

The third meeting of the City of Astoria 2015-16 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 28, 2015.

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, Public Works Director Cook, Parks Director Cosby.

The meeting was called to order by Chair Mathews.

City Manager Estes noted information distributed to the Budget Committee regarded the Promote Astoria Fund, the arts and cultural groups and social organizations, and the Combined Sewer Overflow provided by Finance Analyst Snyder.

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

INDIVIDUAL BUDGET CONSIDERATION

General Fund:

Promote Astoria Fund

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

Finance Analyst Snyder reviewed the fund balances, projections, and appropriation figures for the Promote Astoria Fund, noting that how the funds were collected and distributed had not changed much from prior years. Material had been distributed regarding a program that encouraged art and culture groups to apply for grants that would specifically help the group promote tourism, and \$30,000 was appropriated for that group.

Finance Analyst Snyder confirmed that to date, \$604,443.73 in Room Tax Revenue had been deposited in the Promote Astoria Fund, and he anticipated an additional \$150,000 to \$200,000 between now and June 30, 2015. City Manager Estes clarified that the budgeted amount in 2014-15 for the Chamber of Commerce was \$170,750 and that a separate request for \$10,000 had been approved for work on the Travel Astoria website by former City Manager Paul Benoit. The \$10,000 was within the City Manager's spending authority and would have come out of the Tourism-Promotion Related Facilities line item.

George McCartin stated that the lodging tax usage was governed by Oregon Revised Statutes (ORS) and cited Section 320.305(1)-(16), which was rather stringent and specific. He believed the City needed to take a hard look at the Garden of Surging Waves with regard to that definition.

Staff addressed questions from an email Councilor Price received from Leon Jackson, one of her constituents, as follows with comments from Skip Hauke as noted:

- An agreement for personal services between the City and Astoria/Warrenton Chamber was signed in mid-2000s prior to the Lewis & Clark Expedition Bicentennial due to the City's desire to ensure expenditures for that event were used appropriately. There had been no agreement between the two entities since.
 - Skip Hauke, Executive Director, Astoria/Warrenton Chamber of Commerce, added it was looked upon as a standing agreement.
- The scope of work agreement has been a standing agreement at this point.
 - Mr. Hauke did not believe the scope of work had changed.
- Mr. Jackson asked if the City was receiving semi annual reports from the Chamber on visitor information, tourism promotion or activities as specified in the 2005 personal services agreement

- Mr. Hauke stated he had always provided any information the City requested, and had not asked for an increase since the 2010-11 budget cycle.
- The City Manager was generally the City's representative on the Lower Columbia Tourism Committee.
- Mr. Jackson asked that a copy of the current signed Chamber of Commerce conflict of interest statement be provided.
 - Mr. Hauke said he already has signed the conflict of interest statement
- Mr. Hauke assumed the FY 2013-14 annual payments of \$115,000 paid to the Chamber of Commerce and Visitors' Center and \$170,750 paid to the Lower Columbia Tourism Committee Skip Hauke commented the formulary determined during the 2010-11 budget cycle was followed in how the Chamber utilized and allocated funding received by the City. He had started with the Chamber in 2011, so was unsure how that got started.

City Manager Estes noted these questions had been posed in an open record request by Mr. Jackson. Staff had gone through one round of open records request and provided information. Follow up questions were submitted and Director Brooks and Finance Analyst Snyder were working to provide a second round of answers as requested by Mr. Jackson.

The Committee discussed not continuing with Mr. Jackson's questions as a lot of information and detail were included in the materials and online. The Budget Committee meeting was not the appropriate forum to get into that level of detail.

Discussion continued about the Chamber of Commerce, including the desire to have a formal, written agreement with the City, which was a both a philosophical and policy question for City Council. Also discussed was the promotional value received through the Lower Columbia Tourism Committee (LCTC) and the pros and cons of a separating the City from its partnerships with other cities on marketing campaigns. Skip Hauke addressed questions about the Chamber's agreement with the City, the discrepancy between Warrenton's and Astoria's Chamber contributions for advertising and promoting the area; the marketing firms used by the Chamber and how funds were distributed for North Coast Oregon (NCO).

Staff addressed questions regarding Tourism Related Facilities; Contingent Expenditures; which funds proposed budget increases should come from; and how the increased allocations would be paid for. Information itemizing the Heritage Square Loan with Columbia Bank had been distributed last night. Staff would provide information regarding the Clatsop Bank loan.

Additional key discussion included the requested increases from the Chamber, increasing funding for the Astoria Downtown Historic District Association (ADHDA), and how to notify about the 2015-16 increase to the Art and Cultural Fund. Basing appropriations on a percentage of the hotel room tax was suggested to address inflation and provide an incentive to attract more tourists, hotel patrons, and more money.

Committee Action: Motion made by Councilor Nemlowill, seconded by Councilor Warr to move \$20,000 from the Ending Fund Balance and add \$10,000 to both the Visitor Services and LCTC Marketing Contract line items, and tentatively approve the Promote Astoria Fund.

Committee Action: Motion made by Councilor Herzig to amend the main motion to add an additional \$10,000 to the Astoria Downtown Historic District Association (ADHDA). Motion died due to the lack of a second.

Following a brief discussion and input from Blair Henningsgaard, the Committee agreed changes to the budget should be addressed in separate motions as there have been several discussions, amendments, proposals the committee was having a difficult time following the motion being called for. Councilor Nemlowill withdrew her motion, noting Mr. Hauke's requests for the fund increases for the Chamber made sense strategically.

Committee Action: Motion made by Councilor Nemlowill, seconded by Councilor Herzig to support the requests by the Chamber of Commerce for a \$10,000 increase to Visitor Services and an additional \$10,000 to the Lower Columbia Tourism Committee. (Motion carried 9 to 1.) City Councilors Warr, Herzig,

and Nemlowill, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes. Councilor Price voted no.

Councilor Price emphasized the need for City Council to have a philosophical discussion about the Chamber, adding she could not support the motion without a commitment to the discussion.

Committee Action: Motion made by Councilor Herzig, seconded by Councilor Price to give the Astoria Downtown Historic District Association (ADHDA) an additional \$10,000, raising their total allocation to \$35,000. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

There was discussion regarding the line items for Art and Cultural groups and revision of the amounts.

Committee Action: Motion made by Richard Hurley, seconded by Janet Miltenberger to increase the amount to the Art and Cultural Fund from \$30,000 to \$50,000. (Motion failed 2 to 8.) Richard Hurley and Janet Miltenberger voted yes. City Councilors Warr, Herzig, Nemlowill, and Price, Loran Mathews, Shel Cantor, David McElroy, and Mayor LaMear voted no.

Committee Action: Motion made by Councilor Warr, seconded by Councilor Nemlowill to tentatively approve the Promote Astoria Fund with the addition of \$30,000 of increases to Chamber, LCTC and ADHDA at \$ 10,000 each.

Discussion continued about a handout provided by Richard Hurley, "Community Organization Funding Requests," that identified the allocation requests made by community organizations and the proposed appropriations. The functions of some community organizations were described and the Committee inquired how some allocations were determined. The Arts and Cultural committee members present reviewed items.

Chair Mathews called for a short break and reconvened the meeting at approximately 8:26 pm. He called the question.

Vote: (Motion carried 7 to 3.) City Councilors Warr, Herzig, and Nemlowill, Loran Mathews, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes. Richard Hurley, Shel Cantor, and Councilor Price voted no.

Public Works Improvement Fund

Public Works Director Cook briefly reviewed the Public Works Department's three divisions, highlighting their functions, recent accomplishments, and upcoming projects. He and City Manager Estes described and reviewed the various funds within the department's budget. Staff addressed questions from the Committee, which included discussion about sewer and water maintenance schedules; an update on Phase 2 of the Niagara Slide Project; sewer plant capacity, maintenance, and replacement; water quality; road safety improvements; and upgrading a water line in the watershed. Detailed information regarding the loans for the various CSO Projects would be provided to the Committee from the amortization schedule used to ensure there was adequate rate revenue to pay off the loans.

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

Public Works Capital Reserve Fund

City Manager Estes described the fund's purpose. Public Works Director Cook explained that Staff tried to build money up in anticipation of future expenses, such as replacing the sand in the water filter every five years to keep it clean and keep operational. He did not support putting funds aside for the future replacement of the treatment plant because the budget could not handle it. The City could set aside funds for a grant match, but would not fund a plant completely on its own.

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

Combined Sewer Overflow Maintenance (CSO) Fund – Fund # 180

City Manager Estes described the fund's purpose. Finance Analyst Snyder explained that in both this and last year's budget, all the CSO maintenance had been moved to the stormwater or sewer departments, so this fund was budgeted to be closed and the money transferred to the Public Works Improvement Fund. The fund was not in last year's budget because the expenditures were being transferred, so nothing was budgeted.

Committee Action: Motion made by Councilor Warr, seconded by Richard Hurley to tentatively approve the Combined Sewer Overflow Maintenance Fund #180. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Combined Sewer Overflow (CSO) Phase III Fund – Fund # 182

City Manager Estes stated this fund was for historical purposes. No action was needed as it would be eliminated from the budget. Finance Analyst Snyder explained this fund was for the Tapiola Park project.

Combined Sewer Overflow (CSO) 16th Street Fund – Fund # 184

Committee Action: Motion made by Councilor Price, seconded by Janet Miltenberger to tentatively approve the Combined Sewer Overflow (CSO) 16th Street Fund #184. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Combined Sewer Overflow (CSO) 11th Street Separation Fund - # 183

City Manager Estes stated this fund was for historical purposes, so no action was necessary.

Local Improvement Debt Service Fund

City Manager Estes noted this item was in the Consent Agenda. Finance Analyst Snyder responded to questions about additional PERS funds, the differences between the actual year ending and adopted budgets, and a loan for the Garden of Surging Waves.

The Committee consented to continue the meeting past 9:00 pm.

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

Combined Sewer Overflow (CSO) Debt Service Fund

City Manager Estes described the purpose of the fund. Finance Analyst Snyder noted a revised schedule was distributed to the Committee that included the revised amortization schedule for the 11th Street CSO on Page 47-1. With tentative approval, the Board would be approving the revised schedule.

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

Public Works Fund

Public Works Director Cook briefly overviewed the divisions that comprise the Public Works Department noting the expenditures by division and the resources and requirements. He and Finance Director Snyder addressed questions from the Committee, providing examples of items occurring under Resources Miscellaneous and explaining how the department would address steadily decreasing resources and increasing expenditures.

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

Director Cook addressed questions, noting the City was just awarded a \$27,000 ODOT grant for illuminating the Safeway intersection and clarifying that the Parks Department was responsible for clearing brush on the Riverwalk, while Public Works was responsible for street rights-of-way.

Non & Interdepartmental

City Manager Estes explained the Non & Interdepartmental Budget included many different items not associated with one specific City department and noted several examples. He addressed questions about the contracts for transcription and IT services, noting the specialty services provided for IT. He agreed to inquire about potential cost saving options for transcription.

Richard Hurley noted the handout regarding Community Organization Funding Requests and information in the meeting packet included more detail about the criteria and public policy used in evaluating the requests and allocating funds. A key guiding principle for allocating money was whether the organization saved the City money by helping with projects and concerns.

The Committee discussed the City's nondiscrimination policy and accusations regarding noncompliance by the Astoria Rescue Mission. Because it was ultimately City Council's discretion about how to address the issue, Council could decide if funding for the Rescue Mission would be contingent on receiving a letter stating the Mission would abide by the policy to the best of its abilities.

Committee Action: Motion made by Councilor Warr, seconded by Mayor LaMear to tentatively approve the Non and Interdepartmental Fund. (Motion carried 9 to 1.) City Councilors Warr, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes. Councilor Herzig voted no.

Capital Improvement Fund

City Manager Estes noted that capital improvement expenditures were added to the budget of the City department requesting capital fund money, and provided examples of those projects. His responses to questions from the Committee included clarifications about the City's ownership of Mill Pond lots, the debt service on the Safeway Block, increases in Forest Management Plan Activities and Professional Services; and the funding structure regarding the Senior Center Improvements, which would occur in the current fiscal year, not 2015-16.

Committee Action: Motion made by Councilor Price, seconded by Councilor Warr to tentatively approve the Capital Improvement Fund.

City Manager Estes noted that \$500,000 from this budget would be used to purchase a ladder truck, which was directed by City Council last week. Staff would present an updated budget that included the ladder truck provision at the City Council meeting; however, Staff did not have council direction at the time the 2015-16 budget was being prepared.

Staff clarified that City Council could only make adjustments of up to 10 percent within each fund once the budget was recommended for approval by the Budget Committee, while the Committee could make any change to the approved budget, as long as it was occurred prior to adoption of the budget. This committee can make changes to the proposed budget prior to approval for consideration by Council for adoption.

Councilor Price withdrew her motion.

Committee Action: Motion made by Councilor Warr, seconded by Councilor Price to transfer \$500,000 from the General Fund to the Capital Improvement Fund in anticipation of a down payment on the ladder truck. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

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

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

Logan Memorial Library Trust Fund

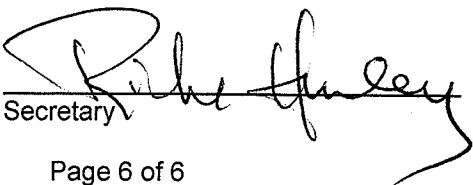
The Building Inspection Fund and Emergency Communications Fund were removed from the Consent Calendar for discussion.

Committee members commented about discussing each item individually. Noting the late hour, the remaining items on the agenda, and the importance of taking time to address the remaining agenda items individually, Committee members reviewed their schedules and agreed to convene the Budget Committee on May 7, 2015, at 7 pm.

City Manager Estes said that Police Chief/Assistance City Manager Johnston would coordinate the last Budget Committee as he is scheduled to be out of town.

Chair Mathews adjourned the meeting at 9:50 pm.

ATTEST:


Secretary