell indicated that it would probably cost between \$2,600 and \$3,200. McDowell continued saying that Council had considered this a few years ago when the ordinance was modified. Most years, the weather does not allow the program to start until June. The last two years however have been different. McDowell said that Staff would not have time to add this to the work load early due primarily to budget preparations.

McDowell, having no further pages to review, turned the meeting back over to Chair Andrews.

Chair Andrews asked if there were any further thoughts or discussion. Agenda Item # 6 – Possible Uses of State Revenue Sharing was discussed. Typically this funding is used for public safety, such as the electricity to operate the street lights.

Mr. Ware motioned to table the meeting until Thursday, May 12th at 7:00 p.m. Mrs. Van Sandt seconded. The discussion was tabled until that time. The meeting was tabled at 9:10 p.m.

ATTEST:

A handwritten signature in blue ink, appearing to be "SM", written over a horizontal line.

S. Scott McDowell
Budget Officer

A handwritten signature in blue ink, appearing to be "Don Andrews", written over a horizontal line.

Don Andrews
Budget Committee Chair