

The first meeting of the City of Astoria 2017-18 Budget Committee was held at the above place at the hour of 6:00 p.m.

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

Committee Members Excused: None.

Staff Present: City Manager Estes, Finance Director Brooks, Community Development Director Cronin, Parks Director Cosby, Public Works Director Cook, 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 David McElroy, seconded by Richard Hurley, to nominate Loran Mathews as the 2017-18 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 Price, seconded by Councilor Brownson, to nominate Janet Miltenberger as Secretary of the 2017-18 Budget Committee. (Motion carried by unanimous vote.)

Budget Committee Review Schedule

Chair Mathews confirmed the Budget Committee Schedule as presented was acceptable to the Committee, and that the need for a third meeting would need to be determined at the April 26th budget meeting. Staff confirmed that after the first Budget Committee meeting, subsequent meetings were not required to be noticed.

Review of City of Astoria Departments/Funds for FYE 6/30/18

BUDGET MESSAGE

a. City Manager Opening Comments and Budget Message

City Manager Estes presented the Budget Message, which was included in the meeting packet and highlighted the purposes, fund balances, and notable changes in the proposed 2017-18 Budget. Astoria's citizens approved a 3 percent tax on recreational marijuana sales last November, but it is unclear how much revenue will be generated; therefore, no budgeted amount has been included for the recreational marijuana sales tax in the proposed budget. The City will receive the first quarter distributions in May 2017 after the budget is finalized. Staff will conduct further analysis regarding those revenues and potentially consider budget adjustments in 2017-18 or in the following fiscal year. While an additional \$100,000 is being transferred from the General Fund to the Parks Operation Fund for FY 2017-18 Budget, additional funds will be required to provide a service level similar to that of the current fiscal year. Staff and City Council have had ongoing discussions about the matter. Though there has been some consensus on adjustments to service levels, additional adjustments will be required; otherwise Council may need to plan for additional year end transfers to cover remaining amounts. He noted the adjustments for FY 2017-18 do not address long-term staffing and budget issues that will need to be addressed sooner than later.

Staff addressed questions from the Budget Committee with these key comments:

- The City had received its final payment for the Carbon Credit Program in the current fiscal year. The City has received the payments up front. Payments are based on the amount of growth that occurs in a ten year period so now the City has to wait ten years for growth to occur before being able to remonetize the growth. The City did sell some additional unsold carbon credits to Climate Trust last month for \$54,000.
- Personnel levels remained the same in the Building Inspection Fund from the current fiscal year. Only the building inspector and administrative assistant were covered in the fund.
- The Utility Assistance Program was only for the City's water and sewer utilities.
- It was difficult to quantify the overall magnitude of deferring the replacement schedules for capital items for each City department. The Parks Department needs about \$3 million for improvements and infrastructure upgrades, and the amount needed for Public Works is in the hundreds of millions of dollars. However, every jurisdiction has unmet needs and Staff focuses on what needs done first with the financial resources provided.
- The City's contribution toward getting a Resource Assistance for Rural Environments (RARE) Participant was included in the Capital Improvement Fund because of the product that results from the person's work. The intent is to have the person develop an emergency response plan and update the City's processes to include identifying key equipment and resources need in disasters or emergency situations. The City's insurance program offers a program called Agility which is an online resource to identify the resources needed in an emergency to facilitate the City providing providing services as quickly as possible when equipment and communication resources are interrupted.
- Technology Capital Expenditures are ongoing. iFocus, the City's consultant, provides a list of replacements, upgrades, and enhancements to make each year to keep the City ahead of the curve, replacing technical items before they die or become obsolete. This year, the key expenditure will be an enhancement to cyber security.

PUBLIC HEARING ON CITY OF ASTORIA BUDGET AS PROPOSED AND STATE SHARED REVENUES

Chair Mathews opened the public hearing on the proposed City of Astoria 2017-2018 Budget at approximately 7:41 pm and confirmed there was no public comment on State revenue sharing or the budget in general at this time. He noted those who had comments or questions during the Committee's discussions would be allowed to speak. He closed the public hearing at 7:42 pm. [41:51]

The Committee discussed whether to extend the meeting to 9:00 pm, although they used to be strictly held to two hours long. Mayor LaMear preferred meeting until 9 pm in hopes of avoiding having to hold a third meeting.

Committee Action: Motion made by Mayor LaMear, seconded by Councilor Nemlowill to extend the Budget Committee meeting until 9:00 PM. (Motion carried.) City Councilors Nemlowill, Jones, Price, and Brownson, Richard Hurley, Loran Mathews, Shel Cantor, Janet Miltenberger, and Mayor LaMear voted yes. David McElroy voted no.

INDIVIDUAL BUDGET CONSIDERATION TO TENTATIVELY APPROVE UNTIL FINAL NIGHT

Promote Astoria Fund

City Manager Estes City provided a brief history and described the purpose for the fund.

Discussion regarding Councilor Price's recommendation to cut \$75,000 from the \$180,750 budgeted for the Lower Columbia Tourism Committee (LCTC) for the Parks Department included the following key comments:

- Using \$75,000 less for marketing and advertising for one year would not affect any employees or be that detrimental to the city. The money is desperately needed and would be used the same way existing Promote Astoria Funds were currently used for Parks, such as outsourcing maintenance. Skip Hauke has stated none of the funds are used toward salaries. The money is paid to marketing and advertising companies not based in Astoria or working for the Chamber.
- A reduction in visitors would have an economic impact. Fewer visitors would eat out, make purchases in shops, and use lodging, which would directly impact transient taxes. How many were projected to not come to Astoria without the marketing? Did the Chamber track the return on investment of those marketing dollars?
- According to ORS 320.300 Section 9B, the City could be even more aggressive in using Promote Astoria Funds for things that support tourism or accommodate tourist activities. For example, the Aquatic Center was used by people from out of town like at swim meets, and the emergency communications system was not

strictly for residents, but visitors, too. Using a portion of the Promote Astoria Fund was reasonable. A significant amount is coming from the General Fund that the Promote Astoria could support if money was available. Currently, the General Fund's Ending Fund Balance is lower than optimal.

- There was no evidence that a better return was realized for the period in which advertising occurred versus when no advertising was done. In comparing FYE 2015 versus FYE 2016, a 14% increase in transient room taxes was seen in the 7 months LCDC advertised, as well as the 5 months LCDC did not advertise.
- A substantial amount of the Promote Astoria Fund already goes to the General Fund. Concern was expressed about stretching the Promote Astoria Fund too far, and especially about being out of compliance with the spirit and intent of the legislation. Allocating \$75,000 because Parks is having problems was stretching beyond the spirit of the law.
- Parks has a long-term problem and \$75,000 for one year will not solve the problem. The funds were for promoting Astoria, which was why the Promote Astoria Fund started, and that was what was sold to the hospitality industry. Promote Astoria Fund already helps Parks significantly. Last year, \$200,000 was used to help with the Riverwalk and other parks and recreation items.
 - If no diminution in transient room tax is seen in one year, then the money could be provided again, which would give Parks time to develop a long-term solution.
 - A one or two year contribution would not help the Parks Department's long-term problems.
- Staff described the Chamber's request to Council for their contract to be set as a percentage of funds collected for the Chamber/LCTC, so as more taxes came in, more money would be available for the Visitors Center and LCTC to advertise and promote Astoria even more.
 - Although no change in dollar amount proposed this year, the percentages shown were developed based on the actual audited receipts for FYE 6/30/16. If the budget was approved, and Council approved a new agreement between the City and Chamber to tie the contracts to the percentage, the new model/calculation would take effect next year. The audited financial statements at the end of this year will be used to calculate the amount in the budget for consideration next year. Visitor Services in the amount of 15.3 and LCTC amount of 22.1 are the current percentages of the amounts of transient lodging tax that came in to the Promote Astoria Fund for FYE 6/30/16.
- No other expenditure in the budget gets an automatic increase based on a percentage, except for social services grants. Doing so would take away flexibility to be able to look at how to allocate funds from year to year. The City might not be able to afford it in the future, but would still be required to do it.

Chair Mathews called for comments from Skip Hauke.

Skip Hauke, Executive Director Astoria-Warrenton Chamber of Commerce, responded to comments and questions from the Committee as follows:

- Out of the \$180,750, approximately \$165,000 to \$170,000 is paid to the Maxwell and Robison contracts. He could not put a figure on the free marketing and exposure that Astoria gets worldwide due to public relations. After reference to Chamber's reports it was noted the current year budget for Maxwell's contract is \$75,700 and Robison's is \$92,000.
- He believed sharing a percentage of any increase in the transient lodging tax was fair. The LCTC was doing the bulk of the marketing for the City of Astoria; he knew of no other agency that was marketing or promoting this area to attract visitors. Last year, transient lodging tax revenues increased about \$125,000 over the previous year, resulting in more money coming into the General Fund and Promote Astoria Fund, and the Chamber was a major part of bringing in that \$125,000.
- He was not sure how to provide evidence or prove if any advertising worked. More people were coming into town, there were more rooms, higher room rates, and someone was bringing visitors to Astoria.

Key comments and discussion items continued as follows with clarifications from Staff:

- In looking at the last six years, the lodging tax revenues looked to be based on the overall economy of the country. The improving economic situation could be driving tourism. There was no direct evidence for what the LCTC's advertising was improving tax revenues, so why continue doing it? Discussion was held regarding how this is one hypothesis to explain a trend which lead to discussion about whether employing the hypothesis as a basis to cut marketing investments would result in maintaining revenues. It was noted cutting funding with little notice would create inefficiencies for the marketers as they would be required to spend time figuring out how to use less money. If in one year the hypothesis of cutting off all marketing dollars resulted in a decrease of lodging taxes there would this be evidence the advertising works and then support protecting funding for LCTC?
- The hypothesis presented was based on the assumption the Chamber's marketing investments are ineffective, but the cited statistics do not provide sufficient context for the correlation presented. It was

suggested the Committee defer decisions to reduce funding or tie funding to formulas until better data could be presented which would track return on investment. The transient tax revenue seems to be increasing every year, it would follow more money was being spent in the community on food, and entertainment. Testing to see if the advertising was working by cutting funds for one year to see the difference was not an approach supported by the majority.

- The Chamber also gives money to the Astoria Downtown Historic District Association (ADHDA), which also does advertising. The Chamber advertises its own events completely independent of the money allocated to the LCTC, as well as every event on the event calendar whether the organization was a Chamber member or not.
- If the Chamber wanted more money from the Promote Astoria Fund, adding another percentage or two to the overall transient lodging tax was suggested.
- The Chamber helps parks because the lodging tax dollars go into the Promote Astoria Fund, not entirely to the Chamber. The allocation of any tax revenue increases is up to the Budget Committee, and there are other ways to use it for parks, they just need to be creative. While some restrictions exist, there were ways to legally get around them.
- The Committee's tentative approval of the Promote Astoria Fund will not automatically approve the percentage and methodology in the future, feedback from the Committee was helpful.
- Staff explained the percentage provided in the budget document is intended to help the Committee understand the percentage resulting from the Chamber's proposal. If the percentage and model are established, Staff would propose an automatic amount each year. The bigger policy question was whether the Committee wants to enable the Chamber to determine the amount it will be working with for the LCTC/Visitors Center as is done for the social services grants.
- The flat \$125,000 was established 10 years ago and has actually decreased each year due to inflation. Basing the amount on a percentage would accommodate inflation and provide added incentive for the LCTC to do better advertising and marketing in order to receive even more revenue.
- Concern was expressed about being locked into a percentage amount, but staff clarified Council's direction was that the City would enter into the agreement with the Chamber each year, so the percentage could be adjusted each year as well. A percentage was a starting point and would establish a baseline for what staff propose for the Budget Committee to consider each year, not what the City will be committing to every year.
 - The more predictable the amount, the better. Using percentages is a simple, practical method for wise budgeting and locking in a percentage is easier on staff. If the amount is controversial, the percentage can be changed. The room tax was originally based on a percentage.
- Shel Cantor questioned whether the Chamber's Executive and Assistant Directors should be spending 30% and 25% of their time, respectively, answering phones and working at the counter when it would be better to add time for lower paid part-time employees or hire another person at a lower pay scale for those duties. The Chamber's services to the City were not acquired through a competitive bid process. The Chamber has a sole source contract and the City is finally getting the information required by City Code to determine whether or not the expenditures are appropriate for the City of Astoria, not the Chamber. At the City, such work assignments would be considered a waste of City resources.
 - Mr. Hauke responded that Mr. Cantor did not understand what the Chamber's business is about, which was more than just answering phones, but attending meetings like this to ask for support and spending three solid days preparing the fairgrounds for 18,000 people to come to town, and fill up hotels in Astoria, Warrenton, Seaside and across the river, which brings a lot of money into the Promote Astoria Fund. This work is also visitors' services. He and the Assistant Executive Director are not just in the office, they are selling all the time.
 - He clarified that having a percentage gives the Chamber an indication of what they have to work with each year, even though it could mean less funding some years. Without the percentage, he must come before the Budget Committee and ask for additional money each year, but the Committee has no idea why the money is needed. Although he cannot prove the marketing is doing a great job, no one can prove it isn't. The city had seen the highest increase in room tax dollars in 15 years; more than any city in the state except Portland. The key is to bring those visitors back. According to the Travel Oregon, 80% of travel in Oregon is booked online, The Chamber spends a lot more money on social media and its website, and answers questions via social media and email. Very little paper is used anymore; it was important to keep up with the times and the Chamber's staff is doing the job.
- Staff explained the \$60,000 in Miscellaneous Revenue was expected from the Trolley Association, which was partnering with the City on the trolley trussel maintenance and was a component of the \$100,000 to \$350,000 increase. Additional revenues could be received throughout the year from reimbursements from other programs. The Trolley Association was aware of Council's direction that the City was to pay for the repairs in the current fiscal year and that the Association is expected to participate in the next fiscal year 2017-18.

- After subsequent meetings with Council and further analysis by Public Works, it was determined additional funds were needed, increasing the \$250,000 needed per year for 10 years discussed at the August 15th Council meeting to \$350,000. A contract will go before Council on Monday for the work being done in the current fiscal year. The bid came in under what was estimated and the bidding environment will be uncertain every year.
- The Chip-In Program has been cancelled as an official program due to the cuts in the Parks Department, which cannot afford to pay the volunteer coordinator.
- Staff would need to look at the details regarding the Prior Period Adjustment shown in the actual date of FYE 2016. Positive adjustments are typically revenue the City needs to recognize that came in the months after the end of the year. This adjustment will not be seen again as it was a suggested audit adjustment to capture process information the City should have been applying year to year.
 - Staff would also research \$104,500 for 2015 Miscellaneous Revenue, which is most likely grant funds.
 - Staff confirmed the 46.1 percent was the amount of transient lodging tax coming into the Promote Astoria Fund.

Richard Hurley recommended that the \$50,000 amount for the Arts and Cultural Subcommittee be translated as a percentage in the same manner as the Social Services Fund.

Shel Cantor stated the City is overpaying about \$30,000 for Visitors' services for which Astoria pays \$125,000 and Warrenton pays \$35,000; however, the City's contract is with Mr. Hauke for Astoria only, not Warrenton.

- Additionally, the City pays \$28,000 per year to use 1,660 sq ft of the Chamber building for Visitor Services. Clearly, the City is overpaying for what the contract calls for and this budget needs to be reduced.
- He proposed approaching other organizations in the City, like Lower Columbia Preservation Society (LCPS) and ADHDA, about providing a quote for providing Visitor Services downtown, not a mile out of town. This would allow for a competitive bid process, and if the Chamber is the only one who submits or has the lowest bid, then he could not argue if they win the bid. It is important to have numbers to present to the citizens to justify the decisions being made.

Chair Mathews clarified that is a Council decision and called the vote.

Committee Action: Motion made by Mayor LaMear, seconded by Councilor Jones, to tentatively approve the Promote Astoria Fund. (Motion carried 8 to 2.) City Councilors Nemlowill, Jones, and Brownson, Richard Hurley, Loran Mathews, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes. Shel Cantor and Councilor Price voted no.

Staff requested some guidance from the Committee about the Chamber's request to move to a percentage based model for funding to assist Council on how to proceed in the future.

Councilor Brownson said he was ill-informed to have that discussion at this time. More thought and discussion are needed about how exactly to implement the request, although the amount has been pretty consistent over the last three years. To Councilor Price's point, he noted the Committee does not know how Parks will be able to use the funds, adding he agreed the City may be pushing the Parks Director too far. He did not know if advertising is effective, but could take it or leave it. Building had increased in many ways that had nothing to do with advertising, like entrepreneurship, people investing in town, and cruise ships' visibility, which all went well beyond advertising.

Councilor Price did not believe this line item should be treated differently than the others, except for Social Service Grants. She is not opposed to increasing the \$125,000, but agreed opportunities exist for a competitive bid process as others in the city are doing advertising. If five more hotels are to be built, there will be an enormous amount of income she is not sure should go entirely to the LCTC. The current process should continue with everyone coming before the Committee with their requests for the Committee's consideration.

Janet Miltenberger agreed. The percentage model is interesting, but she does not want the line item and proposed budget to be based on the percentage because once in the proposed budget, not many things get changed. It will feel locked in and she does not want to give up that flexibility.

Councilor Nemlowill said she was not ready to make an affirmative vote tonight, but liked the positive aspects, including automating the budgeting process, providing some working incentive, and adjusting for inflation. Ultimately, the pattern each year is that good organizations with good results get beat up by the Budget

Committee because of some discretionary money, which is wrong. The City's relationship with the Chamber and LTC should be more predictable and the percentage could achieve that.

Richard Hurley said he favored the percentage model, assuming that annual contracts would enable the City could revisit the percentage each year, so the City would not be locked into something that could not be changed. City Manager Estes explained because one council cannot commit another council to something else that flexibility will remain. The percentage model would establish a policy to start the dialogue each year, and the contact terms would be brought to City Council each year for adoption.

Committee Action: Motion made by Richard Hurley, seconded by Mayor LaMear, to adopt the percentage method for funds going to the Chamber of Commerce Lower Columbia Tourism Committee and Visitor Services as an advisory vote. (Motion carried 5 to 3 to 2.) City Councilor Jones, Richard Hurley, Loran Mathews, David McElroy, and Mayor LaMear voted yes. Councilor Price, Shel Cantor, and Janet Miltenberger voted no. Councilor Nemlowill and Brownson abstained.

Richard Hurley noted that increasing transient tax revenues result in more interest. The transient room tax has increased from \$397,000 in 2002 to \$1.6 million currently. He suggested Council consider emulating Ashland, which experienced the same challenges and formed another system to address the important details regarding their equivalent of the Promote Astoria Fund. Council needs take a long look on getting a better handle on the process for the considerable transient lodging tax revenues.

Chair Mathew called for a short recess and reconvened the meeting at approximately 8:11 pm.

General Fund:

City Council

City Manager Estes described the purpose for the City Council fund and highlighted its key funds.

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

City Manager

City Manager Estes briefly described the fund's purpose, noting that the City Manager and Executive Assistant were the only Staff positions in the budget. Membership Dues on the detail page had been dropped as the low \$60 amount could be folded in with other meetings if needed.

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

Municipal Court

City Manager Estes briefly described the purpose of the Municipal Court budget and highlighted its components, which now included handling the parking citations issued within the downtown area by the Astoria Police Department an ADHDA. Staff was in the process of finalizing the third quarter of FY 2016-17, the fund is below the current year budget of \$181,680. One efficiency realized after the changes made last year was a decrease in Indigent Defense compared to prior budgets. Though tickets are now cited differently, the judge was still needed for the same amount of time to deal with the backlog of tickets.

Chief Johnson clarified that he expected to see savings from the change, but no promises were made that the saving would occur this year. The citation process, which takes time, requires the judge to be available every Monday and Thursday. While the trials will go away eventually, no large scale savings were anticipated in FY 2016-17.

Committee Action: Motion made by Mayor LaMear, seconded by Councilor Brownson to tentatively approve the Municipal Court Budget. (Motion carried unanimously.) City Councilors Nemlowill, Jones,

Price, and Brownson, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Finance

City Manager Estes described the purpose and noted the components of the Finance Budget. Finance Director Brooks clarified the Software Maintenance Fee is for Springbrook, the City's financial software. OpenGov is a separate line item under Professional Services-General, adding that getting it implemented has been a challenge because the Finance Staff had taken on additional duties, which she described. iFocus provides no support for OpenGov. Finance Staff had the data, but needed to input it, implement the program and then keep it updated. Staff explained the RARE Program was an AmeriCorps Program through the University of Oregon to which entities apply for a person to be onsite 10 months for a specific project. The RARE line item is a Capital Improvement Program because the person will develop programs and a specific plan for disaster preparedness needed for the City's insurance requirements. The end product will be used system wide and protect the City's assets so the City can become operational again should a disaster occur.

Committee Action: Motion made by Mayor LaMear, seconded by Councilor Price to tentatively approve the Finance Budget. (Motion carried unanimously.) City Councilors Nemlowill, Jones, Price, and Brownson, 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. He described the routine services provided as part of the City Attorney's contract, which is negotiated between the City Council and City Attorney, not by Staff. Chief Johnston clarified the City Attorney does not attend Municipal Court unless there is a trial, which is a non-routine service.

Councilor Price explained that when last reviewing the City Attorney's contract, the City Attorney had not had a raise in 8 to 10 years. Council did give the City Attorney a raise, but not as much as requested because there will be a decrease in the number of trials due to the changes with Municipal Court.

Committee Action: Motion made by Janet Miltenberger, seconded by Councilor Price to tentatively approve the City Attorney Budget. (Motion carried unanimously.) City Councilors Nemlowill, Jones, Price, and Brownson, 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 and why Building Inspection Fund is separate based on State law. He clarified that \$12,000 was the correct total for Projects Funded by Grants under Materials and Services on the summary page, noting the \$12,000 is a continuation of an existing grant from the current fiscal year for the Uniontown area because the item may not be closed out by June 30th; the grant agreement spans two fiscal years. The City anticipated receiving another grant to hire a Project Manager to develop the Riverfront Vision Plan Implementation Phase 4, because City Staff does not have the capacity to manage that process. This position is budgeted within the Capital Improvement Fund on Page 32-1 under Materials and Services, as part of the General Projects Funded by Grants line item. While the Bridge Vista document (Phase 2) has some similarities, Phase 4 will be the most complex and controversial area of the four Riverfront Vision Plan areas due to the complexities of the existing underlying zoning for each parcel. The work will involve determining how to change the zoning Code language to make the Riverfront Vision Plan work and its provisions continued. The City has not applied for the anticipated Transportation Growth Management (TGM) grant because the process has not started yet. He clarified the State Historic Preservation Office (SHPO) had not been a prior funding source for the project.

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

City Hall

City Manager Estes briefly described the purpose and components of the fund.

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

Non Departmental Not Allocated

City Manager Estes briefly explained the purpose of the fund and highlighted its components, which included the Social Services Grants.

The Committee discussed why the Alano Club is now receiving funding, Liberty Restoration received no funding and the limited amount provided to Friends of the Armory.

Committee Action: Motion made by Mayor LaMear, seconded by Councilor Jones to tentatively approve the Non Departmental Not Allocated Budget. (Motion carried unanimously.) City Councilors Nemlowill, Jones, Price, and Brownson, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Fire

City Manager Estes briefly described the fund's purpose, noting the personnel positions funded, and providing background on the fire truck and pumper truck purchased in the current fiscal year.

Fire Chief Ames discussed the benefits of moving the substation or building a new fire station/public safety building. His dream building would provide access for volunteers to respond more quickly, the ability to respond to calls in any direction, and a fallback position for the dispatch center for police and fire in a disaster. He noted the existing public safety building is in the middle of a tsunami inundation zone, and the Uniontown Station is on a prime piece of commercial property that could be of better use.

City Manager Estes explained the Council's priority for building programs is the library. The Budget Committee could include an incentive for moving forward with a new station in the Capital Improvement Fund; however, other items would need to be cut due to the City's limited cash flow. Priorities will need to be considered. He noted discussions about whether a new Parks facility is needed.

Councilor Nemlowill suggested the RARE person could help determine the best location for a fire station in the resiliency planning work. That information would be valuable as city owned properties are identified for potential housing. The City would want to retain any property in a prime place for a future public safety facility that is out of the tsunami inundation zone.

Finance Director Brooks explained there was an error in the Capital Improvement Fund detail. The Fire Department figure should be \$23,650 under Machinery and Equipment, and on Page 32-1, the Fire Pumper Truck Lease amounts of \$63,300 and \$8,200, which comprised the remainder of the \$76,500 shown on Page 26-3. The Capital Improvement Fund total is \$100,150, but it is comprised of Debt Service and Machinery and Equipment. On Page 32-1 Capital Improvement Fund, the Fire Department has \$35,150, but \$11,500 should be removed from that line item because some previously identified sprinkler work was removed. Therefore, the amount is \$23,650, the same as Page 26-3. The Pumper Truck is in Capital Improvement Fund, on Page 32-2 under Debt Service.

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

Chair Mathews adjourned the Budget Committee meeting at 9:00 pm.

ATTEST:


Secretary