

The second meeting of the City of Astoria 2014-15 Budget Committee was held at the above place at the hour of 7:00 pm, which was a continuation from the meeting held on April 23, 2014.

Committee Members Present: City Councilors LaMear, Mellin, Warr, and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick.

Committee Members Excused: Mayor Van Dusen

Staff Present: City Manager Pro Tem Estes, Financial Analyst Snyder, Parks Director Cosby, Public Works Director Cook, and Public Works Shops Superintendent Nelson

The meeting was called to order by Chair Leebrick.

Budget Committee Review Schedule  
Review of City of Astoria Departments/Funds for FYE 6/30/15

**INDIVIDUAL BUDGET CONSIDERATION**

Capital Improvement Fund

City Manager Pro Tem Estes described the background and purpose of the fund, briefly noting some key items that had been discussed at the prior Budget Committee meeting. He addressed clarifying questions regarding Intergovernmental Resources, Gifts Bequests and Grants, and Computer Services, as well as the lease payments for police vehicles.

**Committee Action:** Motion made by Loran Mathews, seconded by Councilor LaMear to tentatively approve the Capital Improvement Fund. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

Parks Operation Fund

City Manager Pro Tem Estes noted the placeholder budgets were historical documents for earlier Parks Department Funds and explained that Fund #158 was set up to account for all parks related functions, including Aquatics, Recreation and Administration, Maintenance and Cemetery. Parks Director Cosby reviewed the departments within the Parks and Recreation Budget, addressing clarifying questions from the Committee and noting that unlike other budgets, the Parks Budget included revenues. Key discussion topics included addressing the tankless water heater system at the Aquatics Center; fitness equipment purchases being paid from the Capital Improvement Fund; the relocation of the Recreation Center; vandalism of public restrooms; and part-time versus full-time employees in the department.

**Committee Action:** Motion made by Richard Hurley, seconded by Councilor Mellin to tentatively approve the Parks Operation Fund. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

Public Works Improvement Fund

City Manager Pro Tem Estes described the fund's purpose. Public Works Director Cook addressed questions from the Committee, which included discussion about major machinery and equipment replacement, transfers related to revenues, the sports complex, reservoir covers, and sewer surcharge. City Manager Pro Tem corrected comments made during the Budget Message presented the previous evening, stating that \$11.70 was the average bimonthly CSO surcharge residential increase, not the monthly increase; The actual CSO surcharge was \$5.85 per month.

**Committee Action:** Motion made by Loran Mathews, seconded by Councilor LaMear to tentatively approve the Public Works Improvement Fund. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

#### Public Works Capital Reserve Fund

City Manager Pro Tem Estes explained the purpose of the fund. Public Works Director Cook described how the yearly allocation of \$200,000 would build a fund for resanding the sand filters so the City would not have to procure a loan. He commended Operations for doing a great job of optimizing the run times of the filters.

**Committee Action:** Motion made by Richard Hurley, seconded by Councilor Mellin to tentatively approve the Public Works Capital Reserve Fund #178. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

#### Combined Sewer Overflow (CSO) Funds

City Manager Pro Tem Estes described the purpose of the funds, noting some funds were for specific projects, historical resources, and upcoming projects. Public Works Director Cook clarified questions about upcoming projects, including the 16<sup>th</sup> Street CSO Project.

**Committee Action:** Motion made by Loran Mathews, seconded by Councilor LaMear to tentatively approve the Combined Sewer Overflow (CSO) Funds. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

#### Combined Sewer Overflow (CSO) Debt Service Fund

City Manager Pro Tem Estes described the purpose of the fund. Public Works Director Cook noted the City has received \$3.5 million in grants for the CSO projects to date. He confirmed nothing more could be done to reduce the burden of utility rates, adding that securing loans from the State gave the City interest rates far better than market rates. The Committee discussed existing utility assistance, conservation and weatherization programs aimed at helping reduce the cost burden to residents, as well as the revenue ultimately generated by large water and sewer users, like the breweries.

**Committee Action:** Motion made by Councilor LaMear, seconded by Councilor Herzig to tentatively approve the Combined Sewer Overflow (CSO) Debt Service Fund. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

#### Public Works Fund

City Manager Pro Tem Estes noted the purpose of the fund, noting the different divisions included and that the fund operates as a business; no property taxes are used for its funding. Public Works Director Cook noted changes to the budget and clarified the department rarely uses the Contingency appropriation. Staff responded to questions regarding street maintenance, transfers and reports related to State street tax funds, and transfers to the General Fund to pay the City for expenses incurred, such as for the utility clerk that works in finance and the time the city manager and finance director devote to Public Works.

**Committee Action:** Motion made by Councilor Mellin, seconded by Councilor LaMear to tentatively approve the Public Works Fund. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

### **CONSENT CALENDAR**

#### Special Revenue Funds

- Unemployment Trust Fund
- Revolving Loan Fund
- Housing Rehabilitation Loan Fund
- Building Inspection Fund
- Emergency Communications Fund
- Community Policing Fund
- Parks Project Fund (Garden of Surging Waves)
- Maritime Memorial Fund
- Astoria Road District Fund
- State Tax Street Fund
- Trails Reserve Fund

#### **Local Improvement Debt Service Fund**

East Astoria Waterline Debt Service Fund  
7th Street Dock Local Improvement Debt Service Fund

Enterprise Funds

Landfill Reserve Fund  
Cemetery Fund  
**17th Street Dock Fund**

Fiduciary Funds

Aquatics Facility Trust Fund  
Astoria Public Library Endowment Fund  
Cemetery Irreducible Fund  
**Promote Astoria Fund**

**Chamber of Commerce: Visitor Services and Tourism Promotion**

**Chamber of Commerce: Lower Columbia Tourism Committee**

Logan Memorial Library Trust Fund

The Local Improvement Debt Service Fund, 17th Street Dock Fund and Promote Astoria Fund were removed from the Consent Calendar for discussion.

**Committee Action:** Motion made by Richard Hurley, seconded by Councilor Warr to tentatively approve the remaining Consent Calendar items. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

Local Improvement Debt Service Fund

City Manager Pro Tem Estes described the original purpose of the fund. He noted that in anticipation of potentially significant PERS increases in FY 2015-16 and FY 2016-17, former Finance Director Mark Carlson included money transfers, from other divisions with which employees are associated, into the Local Improvement Debt Service Fund which would act as holding place so the City could use that money to offset any future PERS increases.

**Committee Action:** Motion made by Councilor LaMear, seconded by Councilor Warr to tentatively approve the Local Improvement Debt Service Fund. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

17th Street Dock Fund

Financial Analyst Snyder reviewed the revised 17<sup>th</sup> Street Dock Budget that was distributed to the Committee, noting a major revision involved changing the debt service for the 17<sup>th</sup> Dock construction from \$85,500 to \$36,420 because only an interest payment would be made in December 2014, not a principal and interest payment. Due to discussion with the Coast Guard about the City improving the parking lot across the street from the dock, \$175,000 has also been budgeted in FY 2014-15 for those anticipated improvements, which would go before City Council for approval. Finally, the revised budget reflects a \$75,000 transfer to the Capital Improvement Fund. He confirmed that the annual debt service of \$85,500 would begin after FY 2014-15 and continue for 25 years. Public Works Director Cook noted that the new dock was constructed to be as maintenance free as possible and described how the \$3.8 million Connect Oregon 3 Grant and a loan made the project feasible. Lease fees received from the Coast Guard would pay the debt service for that portion of the City's loan.

Discussion included details about and the history related to the City's agreements with the federal government over the years for the Coast Guard's use of the dock and parking areas.

**Committee Action:** Motion made by Richard Hurley seconded by Councilor Warr to tentatively approve the 17<sup>th</sup> Street Dock Fund. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

Promote Astoria Fund

Chamber of Commerce: Visitor Services and Tourism Promotion  
Chamber of Commerce: Lower Columbia Tourism Committee

City Manager Pro Tem Estes described the purpose of the fund and reviewed the key budget items. He clarified questions about the Astoria Downtown Historic District Association (ADHDA) and funding

sources used for the Garden of Surging Waves and the items funded through the Promote Astoria Fund, which includes grant matches, and maintenance of and improvements to the Riverwalk.

Discussion regarded the Chamber's use of Promote Astoria Funds for the Visitor Center and ensuring the funds are used according to Oregon Revised Statute. Richard Hurley calculated that the \$115,000 paid to the Chamber was close to the amount required to operate the Visitor Center. Astoria is benefitting from the Chamber's efforts as seen from the increase in hotel use and lodging tax revenues. The Chamber is in discussion about allowing organizations, regardless of membership, to post events and announcements at the Chamber and on its website. Having a centralized calendar would benefit the community and may bring new members to the Chamber.

Richard Hurley reported on the work of the Arts and Culture Committee, describing the reasons for a requested increase from \$30,000 to \$50,000 for FY 2015-16, as described in the exhibit distributed to the Committee. Discussion included concerns about drawing down the Promote Astoria Fund and reducing the funding available for other tourism related items. The Regatta and other long established organizations use the City's support to leverage monies from other organizations, but money is also needed to help fledgling organizations and to generate new ideas.

**Committee Action:** Motion made by Richard Hurley, seconded by Councilor Warr to tentatively approve the Promote Astoria Fund. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

**Committee Action:** Motion made by Councilor LaMear, seconded by Richard Hurley to increase the amount for the Art and Cultural Fund to \$50,000 for FY 2015-16. (Motion carried.) City Councilors Mellin, LaMear, and Herzig, Richard Hurley, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes. Councilor Warr and Loran Mathews voted no.

City Manager Pro Tem Estes clarified approval of the motion meant that when preparing the FY 2015-16 Budget, Staff would have a projected balance for the end of 2014-15 so the Committee could see the effect of the additional amount and ultimately decide whether to keep next year's Art and Cultural Fund budget at \$50,000.

Discussion continued about the importance of the City providing core services before funding other things and that Promote Astoria funds are restricted and could not be used for other needs.

## **COMMUNITY ORGANIZATION CONSIDERATION**

Councilor LaMear reviewed the funding amounts proposed to the community organizations totaling \$45,000 as follows: CASA \$2,500, Clatsop Community Action \$16,500, The Harbor \$10,000, Lower Columbia Hispanic Council \$4,000, Helping Hands \$4,000, Astoria Rescue Mission \$4,000, and Loaves and Fishes \$4,000.

Discussion included concerns about funding organizations that proselytize to those they serve. Having these organizations provide materials stating they accept everyone and that no religious or devotional requirements are involved was requested. These organizations provide vital services to community. With the Pioneer House now closed, the Rescue Mission is the only shelter available in Astoria. The multiple services and activities of the Lower Columbia Hispanic Council were also discussed with positive comments about the improved management and new director. The Council effectively uses money from the City to leverage grants.

**Committee Action:** Motion made by Councilor Warr, seconded by Richard Hurley that the Committee approve the requests for funding as recommended. (Motion carried.) City Councilors Mellin, LaMear, and Warr and Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes. Councilor Herzig voted no.

## **FINAL REVIEW AND MOTION TO APPROVE THE CITY OF ASTORIA BUDGET AS A WHOLE**

**Committee Action:** Motion made by Councilor Warr, seconded by Loran Mathews that the Budget Committee approve the City of Astoria 2013-14 Budget as a whole. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

**MOTION TO SET TAX RATE FOR GENERAL FUND AT \$8.1738 PER \$1,000 OF VALUATION**


**Committee Action:** Motion made by Richard Hurley, seconded by Councilor Mellin that the Committee set the Tax Rate for General Fund at \$8.1738 per \$1,000 of Valuation. (Motion carried.) City Councilors Mellin, LaMear, and Warr, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes. Councilor Herzig voted no.

**MOTION TO ADJOURN CITY OF ASTORIA BUDGET COMMITTEE MEETING**

**Committee Action:** Motion made by Councilor Warr, seconded by Loran Mathews to adjourn the Budget Committee. (Motion carried.) City Councilors Mellin, LaMear, Warr and Herzig, Richard Hurley, Loran Mathews, Kera Huber, Kathleen Sullivan, and Laura Leebrick voted yes.

The meeting was adjourned at 9:44 p.m. to the Astoria East and West Urban Renewal Districts Budget Committee meeting.

**ATTEST:**

  
Secretary