



BUDGET MEETING, May 1st, 2018 AGENDA
MEETING 6:30 PM
Cabin in Vernonia, Park Dr. Vernonia OR 97064

Mission Statement

The City of Vernonia pledges to be an ethical and responsive government using community collaboration to foster leadership and a vision for civic improvement while providing a safe, peaceful, economically viable community.

1. Call to Order – Committee Chair – Jill Hult

2. Additions or Removal of Agenda Items

3. Approval of Minutes – Budget Committee Meeting Minutes April 24, 2018

4. Budget Deliberation by Fund

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D. Sewer Rehab	pg. 55
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F. Timber	pg 61
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H. Operating Reserves	pg 70
I. CDBG	pg 73

5. Approval of Budget

To approve entire budget:

Suggested Motion: “To accept all funds for fiscal year 2018-2019 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 2018-2019”

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 \$XXX per \$1000 of assessed value and recommend to Council for acceptance and approval.

8. Recess to next Budget Committee Meeting

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 MEETING, April 24th, 2018 MINUTES
MEETING 6:30 PM
Cabin in Vernonia, Park Dr. Vernonia OR 97064

Mission Statement

The City of Vernonia pledges to be an ethical and responsive government using community collaboration to foster leadership and a vision for civic improvement while providing a safe, peaceful, economically viable community.

Call to Order – Committee Chair – Jill Hult

Jill Hult called the meeting to order at 6:34pm

Additions or Removal of Agenda Items

Angie Handegard pointed out to the group that she has distributed an updated page for Water & Sewer Facility Reserves to reflect corrections at the previous meeting.

Bruce McNair made a motion to approve the agenda as presented. The motion was seconded by Mike Seager.

Votes: Jill Hult: Yes George Tice: Yes Dale Webb: Yes
 Tony Schrader: Yes Bruce McNair: Yes Mike Seager: Yes
 Mario Leonetti: Yes Susan Wagner: Yes Donnie Normand: Yes

Motion Carried.

Approval of Minutes – Budget Committee Meeting Minutes April 17, 2018

Dale Webb requested a clarifying remark be added to the minutes as he doesn't feel they reflect his concerns. The area of concern is line item 1401-00 Available Cash on Hand discussion during the Water Fund. He reiterated points made at the previous meeting and that the cash carry over can help keep the rate from fluctuating dramatically. His concern is that if all of the Available Cash on Hand is transferred out, the fund will not have this ability. Mrs. Handegard explained that what is being done is the excess carry over is being eliminated. Ben has accounted for in his rate calculator fluctuations in contingency. He is counteracting overages so we are not charging more in the rate than we need to. She added that is the rate review committee wants to change what's built into the rate calculator, then that's something they can do. Mrs. Mitchell stated that funds taken in over the counter (IE: bulk water, utility app fees, shower money, etc) isn't built into the calculator because revenue for those items are unknown.

The group then reiterated that once the reserve funds are of a satisfactory amount, the rate review committee can explore the potential of reducing rates. Mrs. Handegard assured the group that we will never short the fund by transferring out more than it can afford.

Bruce McNair made a motion to approve the minutes with the clarification. The motion was seconded by George Tice.

Votes: Jill Hult: Yes George Tice: Yes Dale Webb: Yes
 Tony Schrader: Yes Bruce McNair: Yes Mike Seager: Yes
 Mario Leonetti: Yes Susan Wagner: Yes Donnie Normand: Yes

Motion Carried.

Budget Deliberation by Fund

A. Police Fund

Chief Conner presented the Police Fund to the committee. He explained that there aren't many changes from last year aside from the addition of a School Resource Officer. They will also notice increases to vehicle maintenance as well as software upgrades. The reimbursement for the Resource Officer is in "SRO Reimbursement". The city will use the officer during the summer and when school is not in session. He will also serve as back up when the department needs him.

Chief also noted that we were reimbursed for Officer Pesio's training fees from the sheriff's office. He will pursue these reimbursements in the future.

George Tice noted that line item 1500-00 Salaries expense is not even close to what was in budgeted. Chief Conner explained that losing an officer partially thru the year dropped the expenses. Mr. Tice inquired as to if the reason is lack of competitive pay. Mr. Conner stated that while we are on the low end of the scale, pay isn't unreasonable. Part of what attracts officers to other cities is not only pay but benefits, newer equipment, and higher staffing. We can't afford to provide these in the near future.

Mr. Tice then inquired about current staffing. Mr. Conner explained that officer number 4 was hired today and will be sworn in at the next City Council meeting. He added that having a full time Code Enforcement Officer has been extremely helpful.

Dale Webb inquired about the increase in line item 1620-02 Telephone. Mr. Conner explained that expense for operating the tablets is included in this line item.

Bruce McNair inquired about budgeted costs for new hires and if there are any cost savings hiring at step 1 vs step 2. Mr. Conner explained that we budgeted for a step 2 in hopes of hiring someone with experience. When hired at step 1, there are training costs as well as the salaries while at training. Hiring at step 2 is certainly a cost savings. However, doing so is not necessarily a cost benefit as they may come with bad habits that need retrained.

George Tice noted a correction to line item 1504-00 as the actual cost is higher than forecast. Angie Handegard explained that holiday pay (line item 1506-00) is now included in the salary line item as is for all other employees.

George Tice inquired about line item 1645-00 Contract Services. Mrs. Handegard explained that back up from the sheriff's office is also included in this line item. We do not get paid when we provide back up for them. Chief Conner explained that needing said backup is rare. We do not have to pay them when they have an officer available that is already on duty.

Bruce McNair made a motion to tentatively approve the Police Fund as presented. The motion was seconded by Tony Schrader.

Votes: Jill Hult: Yes	George Tice: Yes	Dale Webb: Yes
Tony Schrader: Yes	Bruce McNair: Yes	Mike Seager: Yes
Mario Leonetti: Yes	Susan Wagner: Yes	Donnie Normand: Yes

Motion Carried.

B. Library Fund

Shannon Romtvedt presented the Library Fund to the Committee. She noted that the increase in salaries is due to adding a part time employee as well as a merit increase for an employee.

George Tice inquired about the addition of line item 6600-04 Library Programming. Staff explained that the Friends of the Library use to fund programming but have expressed that there is lack of funding. Budgeting for programming in our budget will relieve some of the burden from the group.

George Tice inquired about line item 1615-00 Building O&M and if the budgeted amount is enough to properly take care of the building. Mrs. Romtvedt explained that the budgeted amount is sufficient to keep up with building maintenance. Staff then explained that the Library carpet is getting replaced soon and the plan for doing so. Staff is also preparing a maintenance schedule for the building/grounds.

George Tice made a motion to tentatively approve the Library Fund. The motion was seconded by Susan Wagner.

Votes: Jill Hult: Yes	George Tice: Yes	Dale Webb: Yes
Tony Schrader: Yes	Bruce McNair: Yes	Mike Seager: Yes
Mario Leonetti: Yes	Susan Wagner: Yes	Donnie Normand: Yes

Motion Carried.

C. General Administrative Fund

George Tice noted the steady increase over the years in line item 5443-02 Garbage Franchise Fees. Staff explained that they pay 5% of revenue and they do not give us projections. Staff noted that Council has not formally adopted the new rates. Mike Seager expressed concern that Frontier Franchise Fees may be incorrect. Staff will look into the requirements and percentages in the franchise agreements.

George Tice inquired about line item 1431-04 Utility Application Fees. Staff explained that the funds previously went to the Sewer Fund but were moved into the Admin fund as the work performed is charged to water and admin. Bruce McNair expressed concern that the Water Fund is already charged an administrative fee. Mrs. Handegard explained that if the committee chooses, they can allocate all of the utility application fees to the Water Fund. Consensus of the committee is to leave the line item as is.

George Tice noted the fluctuation in overall Planning & Building expenses. Mrs. Handegard explained that they are budgeted low as it is hard to forecast how many inspections will happen.

Dale Webb noted a reduction in actual expense for line item 1508-00 Insurance Benefits. Staff explained that the adopted budget was for all employees to be fully covered and two have opted out. Stephanie Borst explained that one reason people opt out is to save on the employee contribution when they are already covered by a spouse.

The Committee noted several line items in "Other Expenses" where the Actual expense was higher than the forecast. Staff will make the corrections before budget adoption.

Dale Webb inquired as to why there is such an increase in line item 5645-04 Computer Maintenance Contract. Mrs. Handegard explained that the server is due to be replaced. There is also cost savings in the line item as our new IT person costs less than our previous person.

Bruce McNair inquired as to how many years are left on the lease for the Learning Center. Josette Mitchell explained that the goal is to have them move to the new building in 2019. There are potentially 2 more years for the line item 1680-02 VCLC Expense \$10,000 donation from the city (For meals). She explained that an audit of the building condition was done in 2017 and the overall condition of the building is good. The lower part of the exterior siding will need painted in the near future. Mr. McNair would like to assure it is kept up on maintenance in case Council chooses to sell it when the Seniors move out. Susan Wagner inquired as to if moving the seniors out will take away the thrift store income. Mrs. Mitchell explained that they cannot have the thrift store in the new building for 5 years after its completion.

George Tice inquired about the following line items:

Line item 1635-00 Professional Services. Mrs. Handegard explained that potential engineering is also in the line item.

Line item 1645-01 Contract Services. Mrs. Handegard explained that the copier machine has been paid off.

Line item 5635-00 Legal Services. Mrs. Handegard explained that there are anticipated legal services required.

Mike Seager made a motion to tentatively approve the General Administrative Fund. The motion was seconded by George Tice.

Votes: Jill Hult: Yes

George Tice: Yes

Dale Webb: Yes

Tony Schrader: Yes

Bruce McNair: Yes

Mike Seager: Yes

Mario Leonetti: Yes

Susan Wagner: Yes

Donnie Normand: Yes

Motion Carried.

D. General Fund

George Tice noted that the admin income is lower than in the admin fund. Mrs. Handegard explained that line item 1431-04 Utility Application Fees did not carry over. Total Admin Income should be \$133,325.

Bruce McNair inquired as to if line item 5453-00 State Marijuana Tax percentage amount is locked in. Mrs. Mitchell explained that she believes it is as the city tax was not adopted correctly. Therefore, we default to the state amount.

Dale Webb inquired about line item 1404-00 Interest Earned. Mrs. Handegard explained that the line item is from interest earned in the state pool account.

George Tice noted a discrepancy in Total Police Income vs what is in the Police Fund . Mrs. Handegard stated it should be \$52,200 as the SRO Reimbursement didn't carry over.

Bruce McNair made a motion to tentatively approve the General Fund with the noted corrections. The motion was seconded by Dale Webb.

Votes: Jill Hult: Yes

George Tice: Yes

Dale Webb: Yes

Tony Schrader: Yes

Bruce McNair: Yes

Mike Seager: Yes

Mario Leonetti: Yes

Susan Wagner: Yes

Donnie Normand: Yes

Motion Carried.

Recess to next Budget Committee Meeting

Consensus of the group is to put all remaining funds on the agenda for the next meeting.

Jill Hult recessed the meeting at 8:21pm

Next Meeting: May 1st at 6:30pm