

BUDGET COMMITTEE MEETING
TUESDAY, MAY 02nd, 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 6:34pm.
George Tice added to the Agenda Item D. Discussion of questions.

Additions or Approval of Agenda

George Tice made a motion to accept the agenda with this addition. The motion was seconded by Randy Parrow, motion passes.

Approval of Minutes- Budget Committee Meeting Minutes April 26, 2016

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

Budget Deliberation by Fund

A. Library Fund

George Tice made a motion to tentatively approve the Library Fund. The motion was seconded by Kim Tierney, motion passes.

B. Administrative Fund

Brett Costley inquired about the building inspector. He has heard negative reports about the inspector not being thorough and costing people money because of it. He would like to look into contracting with the County for the service as when he inquired with Tony Hyde he was told they would be willing to. Angie Handegard explained to him that if we were to do so, we would not get any of the money from building permits where we get a percentage of them with the current inspector. Josette Mitchell stated that if we were to contract thru the county again, patrons would have to go to St Helens for the building department. Staff will look into the feasibility of contracting with the County as well as the status of the contract with the current inspector for next fiscal year.

Kim Tierney questioned line item 5407-00 Property Taxes – Current Year and why there is a projected increase of \$20,000 from last year. Angie Handegard stated that the county sends her the projected tax income for the year but she budgets for less than the projected amount as the estimate is usually higher than the actual revenue. The projected amount this year is \$699,546 but we are budgeting for \$650,000.

Jeff Burch asked about Line Item 5443-03 Natural Gas Franchise Fees and whether or not that money should be in streets since the gas lines are in the streets. Angie Handegard stated that money goes to the Administrative Fund and the gas tax goes to the Street Fund.

George Tice asked for clarification on line item 1404-00 Interest Earned and where the interest is being earned. Angie Handegard stated that the interest is earned mostly from the government pool bank account.

George Tice inquired as to what line item 1416-00 Administrative Fees is since they made so many changes to that fund in previous budget meetings. Angie Handegard stated that the new amount is \$70,172. George Tice then asked what that line item is

based off of. Angie Handegard stated that it is based off of a percentage of the operating fund as well as the amount of time spent in each fund doing administrative work.

Kim Tierney inquired about line item 1500-00 Salaries and the reason for the increase from last year. Angie Handegard stated that two employees have been added to the fund; the GIS Annalist and the Code Enforcement Officer. The GIS Annalist was previously captured in line item 2230-00 GIS Service in the Administrative Fund, Water Fund, and the Sewer Fund. She then gave the updated numbers for Payroll Expense as follows: Line Item 1500-00 is now \$164,377, line item 1509-00 is \$2383, line item 1509-01 is \$10,191, and line item 1510-00 is now \$22,119. This brings the total Payroll Expense to \$251,968.

George Tice then asked about line item 1605-00 Office Supplies and why the current years forecast is so far over the adopted budget of FY 15-16. Staff explained to him that this was not a normal year in that 2 new computers, the hard drive tower, and Councils tablets were purchased.

George Tice's next question was regarding Line Item 5645-04 Computer Maintenance Contract and what it is for. Angie Handegard stated that that is for IT which maintains the server firewall, library computers, software, ect.

Kim Tierney inquired about the seniors request and where it reflected in the budget. The amount currently budgeted for is \$3,000 and that is reflected in line item 1680-02 VCLC Expense. The current contingency in the budget is \$17,012 which doesn't leave very much room for giving the requested \$10,000 to the seniors. One possible area to cut would be line item 1690-00 WOEC Payment for Cougar which is budgeted as \$20,000. Josette Mitchell then gave the committee a brief overview of the agreement with WOEC for the purchase of the Cougar Street property. The agreement was that the City would pay \$116,632. Staff had put an initial payment of \$20,000 in the budget as a good faith payment.

Josette Mitchell explained the request from the seniors for the \$10,000. The current FY budget has \$3,000 budgeted for the seniors and they are requesting \$7,000 more to cover the Meals on Wheels program. The seniors hadn't requested the \$3,000 until recently so that will be spent before the end of this fiscal year. If they do not have the money to fund the program, they will no longer qualify for the Grant that they received for building the new senior center.

The budget committee then discussed possible funds that could be reduced slightly to help find the money to help fund the seniors request. One possible option proposed by staff was to have a half day furlough Friday at City Hall to help cut costs and add to the contingency fund. If City Hall were to close at noon on Fridays, the yearly savings would be \$24,894. Randy Parrow proposed that instead of completely closing City Hall, it remain open with employees rotating full Fridays in order to keep City Hall open. Josette Mitchell asked if the majority of the committee would like to give the requested \$10,000 to the seniors. The majority of the committee would like to give the \$10,000 to the seniors while also adding to the contingency fund.

Bruce McNair brought attention to line item 1625-02 Reserve Program in the General Police Budget and that he was under the impression that that program was no longer in operation. He proposes removing the line item and moving the funds into contingency. Kim Tierney is hesitant to make changes to the police fund without input from the police chief first. Brett Costley stated that if we were to make the change and the police chief disagreed he could request it to be moved back before Council approved the budget. Bruce McNair made a motion to cut line item 1625-02 Police Reserve Program and move the funds into contingency. The motion was seconded by Brett Costley, motion

passes. Kim Tierney was opposed to the motion as she would like to hear from the police chief first.

Bruce McNair asked for clarification on what fiscal year the expense of the airport culvert is reflected. Josette Mitchell stated that the airport culvert will be purchased in the current fiscal year.

The committee then returned to discussing City Staff's proposal of furlough Fridays. George Tice made a motion to approve the furlough Fridays as proposed by staff. Bruce McNair suggested to instead have rotating Friday afternoons off with a goal of \$17,500 in savings. The committee will leave the details on how to reach the goal up to management. Bruce McNair made a motion to reduce salaries by \$17,500. The motion was seconded by Randy Parrow, motion passes.

After these changes, the committee returned to discussing the request for \$10,000 from the seniors. George Tice asked where the funds for the seniors are reflected in the budget. Josette Mitchell stated that it is reflected in line item 1680-02 VCLC Expense. She explained that the proposed budget has \$3,000 for the seniors so in order to reach the \$10,000 requested, the committee would need to approve adding \$7,000 to that line item. Bruce McNair proposed that if the committee granted the request then the city should have a representative on the Senior Center board to keep them accountable. Mike Seager asked for clarification on whether or not the city has budgeted funds for the seniors in the past. Josette Mitchell stated that fiscal year 15-16 was the first year they have asked for money. When she spoke to the seniors about the need for funding for the meals on wheels program she suggested that they look into networking with local restaurants or the Vernonia School to prepare meals.

Consensus of the committee is to grant the request for \$10,000 with the stipulation that it be used strictly for the Meals on Wheels Program. Kim Tierney made a motion to increase line item 1680-02 VCLC Expense from \$3,500 to \$10,500. The motion was seconded by Brittanie Roberts, motion carried.

Angie Handegard, whom had sent a message to Chief Conner during the Reserve Program discussion, addressed the committee and stated that he had gotten back to her. His preference would be to reduce line item 1635-00 Professional services by \$2,500 instead of line item 1625-02 Reserve Program. He is confident that this fund could handle the reduction and he would prefer to keep the funding for the reserve program. Bruce McNair is not in favor of the reserve program but will bring it up with council if appropriate. Bruce McNair made a motion to return the \$2,500 to the reserve program and instead transfer \$2,500 from professional services to the contingency fund. The motion was seconded by George Tice, motion carried. With these changes, the new balance in contingency is \$30,012.

George Tice made a motion to tentatively approve the administrative fund with the changes listed above. The motion was seconded by Randy Parrow, motion carried.

C. General Fund

George Tice made a motion to tentatively approve the General Fund. The motion was seconded by Randy Parrow, motion carried.

D. Discussion of questions.

George Tice explained the questions he would like to discuss. The first question was the possibility of reducing water rates as discussed at the previous meeting. Angie Handegard stated that that question was answered at the last meeting in that the possible reduction would be \$0.90. Consensus of the committee was to keep the rate as it is but to have staff monitor the fund and bring it to council if the fund grew to a substantial

amount. Josette Mitchell stated that now that the Public Works Committee has a quorum they can look at the fund and recommend changes to council if they feel the need.

Approval of Budget

To approve entire budget:

Suggested Motion: “To accept all funds for fiscal year 2016-2017 as presented.”
George Tice made a motion to accept all funds for fiscal year 2016-2017 as corrected.
The motion was seconded by Randy Parrow, motion carried.

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”
Randy Parrow made a motion to present to Council a balanced budget for adoption for the Fiscal Year 2016-2017. The motion was seconded by Mike Seager, motion carried.

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.

Kim Tierney made a 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. The motion was seconded by Brittanie Roberts, motion carried.

Recess to next Budget Committee Meeting/ or Adjourn

Randy Parrow would like to thank staff for making this year’s budget process so smooth compared to last year. He also suggests that the city look into switching to LED lights for next year as he has seen substantial savings since he has switched at the store.

Brett Costley adjourned the meeting at 8:22 pm.