

The first meeting of the City of Astoria 2015-16 Budget Committee was held at the above place at the hour of 7:36 p.m.

Committee Members Present: Mayor LaMear, City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger.

Committee Members Excused: None.

Staff Present: City Manager Estes, Finance Director Brooks, Financial Analyst Snyder, Police Chief/Assistance City Manager Johnston, and Fire Chief Ames

The meeting was called to order by Mayor LaMear.

Election of Officers

Mayor LaMear called for nominations for Chairperson. Motion made by Richard Hurley, seconded by Russ Warr to nominate Loren Mathews as the 2015-16 Budget Committee Chairperson. (Motion carried by unanimous vote.)

Mayor LaMear passed the gavel to newly elected Chair Mathews.

Chair Mathews called for nominations for Secretary. Motion made by Councilor Warr, seconded by Councilor Price to nominate Richard Hurley as Secretary of the 2015-16 Budget Committee. (Motion carried by unanimous vote.)

Budget Committee Review Schedule

Chair Mathews reminded that the Budget Committee had consented to use Staff's suggested meeting schedule of April 27, 28, and 29, 2015 with the meetings starting at 7:00 pm. The Committee would set the date and time for a fourth meeting, if needed, at the April 29th meeting.

As agreed upon at the Budget Committee preview meeting, citizens could speak to the whole budget at the start of the meeting, or specifically on particular items as they were being discussed.

Review of City of Astoria Departments/Funds for FYE 6/30/16

BUDGET MESSAGE

a. City Manager Opening Comments and Budget Message

City Manager Estes presented the Budget Message, which was included in the meeting packet. He reminded that the 2013-14 budget called for upwards of \$220,000 in cuts to the General Fund alone. The current 2015-16 budget indicated that prior cost cutting measures, along with other steps taken, allowed for a balanced 2015-16 budget without cuts. However, the City's leadership would need to be mindful of the day-to-day expenses for operations while also looking to the future with regard to PERS, health insurance rates and direct labor cost increases, which could be substantial. Indicators for the City and State show a period of recovery, however, resources coming through State and federal governments have been waning in past years. The City would need to provide services that could be afforded within the context of a sustainable budget.

He presented a brief overview of the proposed 2015-16 Budget Message contained in the proposed Budget Document, describing and reviewing its key funds and comparing the 2014-15 budget to the 2015-16 projections. He noted that after the budget was prepared, City Council voted to direct Staff to pursue the acquisition of a new fire ladder truck and use \$500,000 of the Beginning Fund balance from the 2015-16 Fiscal Year as a down payment, so that expenditure was not reflected in the proposed budget.

This year, a different philosophy was used for the Parks Department budget. In prior years, revenues and expenses for the Parks Fund were budgeted aspirationally, resulting in the need for year-end transfers to make up any differences to balance the budget. This year, the Parks Department projected its revenue and expenditures to be more in line with actual figures, which was why a larger amount would be transferred from the General Fund. The goal was to significantly reduce and ultimately stop having a year-end transfer for the Parks Department Budget. The department would look to stay within its budgeted means.

City Manager Estes and Finance Analyst Snyder responded to clarifying questions from the Budget Committee regarding funding for the new ladder truck; Carbon Credits and the City's philosophy regarding the Capital Improvement Fund and its projects;

Councilor Warr noted that since the budgeting process takes about six months of Staff's time to develop, a biennial budget might be worth considering.

PUBLIC HEARING ON CITY OF ASTORIA BUDGET AS PROPOSED

Chair Mathews opened the public hearing on the proposed City of Astoria 2015-2016 Budget at approximately 7:57 pm and called for public comment.

George McCartin, 490 Franklin Ave, Astoria, said the budget, like other many other things in the City government, could use some strategic planning. The City needed to do some strategic planning which would then be reflected in the budget. To the layperson, it seemed like things were just put down and dealt with helter-skelter. The audited financial statements and adopted budget as published were very difficult and not very manageable tools. A large number of funds, transfers between funds, skeletal information, and overly general distribution and classification of revenues made it almost impossible to determine if the appropriate amount is being used and appropriated transparently, and that the City was being accountable and good stewards of taxpayers' funds. He had reviewed the budgets for 2010-11, 2011-12, 2012-13, and 2014-15, and some funds seemed to multiply because the same department and its organizations have numerous funds within that department. For example, Parks and Recreation had divisions of all sorts, seven tabs of different pages of different funds or different divisions. Why couldn't these be integrated better, or entirely? Someone once questioned why there were so many funds and was told the State demands all these funds. However, the State's booklet *Budgeting in Oregon* stated there must be at least one fund; it discussed subordinate funds, but did not require all these separate funds. He hoped things that appear to be rubber-stamped in the years he reviewed, [inaudible 1:02:28]. Listening so far, he believed something different could be done.

Richard Hurly agreed last year the Parks and Recreation budget was a challenge because it was a transition year with defunct funds as the budget was being simplified. Budget law required the City to maintain prior existing funds for comparison, which was why there were all the various pages for the Parks Department.

Chair Mathews confirmed there were no further comments and closed the public hearing at 8:03 pm.

SUMMARY OF DEPARTMENTS (Pages 1 and 2, presented sideways, provide summaries) [1:04:37])

City Manager Estes and Finance Analyst Snyder responded to questions from the Budget Committee regarding the Landfill Reserve Fund, PERS Contribution Rates, the Total Debt Service, Resources under Licenses and Permits, the Unemployment Fund and Delinquent Property Taxes.

Key additional responses and comments were as follows:

- The differences between Contingency, Unappropriated Funds, and Ending Fund Balances were described. The Contingency Fund amount gave Staff flexibility, but any money coming from the Contingency Fund, even a small amount, must be reappropriated through a resolution and approved by City Council. The City Manager has the discretion to spend up to \$10,000 out of any budget line item, but not out of the Contingency Fund.
- The 2014-15 Ending Fund Balance would be reduced to \$2 million after making the down payment for the fire ladder truck. The Ending Balance had a larger balance due to vacant job positions at the City. The fund would not have such a high balance in the future.

- The two significant debts of the Total Debt Service were the Public Works Improvement Fund and CSO Fund. The City was under federal mandate to do the CSO projects, which required the City to borrow money outside of its control. The CSO project proposed an increase in CSO rates to accommodate the additional debt required to meet federal mandates, so the tax revenue being generated from the City's ratepayers, who buy water and use sewer services, should also be considered in the debt discussion. The only way to afford additional debt for the CSO Project was if Budget Committee and Council approved a rate increase.
 - Having a certain debt percentage as a trigger point was suggested for discussion at a later time. Such a trigger point could help inform decisions about how any additional debt would affect the overall budget.
- Some of Recology's franchise fee and rent money was being used to make the debt payment on the loan related to the landfill's closing, which was the transfer of \$81,000 from the General Fund to the Public Works Improvement Fund.
- The \$92,000 projected decrease in Fines and Forfeitures, which related to traffic court items, was based on trends. Police Chief Johnston stated there was no intentional change in the Astoria Police Department's citation policy, however, as calls for service had increased over the last couple years, discretionary time for traffic enforcement had decreased, resulting in less traffic citations being issued.
- Staff would get more information about why the City's PERS Contribution Rates were so high and how the City compares with other municipalities with regard to Delinquent Property Taxes.

INDIVIDUAL BUDGET CONSIDERATION

General Fund:

City Council

City Manager Estes described the purpose for the fund and provided a brief overview of the budget.

Committee Action: Motion made by Richard Hurley, seconded by Councilor Warr to tentatively approve the City Council Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

City Manager Administration

City Manager Estes described the fund's purpose, noting portions of the budget included the Employees Assistance Program, which was a holdover from when the Human Resources Division was within the department.

Committee Action: Motion made by Councilor Price, seconded by Mayor LaMear to tentatively approve the City Manager Administrative Budget. ((Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Municipal Court

City Manager Estes briefly reviewed the budget of the Municipal Court. Finance Analyst Snyder addressed questions regarding increased insurance coverage and the Miscellaneous line item.

Committee Action: Motion made by Councilor Price, seconded by Janet Miltenberger to tentatively approve the Municipal Court Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Finance

City Manager Estes noted the Staff positions covered within the Finance Budget and clarified how each department's prepared budgets were analyzed by the Finance Department to see where each department was at today and whether any line items should be adjusted.

Finance Analyst Snyder responded to questions about the cost of financial software maintenance under Technology Services, noting the City used Springbrook software for its financial functions, which he described. He assured that everything was reconciled and agreed to meet with David McElroy to explain how the prior actuals related to the proposed budget using actual figures and documents. He confirmed DigiTicket description on Page 11-2 should be deleted as it was incorrectly carried over from the prior year and has no dollar value.

City Manager Estes hoped Finance Director Brooks could work with the Springbrook vendor to create more regular reports without additional charge. If placing financial dashboard on the City website was a significant cost, Staff would return with a budget resolution to Council.

Finance Director Brooks noted she was investigating what the City's current systems were capable of doing. Springbrook was a very robust system, which meant it could be time intensive, but a lot of opportunities existed for downloading information. She had also contacted a couple vendors with dashboard software.

Committee Action: Motion made by Mayor LaMear, seconded by Richard Hurley to tentatively approve the Finance Department Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

City Attorney

City Manager Estes described the purpose of the fund.

Committee Action: Motion made by Councilor Price, seconded by Councilor Warr to tentatively approve the City Attorney Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Community Development

City Manager Estes described the purpose of the fund, noting the Building Inspection had its own fund as required by State law. He addressed questions from the Committee about CREST, CZM Assistance/SHPO Grant, Advertising, and increased insurance costs, which related to filling the vacancies for Community Development Director and City Planner.

Committee Action: Motion made by Councilor Price, seconded by Councilor Warr to tentatively approve the Community Development Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

City Hall

City Manager Estes briefly described the purpose of the fund. He and Staff addressed questions about Elevator Maintenance, InterFund Wages, and janitorial services.

Committee Action: Motion made by Zetty Nemlowill, seconded by Richard Hurley to tentatively approve the City Hall Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Police

Police Chief Johnston briefly reviewed the Police Fund, noting there were very few changes from the previous year. He responded to questions about the department's vehicle rotation plan, the budget allocated for body cameras and their related expenses, and costs associated with having an officer on the County's Drug Enforcement Task Force. His key additional responses included:

- With regard to any anticipated changes to expenditures in near future could see technology items becoming a factor, but most things would involve significant projects that would come in future years. At this point, it would be very difficult to accurately pin down costs. The Department would see some changes and increased costs regarding [inaudible 2:01:35] as a result of many things currently being considered by the legislature, if they passed.
- Crucial positions that did not have backup personnel in the department were in Support Services and the Evidence Room. [2:02:57] While the administrative assistant in Support Service could fill in for the full time person, it would be very difficult to replace the former assistant chief in the Evidence Room who has 35 years' experience with a casual employee.
- Proposing a 10 percent increase to the Budget Committee would not be responsible because it would not be sustainable. If 10 percent were added to the Police budget, he would apply it to personnel, which was the majority of the budget; however, City Council would need to make some policy level decisions to provide direction about using that funding.

- Although fewer citations were being made due to officers dealing with other calls, the department was as aggressive as any other agency in the County dealing with traffic enforcement. More traffic enforcement could be done, but that was a policy decision Council would need to make.
- A community service officer (CSO) would do compliance work, so hiring a CSO would not result in increasing fines.
- He noted the experience of a former police chief who said that although a traffic unit was self-sustaining, it created more ill will in the community than good.

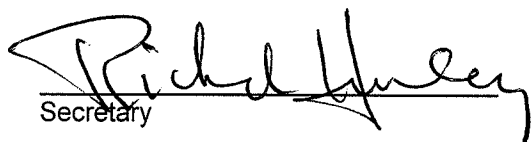
City Manager Estes and Finance Analyst Snyder explained that this year, Capital Outlay in several budgets was moved to the Capital Improvement Fund to provide additional resources in various departments to balance General Fund expenditures with its resources. Smaller items would be moved back to Capital Outlay in future budgets. The Capital Improvement Fund was the strongest it has been since City Hall was remodeled.

Comments from the Budget Committee included including body cameras in Materials and Services, not in the Capital Improvement Fund as it was not reasonable to expect them to last five years. Adding \$10,000 to the County's Drug Enforcement Program was suggested since having a dedicated officer was not in the budget.

Committee Action: Motion made by Councilor Warr, seconded by Mayor LaMear to tentatively approve the Police Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Chair Mathews adjourned the meeting at 9:08 pm.

ATTEST:


Secretary