

**MINUTES
BUDGET COMMITTEE MEETING
CITY HALL COUNCIL CHAMBER
313 COURT STREET, THE DALLES, OREGON**

**APRIL 30, 2012
5:30 P.M.**

Presiding: Chair Chuck Covert

Committee
Members Present: Bill Dick, Barry Abrams, Gary Grossman, Corliss Marsh, Dan Spatz,
Tim McGlothlin, Carolyn Wood

Committee
Members Absent: Brian Ahier; one vacancy

Staff Present: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie
Krueger, Finance Director Kate Mast, Community Development Director
Dan Durow, Public Works Director Dave Anderson, Librarian Sheila
Dooley, Police Chief Jay Waterbury

CALL TO ORDER

The meeting was called to order at 5:30 p.m.

ELECTION OF OFFICERS

Election of a Chair

It was moved by Wood and seconded by Dick to elect Chuck Covert as Chair. Hearing no further nominations, Covert was unanimously elected to serve as Chair.

Election of a Secretary

It was moved by Spatz and seconded by Wood to elect Tim McGlothlin as Secretary. Hearing no further nominations, McGlothlin was unanimously elected to serve as Secretary.

BUDGET OFFICER'S MESSAGE - FISCAL YEAR 2012-13

City Manager Young presented the 2012-13 fiscal year budget message. He highlighted the proposed fiscal policies; City Council goals; personnel costs; reviewed General Fund resources and expenditures; Public Works operations; and other Funds included in the budget.

CERTIFICATION OF TAX RATE

It was moved by Grossman and seconded by Wood to certify the tax rate of \$3.0155 per \$1,000 of assessed value. The motion carried unanimously, Ahier absent.

PUBLIC HEARING

Public Hearing to Receive Testimony Regarding the Proposed Budget, Including Possible Uses of State Revenue Sharing

Chair Covert reviewed the procedure to be followed for the public hearing.

Finance Director Mast explained this was the time to hear testimony regarding the proposed budget and was also the first of two hearings for the State revenue sharing process. She said this hearing was to consider possible uses of State Revenue and to make a recommendation to the City Council. She said the second hearing would be held by the City Council to further consider the use of the revenue source.

Testimony

Steve Lawrence, 222 West 12th Street, The Dalles, expressed concern that information regarding a proposed downtown parking structure was not being shared with the Veteran's Office and that it was rumored the structure would be constructed on the current site of their office. Mr. Lawrence said funds had been included in the City and Urban Renewal Agency budgets and should be public information at this time. He urged the City to share the information and to include Veteran's Office representatives in the discussions. Lawrence said the location of the office was vital to the success of the program.

Mayor Jim Wilcox, 416 West Seventh Street, The Dalles, asked if the decrease in court revenues was due to the new State law which required certain amounts of fines being paid to the State. City Manager Young said the revenues had been decreasing over recent years. City Attorney Parker said there had been a decrease over the past few months due to the new law.

Wilcox said he had provided a letter expressing his concern regarding subsidizing Wasco County programs. He said he hoped the Budget Committee would consider this during their deliberations.

It was moved by Wood and seconded by Spatz to recommend the State Revenue Sharing Funds be used to support General Fund activities. The motion carried unanimously, Ahier absent.

SET FUTURE MEETINGS

It was agreed to set an additional meeting for Tuesday, May 1, 2012, at 5:30 p.m.

BUDGET PRESENTATIONS BY FUND

Public Works Funds

Spatz asked if the State fuel tax revenues were keeping pace with maintenance needs. City Manager Young said the revenue did not keep up with maintenance needs. Public Works Director Anderson said the street maintenance information was included in Budget Issue Paper (BIP) 12-017. He said the State funding was stable, but they were considering other funding models. Anderson said when the State increased the fuel tax a few years ago, it included a requirement that local fuel taxes could not be increased until 2014.

Anderson noted the beginning fund balance in the Street Fund had increased dramatically because three projects had to be delayed that had been planned for completion in the current fiscal year.

Grossman asked why the worker's compensation line item continued to increase sharply. Anderson said the rates were based on a four year average and though the City had taken measures to correct the number of accidents, there had been a couple of years where there were many accidents and the rates were being calculated based on those years.

It was noted line item 60-87 was reduced because the normal construction supplies in that line item had been moved into line item 75-10, capital projects, to more accurately reflect what was being spent.

McGlothlin asked how staff prioritized streets for resurfacing. Public Works Director Anderson said the process was based on the condition of the street, amount of traffic, desire to resurface before there was too much deterioration, whether it was a school or emergency route, and whether there was utility work needing to be done.

There was a discussion regarding maintenance of recently annexed County roads. City Manager Young said the City didn't maintain roads that were not brought up to City standards. He said once a street met City standards, the City would maintain them. In response to a question, it was noted there were approximately 22 miles of recently annexed roads.

Marsh asked why the building and grounds line item had increased nearly double. Public Works Director Anderson said funds had been included to do roof repairs. Marsh asked if any signalization projects were included in the proposed budget. Anderson said no signalization projects were proposed in the budget.

Spatz asked what a wash water reservoir was, that had been included for replacement in the Water Department Fund. Public Works Director Anderson said it was a reservoir used to store treated water for filter cleaning and was in very poor condition.

Grossman asked why lab and chemical supply line item continued to increase. Anderson said gas chlorine was no longer used for treatment and the new chlorine chemical was more expensive. He said the City had to budget enough funds in the event of turbid water conditions.

McGlothlin asked why there was a line item for contractual services and a separate line item titled other contractual services. Public Works Director Anderson said the title of other was being eliminated, but could not be removed from the budget until it had not been used for a three year period, according to budget law.

Grossman asked why the training line item had increased. Anderson said there would be at least two new employees and they would need to have certification training.

Spatz asked what year the OMI wastewater facility management contract was in. Anderson said this would be the fourth year of a 10 year agreement.

Wood asked for an update on the expansion of the wastewater treatment plant. Anderson said Phase I had been completed in 2006. He said the budget included design work for Phase II, but staff planned to update the Master Plan before proceeding with any further expansion work.

General Fund

Grossman asked why the contractual services line item in the Planning Department budget went up and down. Community Development Director Durow said that line item was used for budgeting for a RARE Planner and it was every other year.

Spatz asked for an update regarding the Urban Growth Boundary expansion. Durow said the Gorge Commission was working on a process to determine whether the expansion would be considered a minor or major amendment. He said the City's request would go to the Commission in 2013 and they should have their process developed by that time.

Mayor Wilcox asked if there was a plan to make the GIS system more available for public use. Durow said the County and Economic Development Commission was working on how to improve the system. He noted funds had been included in the budget to update the City's GIS license.

McGlothlin asked what was included in the Police Department contractual services line item. Finance Director Mast said that line item included \$8,000 to remove lead from the shooting range.

In response to a question, Chief Waterbury said the other equipment line item (74-90) included funding to replace video cameras in several of the patrol vehicles.

Spatz asked if the City's servers were co-located with QLife servers. He questioned whether the location was safe if there was a flood event. City Manager Young said an emergency operations plan was being worked on and would address issues such as location of computer equipment.

McGlothlin asked why there was funding for Wi-Fi in the IT budget. City Manager Young said the City had a three year operating grant and the funds were included for maintenance and operation of the system. He said BIP 12-008 included information regarding replacement of servers, licensing needs, and other IT information.

Regarding the City Hall Department budget, Grossman asked what the increases were in contractual services and building and grounds line items. City Clerk Krueger said the contractual services line item was increased last year to include the Riverfront Trail maintenance expenses which had previously been budgeted in the City Council budget and that \$6,300 was added this year to pay for the round about tree maintenance agreement with Parks and Recreation District. She said the budget for building and grounds had been increased because the Festival Area maintenance would now be included in that department.

Library Fund

Spatz asked if funds had been included in a reserve fund for Library roof replacement. Librarian Dooley said no roof work would be needed for 10 to 20 years, so funds had not been set aside for that project.

Mayor Wilcox asked how long the current operating reserve would last. Librarian Dooley said the reserve was adequate to operate until November, when property tax revenues came in.

Airport

Mayor Wilcox noted the Airport was becoming more and more self-sufficient.

Abrams asked what types of rents were generating revenue. Chuck Covert said some of the revenue came from land leases and some from hangar rentals. He noted there had been additional hangars constructed which increased the revenues.

Recess

Chair Covert recessed the meeting at 7:00 p.m.

Reconvene

The meeting reconvened at 7:38 p.m.

Marsh asked for an explanation of the Community Benevolence Fund. City Manager Young said it was funded with private donations and the City Council Department budget also included \$2,000 per year toward this fund which was used to maintain and clean the memorials and to provide flags for the site.

Regarding the various debt funds, Mayor Wilcox said it would be helpful to see a graph of each one and when they would be paid. City Manager Young noted that information was contained in the City's annual audit report.

Spatz asked if the un-collectable property tax rate had increased. City Manager Young said it had stayed at approximately 7% for the past several years.

Budget Adjustment Worksheet Discussion

City Manager Young noted the request for funding from YouthThink was much higher than he was recommending and said it was a one time request.

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Other Discussion

Marsh asked where the funding for a parking structure was included in the budget. City Manager Young said funding was included in the Special Grants Fund and also in the Urban Renewal budget.

Chair Covert asked for information regarding the animal control budget. City Manager Young said \$70,000 was included in the proposed budget. He said the final decisions had not yet been made by the County, but he believed the current amount budgeted would be adequate.

Spatz asked if the Fort Dalles Museum funding request had been included in the budget. City Manager Young recommended it be addressed after the County had made a decision on whether to grant the additional funding request because the City normally matched what the County provided to the museum.

APPROVAL OF BUDGET

It was moved by Grossman and seconded by Dick to approve the proposed budget with the additions included on the budget adjustment worksheet. The motion carried unanimously, Ahier absent.

ADJOURNMENT

Being no further business, the meeting adjourned at 7:53 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:



Tim McGlothlin, Secretary