

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

**APRIL 29, 2013  
5:30 P.M.**

Presiding: Chair Gary Grossman

**Committee**

Members Present: Bill Dick, Barry Abrams, Corliss Marsh, Dan Spatz, Tim McGlothlin, Carolyn Wood, John Layson, Linda Miller, Barbara Pashek

**Committee**

Members Absent: None

Staff Present: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Finance Director Kate Mast, Public Works Director Dave Anderson, Librarian Sheila Dooley, Police Chief Jay Waterbury, Engineer Dale McCabe, Administrative Fellow Garrett Chrostek

Also Present: Mayor Steve Lawrence

**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 Dick and seconded by Wood to elect Gary Grossman as Chair. Hearing no further nominations, Grossman was unanimously elected to serve as Chair.

**Election of a Secretary**

It was moved by Wood and seconded by Miller to elect Corliss Marsh as Secretary. Hearing no further nominations, Marsh was unanimously elected to serve as Secretary.

### **BUDGET OFFICER'S MESSAGE - FISCAL YEAR 2012-13**

City Manager Young reviewed a PowerPoint presentation as he presented the Budget Message. Young noted the deteriorating condition of the streets and said staff was working on development of a program to bring them back to a good condition and to maintain them. He said a proposal was being worked on to issue a bond, that would be voter approved, to complete a major upgrade to the street system. Young said the proposal would be for a three cent increase in the fuel tax that would sunset when the bond was repaid. He noted other options being developed, including a cell phone tax; general obligation bond; or increase of the PUD franchise to pay for the needed improvements.

### **CERTIFICATION OF TAX RATE**

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

### **PUBLIC HEARING**

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

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

Finance Director Mast said there were two requirements of the public hearing. She said State law required an opportunity for the public to comment on the proposed budget and an opportunity for the public to comment on the proposed uses for State shared revenue. Mast said the state revenue had historically been used for operations within the General Fund.

#### **Testimony**

Dwight Langer, Northern Wasco County PUD Manager, testified that the PUD Board was opposed to any franchise fee increase to the PUD. He said the current franchise fees had generated \$691,442 in 2012 and that was twice what other franchisees paid. Langer said for the first time in 11 years, the PUD had increased rates, so the City would benefit from that rate increase by receiving additional franchise fees. He said the City would be receiving approximately \$780,000 in franchise fees from PUD by the year 2016. He asked that no increase in the franchise fee be approved.

Debby Jones, YouthThink Director, said the support from the City was much appreciated and helped to keep many programs going. Jones said she had met with the City Manager and asked

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that the contribution to YouthThink be increased from \$5,000 to \$13,00 to allow vital programs to continue for the upcoming year. She said YouthThink was a good partner and would be working on ways to help the City meet their goals and to strengthen quality of life for residents.

Clay Smith, West 13<sup>th</sup> Street, The Dalles, asked the Budget Committee to do everything they could to support street maintenance programs and the Police Department, saying these were the most important things to fund. Smith said the streets were deteriorating and something needed to be done to bring them back to a good condition. He said Police and street maintenance were core services.

Municipal Court Judge Tom Peachey testified regarding the salaries for the Judge and Prosecutor positions, saying they put in many hours and were under compensated compared to other cities. He reported on the success of the mental health court and said the municipal court was handling a lot more misdemeanors than in the past. Peachey said he was proud of the success but said the employees needed to be compensated fairly.

Mayor Lawrence said the City Attorney used to prosecute for the Municipal Court and asked why that had changed. City Manager Young said the City Attorney needed to spend more time on the legal issues of the City, so a Prosecutor had been hired.

Prosecutor Kevin Hashizume said his contract had a cap of \$3,000 per month, but his hours were far greater than that amount. He said he spent approximately half his work day on Municipal Court activities. Hashizume said his fee of \$45 per hour was essentially reduced to \$25 based on the number of hours he worked.

Pashek asked if the court was in session every day. Judge Peachey said court convened four mornings per week and generally lasted between 30 minutes and two hours. He said he was on-call 24 hours per day and called any time to approve warrants.

Hearing no further testimony, the public hearing was closed.

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

### **SET FUTURE MEETINGS**

It was agreed to set an additional meeting for Tuesday, April 30, 2013, at 5:30 p.m.

Budget Adjustment Worksheet

City Manager Young reviewed the budget adjustments proposed, including a \$55,000 revenue to the General Fund from Enterprise Zone fees; \$8,000 expenditure to increase the contribution to the YouthThink program and \$47,00 to General Fund Contingency. Young noted a \$61,326 changed to Urban Renewal contribution and loan/bond proceeds, to correct an error in the sale price for real property. He noted a \$60,000 revenue and expenditure in the Water Fund, saying this was a project that would not be completed by the end of the current fiscal year, so needed to be moved into the next budget cycle. Young recommended adding an item to show 9-1-1 funds passing through the General Fund.

**BUDGET PRESENTATIONS BY FUND**

Public Works Funds

Street Fund

Pashek said she had been told by a Wasco County employee that they could have crack sealed Thompson Street, but the City didn't hire them to do the work. She asked why the City didn't make any improvements to that street and if the City had chip seal equipment.

Public Works Director Anderson said if the City did chip seal projects, they did hire Wasco County to do the work. He said Thompson Street was not a street that met City standards and the policy had been to perform only limited maintenance on it. He said the City had attempted to form a local improvement district (LID) to bring the street up to City standards, but the project was defeated by the property owners.

City Manager Young said the condition of streets and proposed maintenance program would be part of a discussion at the upcoming Town Hall meeting. Young said if the LID had been completed, the City would accept the street and maintain it.

Pashek asked if the residents along the street could pay for a chip seal treatment themselves. Public Works Director Anderson said the street was in such poor condition, a chip seal treatment would probably not be effective. It was noted that when the LID failed, it was to be postponed for a period of two to five years. Anderson said the funds that had been proposed to be used for the Thompson Street project were used for a different project.

Layson asked how an LID was created. City Manager Young said it could be initiated by property owners or the City Council could initiate the process, but if two-thirds of the property owners objected to the formation of an LID, it would be delayed.

Pashek asked if the street projects listed in the budget for Dry Hollow Road and Mt. Hood Street were chip seal projects. Public Works Director Anderson said they were seal projects. He said Dry Hollow Road would be between Ninth and 19<sup>th</sup> Streets and cost approximately \$82,000 and the Mt. Hood Street seal project was estimated to cost approximately \$86,000.

Pashek asked what crack seal treatment was and why 30,000 pounds of material was needed. Anderson explained that it was a tar treatment to fill cracks in the streets. He said it was very important to seal them because once water got into asphalt, it would fail very quickly.

Dick asked the total amount budgeted for street maintenance. Anderson said the in-house maintenance was budgeted primarily in line item 60-87 and was \$138,000. He said major projects were budgeted in line item 75-10 and that amount was \$410,000. He said major projects would include work at Sixth and Webber and Second Webber intersections and resurfacing approximately four blocks of Bridge Street. He said these projects would follow underground work.

Dick asked what it would cost per year to keep the streets maintained in good condition. Anderson said the proposal to spend between \$5 and \$6 million to bring the streets back to good condition, and thereafter would cost approximately \$200,000 per year to maintain.

Marsh asked if Budget Issue Paper 13-017, regarding street maintenance funding was available. City Manager Young said it was not completed yet.

#### Water Fund

Public Works Director Anderson noted there were two divisions in this fund: water distribution and water treatment.

#### Wastewater Fund

Pashek asked how sewer units were calculated. Public Works Director Anderson explained one sewer unit would be equal to a 3/4 inch water service, and larger water meters would equal additional units, such as a 1½ inch water meter service would equate to four sewer units. He said there were additional calculations, such as a commercial service would be charged one unit per

every nine employees; hotels and motels were charged one unit for every two rooms, hospitals based on number of beds, etc.

Layson asked why sewer rates were not based on the amount of water being provided. Anderson said when the sewer calculations were developed, the City didn't have water meters. He said basing it on water use would be a better representation of actual use, but would also impact revenue stability and would require analysis to make such a change.

Mayor Lawrence asked how the City would charge for a property such as the one at Ninth and Trevitt Streets, which was a residence, but operating a commercial use on the property. Anderson said it was charged one unit.

Pashek noted Hood River offered a low income program for water rates and asked why The Dalles didn't have one. Anderson said the City did offer a discount program through the Community Action Program (CAP) and it had been in place for many years. A question was asked regarding the number of people who participated in the program. Finance Director Mast said she would report back to the Committee with the answer.

Public Works Director Anderson pointed out line 31-10 on page 70 which was the amount paid for contract operation of the wastewater treatment plant. He said it represented a two percent increase, the first increase in over two years.

#### Airport Fund

Spatz noted the construction of the golf course was included in the goals section and asked if that would be commenced in the upcoming fiscal year. Airport Manager Chuck Covert said the developer was moving forward with the project.

Covert said he was unsure regarding the status of FAA grants, but would at least be able to complete the taxiway project.

Pashek asked if the flexible space building project would proceed. Covert said there was funding for that project and bids would be sent out in May for construction of the building. He said staff was seeking funding opportunities for the terminal building project.

Layson asked if the runway extension project would allow for larger planes to land and would lead to commercial service in the future. Covert said it was able to accept heavier planes, but was not long enough for commercial use. He said additional property would be needed to gain enough runway length.

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Recess

The meeting recessed at 7:03 p.m.

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Submitted by/  
Julie Krueger, MMC  
City Clerk

SIGNED: Corliss Marsh  
Corliss Marsh, Secretary