

BUDGET COMMITTEE MEETING
TUESDAY, MAY 02nd, 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 26, 2016

- 4. Budget Deliberation by Fund**
 - A. Library Fund 14
 - B. Administrative Fund8
 - C. General Fund1

- 5. Approval of Budget**

To approve entire budget:

Suggested Motion: “To accept all funds for fiscal year 2016-2017 as presented.”

- 6. Recommend to City Council for Adoption**

To recommend to council for adoption:

Suggested Motion “To present to Council a balance budget for adoption for the Fiscal Year 2016-2017”

- 7. Accept State Revenue Shares and Approve Tax Rate**

To accept State Revenue shares and approve tax rate:

Suggested Motion: “To accept State Shared Revenues and Property Tax rate of \$5.8163 per \$1000 of assessed value and recommend to Council for acceptance and approval.

- 8. Recess to next Budget Committee Meeting/ or Adjourn**

AMERICANS WITH DISABILITIES ACT NOTICE

Please contact the City Recorder, Vernonia City Hall, 1001 Bridge Street, Vernonia, OR 97064 (Phone No. 503-429-5291) at least 48 hours prior to the scheduled meeting time if you need an accommodation. TCC users please call Oregon Telecommunications Relay Service at 1-800-735-2900.

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

MINUTES

Call to Order - Budget Chair- Brett Costley

Budget Chair Brett Costley called the meeting to order at 6:34pm.

In attendance: Brett Costley, Kim Tierney, Jill Hult, Rick Hobart, George Tice, Bruce McNair, Randy Parrow

Staff in Attendance: Josette Mitchell, Angie Handegard, Police Chief Conner, Jeff Burch and Stephanie Borst

Additions or Approval of Agenda

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

Approval of Minutes- Budget Committee Meeting Minutes April 19, 2016

George Tice made a motion to approve the Budget Committee Meeting Minutes from April 19, 2016. The motion was seconded by Randy Parrow, motion passes.

Budget Deliberation by Fund

A. Police 16

George Tice asked for clarification on line item 1610-00 Vehicle Maintenance and why it is budgeted for \$3,000 more than last year. Chief Conner stated that the reasoning for the increase is that the Chevy Tahoe's are costing more to maintain than expected.

The committee then discussed Line Item 1640-00 Uniforms and the reason the proposed budget is \$4,000 compared to the \$4,606 forecasted to be spent this fiscal year. Chief Conner explained that they had some added expenses this year. The average yearly uniform cost per officer is \$1,000.

George Tice then asked about line items 1500-00 Salaries and line item 1510-00 Retirement Benefits and the reason for the increase. Angie Handegard explained that she does not have the spreadsheet on her but will get the information to George on Wednesday. The committee also discussed the fact that there is a 5% salary increase as incentive for officers whom live within the fire district.

Kim Tierney asked for clarification on why the increase in line item 1635-00 Professional Services. Josette Mitchell stated that it was due to anticipated costs.

Brett Costly asked if the police department has explored the option of contracting with the county to cover lapse in coverage. Chief Conner explained that they have discussed it but are waiting to see how it goes when implemented in Clatskanie.

George Tice motioned to tentatively approve the Police Fund. The motion was seconded by Kim Tierney, motion passes.

B. General Fund

The General Fund is postponed until the Library Fund is approved.

C. Sewer

Josette Mitchell presented to the committee a request from Watermaster for funds to upgrade the water level gauge. The requested amount is \$3063 and would split between the water and sewer funds. Jeff Burch explained to the committee how the water gauge is used by public works. The regular yearly cost for the service is \$5200 which would be increased to \$8263 for this fiscal year. The DEQ permit for the city's water right requires the city to have the river gauge. The committee approved the upgrade request and changed line item 1625-01 Membership fees to \$6,862 and line item 9998-01 Contingency to \$58,551.

George Tice made a motion to tentatively approve the Sewer Fund with the changes discussed at the previous Budget meeting to Salaries and Admin as well as the changes listed above. The motion was seconded by Kim Tierney, motion passes.

D. Sewer Debt Service

George Tice made a motion to tentatively approve the Sewer Debt Fund with the addition of \$20,000 in line item 9850-99 Transfers Out as discussed in the previous Budget Committee Meeting. The motion was seconded by Randy Parrow, motion passes.

E. Sewer Rehab

George Tice made a motion to tentatively approve the Sewer Rehab Fund with the addition of Line Item 9467-99 Transfer in of \$20,000 as discussed at the previous Budget Meeting. The motion was seconded by Randy Parrow, motion passes.

F. Water

As discussed in the Sewer Fund, Line Item 1625-01 is increased to \$6,211 to help fund the Watermaster upgrade. Angie Handegard reviewed the changes made to payroll expenses at the previous Budget Committee meeting for the Committee. They are as follows: Line Item 1500-00 Salaries reduced to \$109,639, Line Item 1509-00 Medicare reduced to \$1,619, Line Item 1509-01 FICA reduced to \$6,924, and Line Item 1510-00 Retirement Benefits reduced to \$15,875. This brings the total payroll expenses in the Water Fund to \$173,829. In order to better track the water deposit line item 1601-00 is increased from \$70 to \$2,000 to match the restricted cash on hand. Line item 9997-00 is also reduced to \$37,547 which brings line item 9998-00 Contingency to \$83,093.

Bruce McNair requested clarification on the increase in line item 1700-00 Equipment Purchase to \$25,000. Josette Mitchell stated the increase is in anticipation of installing a soft start system at the water plant to make it more efficient. With the current set up Hamer Electric has to come out every time there needs to be a change in the system. With the new system, the Public Works department will be able to make changes when needed. Bruce McNair asked how much is spent, on average, every year for Hamer Electric to come out to make changes. Angie Handegard stated that she doesn't have it broken out that way and will have to get the information to him tomorrow.

Kim Tierney asked for clarification on line item 1635-00 Professional Services and why \$10,000 is set aside for engineering. Josette Mitchell stated that engineering costs are being budgeted for in anticipation of several projects this fiscal year.

Bruce McNair brought up the issue of the age of the City's equipment and that there should be an equipment reserve fund. Consensus of the Budget Committee is to create an Equipment Reserve Fund and to transfer \$10,000 into it from line Item 9850-99 Transfers Out. Josette Mitchell would like the committee to also consider a Water Operating Reserve Fund as in order to receive private funding we would need to have an Operating Reserve Fund. Consensus of the Budget Committee is to create an Operating

Reserve Fund as well with \$10,000 from line item 9850-99 Transfers Out. This brings line item 9850-99 Transfers out to \$56,000. Bruce McNair made a motion to establish an equipment reserve fund with \$10,000. The motion was seconded by George Tice, motion passes. Bruce McNair made a motion to establish a Water Operating Reserve Fund with \$10,000. The motion was seconded by Kim Tierney, motion passes.

Kim Tierney asked for an update on the water replacement project. She would like to make sure that the project has enough money budgeted to be completed. Josette Mitchell stated that the money was budgeted for last year in Facility Reserve and staff has started the project. Once staff has completed testing of the meters they will bring it to Council for further direction.

George Tice brought attention to line item 1620-04 Heating Fuel and recommended switching to natural gas to cut costs. Staff will look into what costs are associated with switching fuel sources.

Kim Tierney made a motion to tentatively approve the Water Fund with the changes outlined above. The motion was seconded by Randy Parrow, motion passes.

G. Facility's Reserve Funds

Water Facility Reserve: Line item 9467-99 Transfers in is reduced to \$77,990 and line item 9998-01 Unappropriated Ending Fund Balance is reduced to \$182,990 as discussed in the previous fund.

Parks: The transfer in to parks maintenance reserve is not going to occur which leaves line item 1401-01 Restricted COH at \$8,000.

George Tice made a motion to tentatively approve the Water Facility Reserve Fund with the discussed changes. The motion was seconded by Kim Tierney, motion passes.

George Tice made a motion to tentatively approve the Parks Maintenance Reserve Fund as discussed. The motion was seconded by Randy Parrow, motion passes.

Randy Parrow made a motion to tentatively approve the Sewer Facility Reserve Fund. The motion was seconded by Bruce McNair, motion passes.

The Budget Committee tabled the General Fund Facility Reserve until next week when the General Fund is discussed.

H. Water Debt Service

Angie Handegard gave the committee a brief overview of the fund. George Tice asked if there was potential that customers were being overcharge with their water loan fee of \$11.50. Angie Handegard stated that there is a possibility but she will look into it. The Budget Committee then discussed potential ways to reduce the fee while still continuing to make the debt payments. The majority of the Budget Committee is in agreement to move \$21,990 from line item 9850-99 Transfers Out into line item 9998-00 Contingency. George Tice voted no. The motion to tentatively approve the Water Debt Service Fund with the change was made by Randy Parrow. The motion was seconded by Kim Tierney, motion passes.

Water Facility Reserve Fund: George Tice made a motion to return to the fund after these changes. Line item 9467-99 Transfers in is now reduced to \$56,000 and line item 9998-01 Fund Ending Balance is now reduced to \$161,000.

Bruce McNair made a motion to tentatively approve the Water Facility Reserve Fund with these changes. The motion was seconded by Kim Tierney, motion passes. George remained opposed.

Potential Deliberation of Following Funds if Time Allows

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

Recess to next Budget Committee Meeting

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

Brett presented to the committee a letter from the senior center. He will get the revised letter to staff to distribute before the next meeting. Kim Tierney inquired as to where the money for the Senior Center program is held. Angie Handegard stated that that money is held in the VCLC Line Item in the General Fund. Josette Mitchell stated that she has discussed the possibility of the Senior Center meals being prepared at the school although they seemed hesitant.

Budget Chair Brett Costley recessed the meeting at 8:52 pm.

Vernonia Senior Citizens, Inc.
939 Bridge St.
Vernonia, OR 97064-1216
Phone: 503-429-3912 Fax: 503-429-4912

A 501 c (3) Corporation
IRS ID: 23-7422295

Purpose: to help Senior Citizens access nutritious meals, have a safe place for social interaction and to find assistance programs.

April 25, 2016

City Budget Committee
c/o Brett Costley
Vernonia, Oregon

As many of you know, our Senior Center, despite the loss of our building, has continued the meals on wheels program for our homebound seniors and has tried two programs to replace the congregate meals we served in our former home. We initially purchased frozen meals prepared by the St. Helens Senior Center for both home delivery and congregate meals at the Legion Hall. The meals to homebound seniors were delivered frozen. Participation in the congregate meal program dropped precipitously as the reheating process tended to overcook the vegetables while the entrée reached serving temperature. We discontinued the frozen meals and tried a different program.

For the past four months, three local restaurants have worked with us to prepare food that meets USDA meal program requirements and is cost-effective. The restaurant meals have been received very well; our homebound clients like the food which is delivered hot, ready to eat and varies because the restaurants rotate service. To replace the congregate meals, we offered certificates redeemable at the three restaurants where special menus for this program were developed under guidance by the Community Action Team nutrition program leader. We cannot charge or means test for any meals served to people 60 and over; we do diligently encourage donations to offset the cost. After an initial period where packets of ten certificates per month were issued, we had to cut it to five per month because the donations were so low.

The board recently voted to discontinue the certificate program for in-restaurant dining because of our continuing losses and extremely low donation rate. We later learned that this action will jeopardize our standing as a senior center and are therefore changing the program, under advice of Community Action Team, to limit the certificates to ten people per month on a rotating basis with only five meal certificates per recipient.

We are reimbursed less than a dollar for each home-delivered and certificate meal served. Our cost is \$6 per meal from the restaurants which actually costs us less than with a full time, paid cook or the frozen meals that had to be picked up from St. Helens. We met with Community Action Team staff last week to see if there were other alternatives to offset our ongoing overall monthly deficits. They are looking into additional grant programs for us, but they recommended that we once again go to the City with an appeal for funds. The \$3,000 budgeted for last year offset approximately a quarter of our loss on the meals program, and we are grateful for that support.

We ask that you once more consider budgeting funds, with a suggested increase to \$10,000, for our meal program for this fiscal year. Our thrift store, cash donations from the community and occasional grants provide insufficient funding to support our much-needed home delivered meals program and the social nature of restaurant meals for our older citizens. If we were to simply discontinue the meals program, we would jeopardize our status with the county as a senior center and with the terms of the CDBG which require us to serve five meals per week once we have a new building.

Thank you for considering our request.

/s/ Tobie Finzel, Assistant Treasurer, on behalf of the Vernonia Senior Board