



## Budget Committee Minutes

May 4<sup>th</sup>, 2017

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 Doug Block, Councilor Mandy Cole, Councilor Lynda Chambers, Councilor Carla Gerber, Councilor Gary Shepherd, Councilor Mike Neddeau, Kim Clayton, Kaye Fox, Rick Dominguez, Marilyn Grimes, Allen Buzzard, Mike McDaniel, Administrative Assistant Tammi Morrow and Budget Officer S. Scott McDowell.

**Absent:** All members were present.

**Public:** No one was present.

**Presiding:** Don Andrews.

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

Mr. McDowell took roll call as noted above. *Mr. Ware made a motion to approve the April 27<sup>th</sup>, 2017 minutes as presented. Mr. Shepherd seconded the motion, and it passed unanimously.*

Chair Andrews opened the floor for public comment. No members of the public were present, 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 started on page 2. McDowell briefly reviewed the revenues received by the City. A majority of our General Fund health consists of the carry over amount from the previous year. McDowell explained that this year he started one month earlier than usual due to scheduling issues, but remains assured that the numbers will be close at the end of the fiscal year.

Page 3, McDowell explained that funds were added to line item 27 to include projects being carried out by the EPC. Mr. Buzzard asked where the projection came from exactly. McDowell explained that he had reviewed what they wanted to accomplish based on Council's direction and determined an amount that would more than cover the associated costs. Councilor Block asked about the increase for Economic Development on line item 26. McDowell said that Council may be asked to contribute to the regional economic development effort that the City has been working on for the past two years. Councilor Block asked what would be the outcomes of this appropriation. McDowell said that rural Linn County would actually have a dedicated professional working on attracting and retaining local businesses, not only in Brownsville but in all rural areas of Linn County. McDowell showed the money set aside for the General Ledger & Utility Billing Software.



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Mr. Buzzard asked McDowell about the frequency of software changes. McDowell explained the work with the Cascade West Council of Governments over the last year and half. The reason McDowell reached out to the Cascade West Council of Governments was due to a request from their new Executive Director Fred Abousleman. McDowell said that new software costs between \$50,000 and \$60,000 every five or six years plus the annual maintenance cost of \$4,200. The new associated costs will be a quarter of that amount and the City will be going to a cloud service so those conversion costs will no longer be necessary. McDowell reported that the annual fee will be \$3,625. He is excited about this opportunity for the City and the Cascade West Council of Governments. Many other communities will be able to benefit from this effort.

Page 4, McDowell reviewed the river bank issue in Pioneer Park. The Parks & Open Space Advisory Board have recommended the money being set aside over the last few fiscal years, for new playground equipment, be used for the relocation of the playground. The City has lost a lot of real estate this year. Council's plan is to retreat from the location. Mr. Andrews asked if the line item included road improvements and such. The line item does include the amounts needed to make the necessary improvements. McDowell said that line item 21 includes money for the Park, Rec Center and Cemetery. The City spends a lot of money maintaining the City's assets and facilities.

Page 5, McDowell explained that this page is an artifact from when the building was shared with the Brownsville Rural Fire District. McDowell, may in the future, include these amounts under General Operations.

Page 6, Councilor Cole asked if we were about done fixing the Library. McDowell recounted all the projects over the last few years; reported that the City is under contract with 1<sup>st</sup> Rate Roofing for a new roof. Discussion ensued over continual maintenance on assets.

Page 7, McDowell reviewed negotiations between the joint contract cities and the LCSO. The law enforcement agreement will increase by 4.19% this year and 3.58% next fiscal year. McDowell talked about how Council landed on that particular amount. The new agreement will be tied to the labor union agreement the Sheriff's Office has with their union. LCSO Union agreements are three year collective bargaining agreements. McDowell pointed out a few accounts that were added to this page due to changes in the way the City had historically conducted checks out of this account. All accounts were consolidated into one general account starting FY 2016-2017.

Page 8, McDowell highlighted line item 6 and discussed the reason for the expenditure. The City will be completing necessary processes required by State Law to add Volume Commercial and Light Industrial land to the City. The City will also be taking a look at Residential land, but there are some obstacles that could prevent the City from moving forward on that front. Council is looking at policies right now to address part of those concerns. McDowell pointed out line item 33 which includes money for fireproof cabinets.

McDowell explained that historically the City has transferred money from the General Fund to buildings and equipment and community projects. He reminded the Committee that for



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the last four fiscal years, due to GASB rules, the City is keeping the money in the General Fund for the projects associated with each fund instead of transferring money to other funds.

McDowell touched on the historic imbalance between the Water & Sewer account. It fluctuates due to the projects being done in any particular fiscal year. This year's budget does include money for the sand filters at the water plant and Robe Street water line. The budget does appropriate money for engineering and preparing for the downtown sewer project. McDowell showed the transfer from Sewer to Water to help fund the water project. McDowell explained interfund borrowing and how happy he was to not have to worry about that accounting nightmare because Brownsville did not require that to be done.

Mr. McDaniel asked about staff training and the licensure held by the employees. McDowell reviewed the licenses held mostly by Public Works Superintendent Karl Frink and indicated that the City does have an incentive plan in place to encourage staff to continue to add licensures and certifications. The City does everything we can to keep licensed operators and good employees. Discussion ensued.

Page 19, McDowell pointed out the transfer to the Bikeway Path. He also talked about line item 5 indicating that he had added some money for the City to carry out certain requirements of the TMDL Plan. Discussion ensued. Basically, the City does not have a stormwater system and has been working with representatives to point out the huge financial burden this program will cause small towns.

McDowell reviewed how the Water and Sewer bonds were calculated this year due to the refinancing. The City calculates the payment high in order to yield the correct amount due, based on Linn County's projections for collectible taxes. Councilor Cole asked about the uncollectible rate. McDowell said it was 93.7% for this fiscal year.

Page 23, the City will be only putting back \$10,000 toward the vactor this year. Mrs. Fox asked some questions about the vactor. Council Shepherd discussed some of the associated costs with owning a vactor. Discussion ensued.

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 in 2025. Due to the refinancing, the City will be attempting to push out the bond needed for the Water System. McDowell said 2020 was the year discussed for last several years for the proposed improvements, but the City will not be able to refinance or pay off any of the debt until February 2025. McDowell reviewed what was to be included in the Water Treatment System bond based on the Water Master Plan completed in 2012.

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 year, starting this year, the City provides those funds to the Brownsville Chamber of Commerce for marketing/tourism purposes. McDowell shared a few of the other projects the City has worked with the Chamber on using these funds. McDowell



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reminded the Committee about the details of the Housing Rehabilitation Fund and shared a few future ideas.

McDowell discussed SDC fees, their purpose and their overall yield. It is very difficult for small towns to generate meaningful income to actually accomplish major capital projects due to the limitations placed on these monies by State Law.

Page 35, McDowell shared the items that would be spent out of this fund. McDowell did not transfer money into this fund this year, rather the City will be spending down money that is already in this account. Items include the nuisance abatement program, Tree City USA and some safety improvements around City Hall. McDowell eluded to a situation that had happened this past year that raised concerns about employee safety. McDowell consulted with CIS to review the current layout looking for ways to better safeguard staff. Kim Clayton reviewed a situation that could have been very volatile for Council.

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. Mayor Ware asked if we could go forth and make the necessary motions. After checking, McDowell indicated that the Committee will need to table and reconvene next week due to State requirements.

Mr. Shepherd motioned to table the meeting until Thursday, May 11<sup>th</sup> at 7:00 p.m. Mr. Block seconded. The vote to table the meeting was unanimous. The discussion was tabled until that time. The meeting was tabled at 8:50 p.m.

ATTEST:

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S. Scott McDowell  
Budget Officer

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Don Andrews  
Budget Committee Chair