

**CITY OF THE DALLES
BUDGET COMMITTEE MEETING**

**May 1, 2017
5:30 p.m.**

**City Hall Council Chamber
313 Court Street
The Dalles, Oregon**

MINUTES

Presiding: Chair Rich Mays

Committee Members

Present: Russ Brown, Tim McGlothlin, Linda Miller, Corliss Marsh,
Barbara Pashek, Solea Kabakov, Taner Elliott, Rich Mays, Dan
Bonham, Darcy Long-Curtis

Committee Members

Absent: None

Staff Present:

City Manager Julie Krueger, City Clerk Izzeta Grossman, Planning
Director Steve Harris, Finance Director Angie Wilson, Public
Works Director Dave Anderson, Librarian Jeff Wavrunek, Police
Chief Pat Ashmore, Human Resources Director Daniel Hunter,
City Engineer Dale McCabe, Assistant to the City Manager
Matthew Klebes

Also Present: Mayor Steve Lawrence

CALL TO ORDER

Secretary Corliss Marsh called the meeting to order at 5:30 p.m.

ELECTION OF CHAIR

Secretary Marsh asked for nominations for Chair.

It was moved by Elliott and seconded by Brown to elect Rich Mays as Chair of the Budget Committee. The motion carried unanimously.

ELECTION OF SECRETARY

It was moved by Miller and seconded by Brown to elect Corliss Marsh as Secretary of the Budget Committee. The motion carried unanimously.

BUDGET OFFICER'S MESSAGE, FISCAL YEAR 2017-18

City Manager Julie Krueger presented the Budget Message. Krueger thanked the Finance Director Angie Wilson for her hard work on the budget with only a few months on the job. She said all the Department Heads had worked well to present a balanced budget.

Krueger noted that there was no water rate increase in the budget. She said the Budget Issue Papers would be placed next to the effected department budget next year.

CERTIFY THE TAX RATE

Finance Director Wilson said the tax rate was given to us by the County.

It was moved by Miller and seconded by Long-Curtiss to certify the City of The Dalles Tax Rate of \$3.0155 per \$1000 of Assessed Value. The motion carried unanimously.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding the Proposed Budget

Chair Mays opened the public hearing and invited public testimony.

Committee Member Barbara Pashek asked if the marijuana tax revenue was in the proposed budget. City Manager Krueger said the revenues were estimated conservatively. She said the City had not received any funds from the state or the first quarter local 3% taxes.

Chair Mays closed the hearing.

Public Hearing to Receive Testimony Regarding Uses of State Revenue Sharing

Chair Mays opened the public hearing.

Finance Director Wilson explained this hearing was to consider possible use of State Shared Revenue. She said the Committee would consider possible uses and then make that

recommendation to the Council. She said the City had historically used State Shared revenues to support General Fund activities.

Hearing no testimony, Chair Mays closed the hearing.

It was moved by Miller and seconded by Brown to recommend use of State Shared revenue to support the General Fund. The motion carried unanimously.

SET FUTURE MEETINGS

It was the consensus of the Committee to schedule the next meeting for Tuesday, May 2, 5:30 p.m. Elliott said he would not be able to attend future meetings.

BUDGET PRESENTATIONS BY FUND

Public Works Fund

Public Works Director Dave Anderson handed out an article on State Lawmakers eyeing ways to fund transportation upgrades. Article attached.

Street Funds

Anderson said the Beginning Fund Balance was lower than in previous years, due to spending reserves on maintenance projects.

Committee Member Brown asked if there was a plan on future funding.

City Manager Krueger said staff is working on some ideas and would bring something to Council for consideration at a later date.

Elliott asked how the City would fund streets without the 3% local gas tax. Anderson said it would create a challenge to meet even basic needs.

Brown asked if raising the gas tax to 6% make a difference. Anderson said it would allow for projects like the Scenic Drive stabilization project to be complete in one phase instead of over time.

Anderson said an increase would have to go before the voters.

Anderson reviewed the Street Reserve Fund.

Water Funds

Anderson said funds were aggressively transferred into Reserves to fund the Dog River Pipeline project.

Anderson said the Water Utility revenues were down from projection. He said the projection was high due to the prior year being a draught year that resulted in abnormal consumption by commercial customers.

Water Treatment

Anderson said the Water Treatment plant was built in 1949. He said the basins where concrete had some cracking and leaking. He said it was time to reline the basins before further damage was done.

Water Distribution

Anderson said there was nothing unusual to point out.

Capital Reserve

Anderson said there was a budget amendment on the dais for the Committee. He said the Port water main project could not be done in the current fiscal year. He said the total funding had been moved into fiscal year 2017-18.

Anderson said staff had received a tentative funding offer from the Oregon Safe Drinking Water State Revolving Fund to provide \$1,000,000 in grant funding and \$3,000,000 as a 1% loan. Staff has also applied for a \$1,000,000 grant from the Oregon Water Resources Department to help fund the project.

Wastewater Funds

Anderson said the Beginning Fund Balance was lower than in previous years, due to transferring funds into Special Reserve Fund for the Wastewater Treatment Plant Upgrade project.

In response to a question Anderson said the Cherry Growers would be increasing their use of the City system, but only for a couple of months.

Anderson said an Ordinance Revision would be coming before Council in the future to address possible resolutions to uncollectible charges.

In response to a question regarding training fees Anderson said costs of the certifications and training had gone up. He said where possible webinars are used.

Sewer Plant

Anderson reported the City had just received word of grant award of the \$175,000 from Oregon Department of Energy.

Miller asked for more detail in the Public Works budget. Anderson said they would work on it for next year.

Mayor Lawrence asked if all grants were received would the loan amount be less, or would the project cost more. Anderson said he would first reduce the size of the loan.

General Fund

General Fund Revenues

Finance Director Wilson said the key items were:

- Property tax revenue was increasing
- Marijuana tax place holder of \$10,000 – no history
- Zayo Franchise place holder of \$5,000 – no history
- Transient Room Tax to Northern Wasco County Parks & Recreation was a pass through

Brown asked why permit revenues were so low with all the development activity.

City Manager Krueger said the City did not receive building permit fees. She said the Planning fees were low.

McGlothlin asked if the City had a Marijuana License like the Liquor License.

City Manager Krueger said the Oregon Liquor Control Commission sets those fees, and currently they have not set one for marijuana.

City Council

McGlothlin asked what constituted the Misc. Revenue in the City Council Budget.

Finance Director Wilson said she would check for him.

City Clerk

City Clerk Grossman said the increase in the City Clerk Budget was for the codification program that would update the City's codes, including the Land Use Development Ordinances. She said the program would have a legal review and be completely searchable. She said the ongoing annual charge for updates would be approximately \$2500 annually.

Grossman said the training line item covered her certification training. She said getting the certification was a requirement of the position.

City Manager

City Manager Krueger said the key points were:

- Economic Development had been moved back into the Planning Department
- The Dam Shuttles were moved into the City Manager's budget
- Miscellaneous Expenses were more than needed – reducing to \$1500

There was a question regarding Main Street funds in both the City Manager's budget and the Economic Development budget. Finance Director Wilson said it was duplication. She said it would be removed from the Economic Development budget.

Legal and Judicial

City Attorney Parker said the Legal budget was consistent with the year before.

Committee Member Marsh asked if the \$8,000 for outside legal cost was a space holder. Parker said it was.

Parker said the increase in Judicial was a rate increase for the Prosecuting Attorney and to replace the Judge's laptop.

In response to a question Parker said the new judge was being paid the same rate as the retired judge.

Finance and Utility Billing

Finance Director Wilson said the previous question about the Miscellaneous Revenue in the City Council budget was the SAIF refunds.

Wilson said that she added a gas tax audit. She said it hadn't been done in years.

She said the outsourcing of utility billing included printing, stuffing and mailing. She said having it outsourced freed staff time and the cost was about the same.

Human Resources

Human Resources Director Daniel Hunter said the increases were:

- NeoGov – a program for posting applications, receiving complete applications and onboarding employees saving time and money
- Total Employer Cost Compensation – a program giving the City a comparison of position of like title, duties and community size
- \$800 for a locking file cabinet to accommodate the growing personnel files

Mayor Lawrence said establishing a Human Resources Department was the best move the City had made in a long time.

Planning

Planning Director Steve Harris said there had been many changes in the department in the last year:

- Economic Development moved back to Planning Department
- Urban Renewal moved back to Planning Department
- Codes Enforcement moved from Legal to Planning Department

Harris said the City had two fees: a minor fee of \$30 and a major fee of \$105. He said building permits were handled by Mid-Columbia Council of Governments. He said in City development permits they collected:

2016 - \$1.8 million
2015 - \$153,000
2014 - \$184,000

Harris said Planning fees had not been reviewed since 2005. He said it would be appropriate to revisit the fee structure.

Harris said he was requesting additional funding for:

- Minutes Clerk to transcribe the minutes from the Historic Landmarks Commission meetings, the Planning Commission meetings and the Urban Renewal Agency meetings.
- Consultants to assist with:
 - Implementing the Housing Report
 - Implementing the Transportation System Plan
 - Updating the Vision Action Plan – last done in 2011

Harris said he was working with the Assistant to the City Manager to identify and apply for grants.

Mayor Lawrence asked that the Ft. Dalles Museum support be increased by \$2,250 to allow the director to be paid more. He said that the increase would be subject to the County also increasing their support.

Economic Development

Planning Director Harris said the Business Development Director had been removed from the budget. He said he had a space holder of \$12,000 in contractual services for projects that might come up.

Harris said the Main Street contribution had been moved to the City Manager's budget. He said the clothing would also need to be moved to the City Manger's budget.

Codes Enforcement

Planning Director Harris said Codes Enforcement had been moved in Planning from Legal. He said they were working on cross training the Planning Codes Enforcement and the Nuisance Codes Enforcement positions.

RECESS

It was moved by Brown and seconded by Pashek to recess the meeting until Tuesday at 5:30 p.m. The motion carried.

The meeting was recessed at 7:43 p.m. to reconvene Tuesday, May 2 at 5:30 p.m.

Respectfully submitted:
Izetta Grossman
City Clerk

Signed: Corliss Marsh
Corliss Marsh, Secretary

Attest: Izetta Grossman
Izetta Grossman, City Clerk

Bike tax? Car tax? Gas tax? Lawmakers eye ways to fund transportation upgrades

178

Updated on April 28, 2017 at 5:35 PM
Posted on April 28, 2017 at 3:27 PM



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BY **GORDON R. FRIEDMAN**
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SALEM -- State lawmakers are considering several brand-new taxes plus a mix of tax and fee increases to fund highway improvements and other transportation upgrades across Oregon.

A statewide payroll tax, higher gas taxes, a bicycle tax and new car tax are on the table, records show.

In all, lawmakers are contemplating raising billions of dollars over a decade through tax and fee increases, according to a draft of transportation revenue options.

Lawmakers have not said how much they want to raise or which construction projects may be funded first, except to say addressing congestion in Portland is a high priority.

"We actually don't have a specific package yet," [Sen. Lee Beyer](#), D-Eugene, said in a telephone interview. "We've taken nothing off the table," he said, adding that "we're still hunting for the sweet spot."

The money-raising options include, according to one draft document:

>> Increasing the statewide gas tax by 14 cents, to 44 cents

>> Increasing title fees by \$40, to \$117

>> Increasing commercial driver license fees by \$20, to \$80

>> Establishing a 1 percent tax on new vehicle sales

>> Establishing a 1 percent tax on bicycle sales

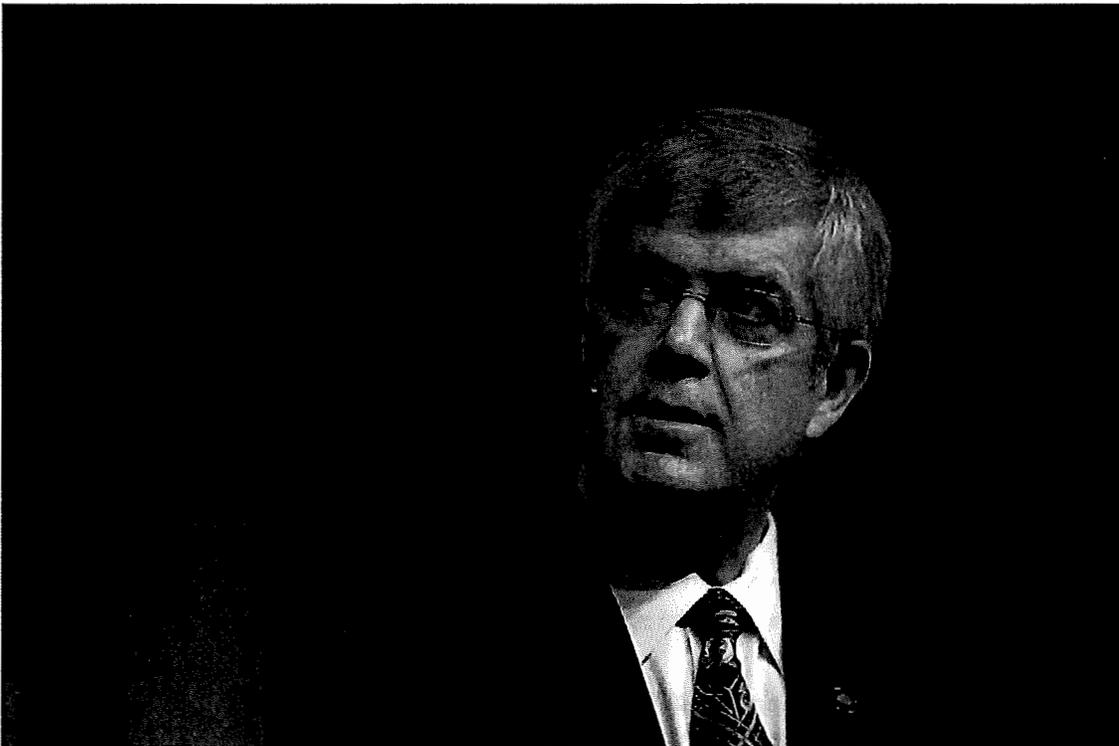
>> Establishing a .1 percent statewide payroll tax

There could also be new taxes and fees just for Multnomah, Washington and Clackamas counties, if the local governments approve them: a 9-cent gas tax increase and an additional \$15 fee for vehicle registrations. If enacted, those taxes would likely be dedicated in part to metro-area rail and transit projects.

Lawmakers are also considering a system in which owners of fuel-efficient cars pay more than other owners to register their vehicles. Increasing numbers of fuel-efficient cars are seen as one reason gas tax revenues have slumped because those vehicles make fewer trips to the pump.

Rep. Cliff Bentz, R-Ontario, said lawmakers privy to transportation discussions are in "broad agreement" that a tiered vehicle registration system is a good idea.

"That will be in the bill," Bentz said in a telephone interview.



Rep. Cliff Bentz, R-Ontario, vice-chair of the Joint Committee on Transportation Preservation and Modernization. (Stephanie Yao Long/Staff)

McKeown, D-Coos Bay; were not available to comment Friday.

Establishing tolls for metro-area construction projects is also an option, Bentz said. A pay-by-mile tax system and increased trucking fees are not being considered, he said.

Lawmakers are debating a wide range on revenue options, he said, because increasing only gas taxes and registration fees would not generate enough revenue for necessary upgrades.

He went to pains to emphasize that exact tax and fee rates have not been finalized. The draft revenue plan is only a "discussion document," he said.

Any transportation plan will include an "accountability mechanism," Bentz said, that shows taxpayers "exactly where their money is going."

The transportation committee has for months been hashing out a funding plan in public and private meetings. Senate President Peter Courtney, D-Salem, and House Speaker Tina Kotek, D-Portland, formed the committee last year following failed transportation negotiations early on in Gov. Kate Brown's tenure, in 2015. Since then, Brown and other high-ranking legislators have said passing a transportation plan is a top priority.

Much of Oregon's roads and bridges are in poor condition and there is not enough money to fix them, according to state assessments. Some critical infrastructure would fail in the event of an earthquake, hamstringing movement of the state's people and freight.

Officials say generations of public infrastructure investments are at risk if new revenue is not found to shore-up existing roads and bridges. New funds could also pay for congestion-busting lane additions and new bike or transit options in metro areas statewide.

"This isn't something anybody does because they like raising taxes," Bentz said. "It's because there's an absolute need."

Any tax and fee increases would be gradually phased-in over a decade or more, he said.

Bentz stressed that lawmakers are being careful to reach a deal agreeable not only to members of the Legislature but also to transportation interest groups. Those groups -- truckers, fuel companies, local governments, environmentalists, transit and bike advocates -- could mount an initiative campaign to put lawmakers' plan on the ballot.

"That's just the reality of the legislative process," Beyer said. "We've tried to talk with all the significant stakeholder groups."

Voters typically reject tax increases. Even if voters were to say yes, sending the question to the ballot would delay action on the transportation until after a statewide vote.

Bentz and Beyer said a full transportation plan will likely be released to the public the second week of May.

-- Gordon R. Friedman