

BUDGET COMMITTEE MEETING
TUESDAY, APRIL 26th, 2016
6:30 PM
Cabin in the Woods, Vernonia, OR 97064

AGENDA

- 1. Call to Order** - Budget Chair- Brett Costley
- 2. Additions or Approval of Agenda**
- 3. Approval of Minutes**- Budget Committee Meeting Minutes April 19, 2016
- 4. Budget Deliberation by Fund**

A. Police	16
B. General Fund.....	1
C. Sewer	41
D. Sewer Debt Service	61
E. Sewer Rehab	56
F. Water	56
G. Facility's Reserve Funds	65
H. Water Debt Service	60

5. Potential Deliberation of Following Funds if Time Allows

- | | |
|------------------------------|----|
| A. Library Fund | 14 |
| B. Administrative Fund | 8 |

6. Recess to next Budget Committee Meeting

- | | |
|---|---------------------|
| A. May 3 rd , 2016 | |
| Funds deliberated at May 3 rd meeting: | Library Fund |
| | Administrative Fund |

AMERICANS WITH DISABILITIES ACT NOTICE

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BUDGET COMMITTEE MEETING
TUESDAY, APRIL 19th, 2016
6:30 PM
Cabin in the Woods, Vernonia, OR 97064

AGENDA

Call to Order - Budget Chair- Brett Costley

Budget Chair Costley called the meeting to order at 6:39 pm.

In Attendance: George Tice, Randy Parrow, Brett Costley, Jill Hult, Mike Seager, and Kim Tierney.

Staff in Attendance: Josette Mitchell, Angie Handegard, and Stephanie Borst

Audience Members: Scott Laird, Jeff Burch, and James McMahon

Additions or Approval of Agenda

City Recorder Stephanie Borst made a correction to the agenda as Public Hearing should have been Public Input.

George Tice made a motion to approve the Agenda with this change. The motion was seconded by Jill Hult, All in favor.

Approval of Minutes- Budget Committee Meeting Minutes April 12, 2016

George Tice made a motion to approve the Budget Meeting minutes from April 12, 2016.

The motion was seconded by Jill Hult, motion passes.

Budget Deliberation by Fund

A. Public ~~Hearing~~ Input

B. Airport

George Tice asked why line item 1407-00 Hanger Rent has reduced from last years adopted budget. Staff responded that it is due to a tenant moving out. He then asked about 9467-99 Transfers in and the \$1,000 loan from the general fund. Staff responded that this is for the culvert project which still needs \$6,000 to be completed. Mike Seager stated that they would like to borrow the remainder of the amount and pay it back over 5 years. Staff explained that this is not reflected in the current budget as they are waiting for the Airport trailer to sell and for Council to make a decision on what to do after its sold. Staff will look into actual figures for the project and bring it to Council to make a decision.

George Tice made a motion to tentatively approve the airport fund as written. The motion was seconded by Kim Tierney, motion passes.

C. Building

George Tice made a motion to tentatively approve the Building Fund as written. The motion was seconded by Randy Parrow, motion passes.

D. Cemetery

Angie Handegard corrected line item 1512-00 Workers Comp to \$460 and line item 9998-00 Contingency to \$4,216.

Staff updated the committee on the Urn Garden. It has been platted and they are looking into a possible urn niche wall for 48 urns. The committee discussed the house at the cemetery and the idea that once it is sold, some of the funds can be used to help pay for the niche wall. Staff updated the committee on the project and that they received a bid for \$2,000 to demolish the shed. They also expect the lot line adjustment to cost roughly \$2,000. City staff is looking into possibly having a clean-up day to demolish the shed in order to save those costs. The Committee would like to move \$2,000 from the contingency fund (Line Item 9998-00) and create a new line item titled Contract Services to budget for the lot line adjustment. This would reduce the contingency fund to \$2,216.

Bruce McNair made a motion to tentatively approve the Cemetery Fund with these changes. Randy Parrow seconded his motion, motion passes.

E. Parks

Brett Costley explained to the committee that he had asked Angie why there was not Admin Fee charged to parks. Her response was that there was no money for an admin fee. The proposed change is to not make a transfer out to the reserve fund and instead create an admin fee. The proposed fee would be either 10% for \$11,400 or 5% for \$5,700. The committee is in agreement on charging the 5% administrative fee.

The committee then discussed the advertising line item. Consensus was to increase it from \$100 to \$300.

Angie Handegard explained to the committee that line item 1401-01 Restricted Cash on Hand comes from customer's water service deposit as a \$2 park fee. The city auditors want it held in restricted in case a large amount of customers move and need that refunded. With the permission of the auditors, Angie created a threshold so that that fund doesn't grow too large. Staff would like to change the way this amount is tracked by incorporating it into MuniBilling so that it is tracked more easily. Staff will bring to Council the proposal for a resolution to take the parks fee out of the deposit.

Correction to line item 1665-14 Park Host Comp – Airport explanation from 105% to 10% as a typo.

George motioned to tentatively approve the Parks Fund with the requested changes. The motion was seconded by Bruce McNair, motion passes.

F. Sewer

George Tice would like to discuss the increase of salaries due to the elimination of City Admin salaries being charged in the sewer rehab fund. He would like to keep the transparency of the funds by charging staff fees in the fund the work is being done. Staff explained that that line item was removed in the Sewer Rehab Fund due to the USDA Loan not covering that expense.

Bruce McNair proposed the possibility of reducing the admin fee in the water and sewer funds since we are implementing the fee in the parks fund. Staff explained that the goal is for each fund to contribute 10% to cover the administrative expenses. The reason it looks like water and sewer contribute more is because they are larger funds so that 10% is a larger amount. The 10% is calculated by taking the total operating budget and subtracting the contingency and transfers out.

George Tice made a motion to have staff move administrative salaries to reflect monies spent in sewer rehab fund. Angie Handegard will present the numbers at the next meeting. Angie Handegard explained that the city employee salaries are supported by the Administrative Fund (35%) and split equally between the Water, Sewer, and Sewer Rehab funds (65%). Sewer debt would capture the transfer to cover expenses from the project. The motion was seconded by Bruce McNair, motion passes.

George Tice made a motion to table the sewer fund until the next budget meeting. The motion was seconded by Randy Parrow, motion passes.

George Tice mentioned that he approves of the addition of Anderson Park Sewer Dump Fees (Line Item 1413-03).

G. Sewer Rehab

George Tice made a motion to table the Sewer Rehab fund until the next meeting. The motion was second by Randy Parrow, motion passes.

H. Sewer Debt Service

George Tice made a motion to table the Sewer Debt Service fund until the next meeting. The motion was second by Randy Parrow, motion passes.

I. Streets

Kim Tierney asked staff for an update on tree removal and where that is reflected in the budget. Josette Mitchell stated that the 6 most urgent trees have been removed and staff is waiting for direction from Council. The current FY budget has set aside \$1,000 for the project in line item 1615-01. She stated that there is potentially going to be additional expenses in the streets fund due to the following projects: Adams Street culvert replacement, the Nickerson culvert project, the California Avenue project, and the Weed Avenue improvement project. She cautions the committee about moving money from contract services as it may be needed for these projects.

Consensus of the committee was to direct staff to bring the tree decision to council in the form of a workshop. \$1,000 will also be moved from Contingency (Line Item 9998-00) into Streetscape Maintenance.

George Tice made a motion to tentatively approve the Streets Fund with this addition. The motion was seconded by Randy Parrow, motion passes.

J. SDC's

George Tice made a motion to tentatively approve the SDC's Fund. The motion was seconded by Randy Parrow, motion passes.

K. Timber Funds

Angie Handegard and George Tice gave the committee a brief overview of the Timber Fund. George Tice made a motion to tentatively approve the Timber Fund. The motion was seconded by Randy Parrow, motion passes.

Recess to next Budget Committee Meeting at 8:46 pm.

A. April 26th, 2016

Funds deliberated at April 26th meeting: Police / General Fund.
Sewer
Sewer Debt
Sewer Rehab
Water
Facility's Reserve Funds
Water Debt Service

Funds deliberated if time allows:
Library Fund
Administrative Fund