

MINUTES OF THE BUDGET COMMITTEE OF THE CITY OF REEDSPORT APRIL 11, 2011,  
7:00 P.M. AT CITY HALL.

PRESENT: Mayor Keith Tymchuk, Councilors Diane Essig, Mike Macho, Bill Otis, Ginger Anderson, Kathi Wall-Meyer and Bill Walker

Committee Members Aeron Blackman, Jackie Potter, Tammy Van Syoc, Lee Bridge, and Mark Bedard

City Manager Scott Somers

OTHERS PRESENT: Floyd Dollar, Deanna Schafer, Vera Koch, Mark Fandrey, Portia Harris, Charmaine Vitek, Steve Miller

CALL TO ORDER

A. Elect a chair and vice chair for calendar year 2011.

Councilor Bill Otis moved that the Budget Committee elect Mr. Mark Bedard to the position of Chair and Ms. Jacque Potter to the position of Vice-Chair.

Councilor Mike Macho seconded the motion.

MOTION:

that the Budget Committee elect Mr. Mark Bedard to the position of Chair and Ms. Jacque Potter to the position of Vice-Chair.

VOTE:

A vote was taken on the motion with the following results:

AYES 10 NAYS 0 ABSTAIN 2

(Mayor Tymchuk, Councilors Otis, Anderson, Essig, Walker, Wall-Meyer, Macho and Committee Members Blackman, Van Syoc, and Bridge voted in favor of the motion.)(Committee Members Mark Bedard and Jacque Potter abstained from voting)

1. CITIZEN COMMENTS

*This time is reserved for citizens to comment. Maximum of five minutes per item, please.*

Mayor Keith Tymchuk said that he would like to address a rumor that was brought to his attention by a Council member. He said that he would like to make it clear that the City of Reedsport did not and has no intention of purchasing any of the buildings along Highway 101 that the company, Marketron currently has for sale.

2. APPROVAL OF THE AGENDA

Chair Mark Bedard moved that the Budget Committee approve the Agenda.

Committee Member Tammy Van Syoc seconded the motion.

MOTION:

that the Budget Committee approve the Agenda.

VOTE:

A vote was taken on the motion with the following results:

AYES 12 NAYS 0

(Mayor Tymchuk, Councilors Otis, Anderson, Essig, Walker, Wall-Meyer, Macho and Committee Members Bedard, Blackman, Van Syoc, Bridge and Potter voted in favor of the motion.)

Chair Mark Bedard declared the motion passed unanimously.

3. APPROVAL OF THE MINUTES

- A. Approve the minutes of the October 18, 2010.

Committee Member Jacque Potter moved that the Budget Committee approve the minutes of the October 18, 2010 meeting.

Committee Member Lee Bridge seconded the motion.

MOTION:

that the Budget Committee approve the minutes of the October 18, 2010 meeting.

VOTE:

A vote was taken on the motion with the following results:

AYES 12 NAYS 0

(Mayor Tymchuk, Councilors Otis, Anderson, Essig, Walker, Wall-Meyer, Macho and Committee Members Bedard, Blackman, Van Syoc, Bridge and Potter voted in favor of the motion.)

Chair Mark Bedard declared the motion passed unanimously.

4. PUBLIC HEARINGS

- A. Conduct public hearing for the City of Reedsport to receive state revenue sharing during fiscal year 2011/012: [note: A hearing is needed in order to comply with the ORS 221.770 regarding revenue sharing]  
*Please limit your presentation to 5 minutes.*

Chair Bedard opened the public hearing at 7:05pm.

Finance Officer Vera Koch presented the following staff report:

In order to receive state revenues apportioned among cities within the state, the City Council is required by Oregon Revised Statutes (ORS) to establish a process for annually electing to receive the distributions.

At the regular City Council meeting of May 21, 2001, the Council adopted Ordinance 2001-1022 establishing a process for electing to receive annual state revenue distributions. The Ordinance provides for a hearing before the City Budget Committee to consider the possible uses of state revenue sharing distributions in relation to the entire budget, including offset against property tax levies by the City.

The possible uses of state revenue funds are:

- Police Protection
- Fire Protection
- Street Construction, maintenance & lighting
- Sanitary Sewers
- Storm Sewers
- Planning, zoning, and subdivision control

The City of Reedsport supports all of the programs required as listed above, and levied a property tax for the fiscal year 2010 / 11, therefore making the City eligible to receive funding.

The proposed Fiscal Year 2011 / 012 operating budget includes the estimated state collected and distributed revenues, as an offset against property tax levies by the City as follows:

1.	General Fund (#001)	
	a. Liquor Tax	\$40,000
	b. Cigarette Tax	\$4,000
	c. State Revenue Sharing	\$34,000
	d. 9-1-1 Telephone Tax	\$22,000
	Subtotal	\$100,000
2.	Street Fund (#002) (Gas Tax)	
	a. State Gasoline Tax	\$180,000
3.	Bicycle / Footpath Fund (#007)	
	a. State Gasoline Tax	<u>\$1,750</u>
Total:		\$281,750

These estimations may be revised prior to budget adoption if updated information is available.

There was no public testimony.

Public hearing was closed.

Committee Member Lee Bridge moved that the Budget Committee adopt recommendations on uses of state revenue sharing funds for fiscal year 2011/012.

Committee Member Tammy Van Syoc seconded the motion.

MOTION:

that the Budget Committee approve the recommendations on uses of state revenue sharing funds for fiscal year 2011/012.

VOTE:

A vote was taken on the motion with the following results:

AYES 12 NAYS 0

(Mayor Tymchuk, Councilors Otis, Anderson, Essig, Walker, Wall-Meyer, Macho and Committee Members Bedard, Blackman, Van Syoc, Bridge and Potter voted in favor of the motion.)

Chair Mark Bedard declared the motion passed unanimously.

5. GENERAL BUSINESS

A. Receive fiscal year 2011 / 012 budget message from City Manager.

City Manager Scott Somers said that he would like to move right into the review of the budget.

B. Begin review of the fiscal year 2011/012 budget document.

The committee began reviewing the budget document.

City Manager Scott Somers went over the informational documents concerning revenues used to offset fund expenditures.

Mayor Keith Tymchuk said that it is very important to have beginning fund balances carry over from year to year. These amounts, combined with contingency funds are what the City operates on for the first five months of the year before property taxes are received.

Somers led a discussion and explanation of the limitations of Measures 5 and 50 on the Cities ability to collect property taxes. He said that due to compression (caused by these Measures) the City is not able to collect approximately \$48,800 in property taxes.

Finance Director Vera Koch described expenses allocated to a fund called Non-Departmental. She said that these are items that are not specific to one fund. Koch listed dues to professional organizations such as League of Oregon Cities and Oregon Coastal Zone Management Association. She also said that this fund is used to distribute transient room tax monies received.

Somers presented the Council with a chart showing historical staffing numbers over the last several years. He explained that since 1999, the staffing levels at the City have been diminishing slowly in line with population levels. Somers said that this is directly related to the closing of the International Paper Company mill in Gardiner. He said that this year the proposed staffing level will be the lowest since 1994.

Councilor Bill Otis asked City Manager Scott Somers to report what departments the staff losses have been reduced from. He said that according to the charts it appears that the City has lost 11.5 people since 2000.

Somers said that the general fund has lost the most. He said that he will supply Councilor Otis this information broken down further.

Committee Member Lee Bridge asked if Councilor Otis was really asking if the police department has lost the most staff.

Councilor Otis said that yes, he would like to know if the City has gained in the Administration Department and lost two from the Police Department or vice versa.

Bridge said that the numbers are not reflecting positions that were funded through payroll and are now funded as contracted individuals.

Councilor Otis said that it is hard to compare when you look at the issue that way. We are not actually losing a body no matter where they were funded from.

Chair Bedard said that he would prefer to review the budget and allow committee members to ask questions if needed rather than going over each department.

The first question was from Councilor Anderson as to why the training budget for the City Council was increased by \$5,000.

City Manager Somers said that there was a request from Council to budget allowing all of the Councilors to attend the League of Oregon Cities Conference. This cost is approximately \$1000 each. He said that is it is a valuable conference and he would encourage as many councilors as possible to attend.

Chair Bedard asked why legal fees have been budgeted at twice the normal amount.

Finance Director Vera Koch said that the City currently has an Initiative Petition being circulated. If enough signatures are gathered and verified, the City will have additional expenses to put the proposed action on a ballot to take to the vote of the people during a special election.

Councilors Otis and Anderson discussed the training budget for the City Council and directed staff to revisit this item at the next City Council work session.

Koch pointed out that the telephone budget in all the departments has been increased due to the fact that during the current fiscal year the budgeted amount was under budgeted. This was due to a recent change in telephone services to Charter Communication and was told that it would be a cost saving measure. This has not turned out to be the case.

Discussion turned to PERS retirement contributions. Koch said that the budgeted amount for contribution has doubled in the last few years. The City staff is looking at ways to get out of the

PERS system but it seems to be nearly impossible. It is mandated that the City would have to offer a plan equal to the same or better.

Councilor Bill Walker said that if the City Manager foregoes any increase, he would recommend that all employees also forego any increase to their wages also.

Finance Director Koch explained that the overall FTE for employees remains the same but there was reallocations done this year. Some current allocations of employees have been moved out of certain funds. Examples are the Mechanic and Janitorial services.

Koch mentioned that some money has been set aside this year because the City is having an energy audit completed and has earmarked funds to make recommended improvements.

Koch talked about a new fee that will be assessed this year for boat ramp parking fees. She said that the revenue generated from this fund will be used to help offset the marine grant for maintenance and future repairs to docks and parking lots for the boat ramps. The anticipated revenue is \$8,000 to \$9,000 collected in the general fund and transferred to the marine reserve fund.

City Manager Scott Somers said that the budget for the Police Department proposes a change in the number of FTE salary positions. Somers explained that currently there is a vacancy for an officer and staff is proposing that this position be not filled.

Somers presented some information on the number of officers per thousand of population going back to 1995. Current census information shows that the City of Reedsport has a net loss of approximately 650 people from 1995 to 2011. Non-Student Resource Officers (SRO) has remained steady at approximately 2.5 per thousand. Information presented from the Portland State University shows that the median average for comparable Cities in the State of Oregon is 1.9 per thousand. This included two other Cities that also maintain a jail facility such as Reedsport does.

Chief Mark Fandrey presented the Committee with charts and graphs showing crime statistics for the last 10 years and gave a brief presentation on the information shared.

He said that the Police Department responds to approximately 3/4 of the medical calls that come in to the dispatch center. There is currently only one ambulance on standby at one time at the hospital and the police are often the first responder for medical emergencies.

Somers explained that the dedicated funding for the SRO position in the schools has dwindled over the years and not funded this year. In years past the Lower Umpqua Hospital and the Reedsport School District were able to contribute to funding this position but due to budget restraints are unable to do so.

Committee Member Lee Bridge said that he wanted to point out that there are very few Cities with jails and he doesn't think it is realistic to compare Reedsport to Cities without jails. Mr. Bridge also expressed his concerns about the fact that the pay scale here at Reedsport is on the low side and when an officer leaves it takes a year or two to train new ones.

Somers said that a comparative study that was done this year showed the officers just less than 1.08% under the market average.

Councilor Mike Macho said that his concern is one officer responding, someone is going to get hurt. He said that the City is going to pay a lot of money out in SAIF claims.

Somers said that he doesn't have all the answers.

Discussion ensued concerning not having enough officers should something happen or an officer were to leave.

Chief Fandrey said that the proposed 9 FTE is not the problem; he said the problem is when for some reason an officer is out. Training, illness, FMLA or leaving is just some examples. At this level of officers, Fandrey said that more and more time is spent on the streets by himself and the two Sergeants' taking them away from their administrative duties.

Councilor Bill Otis asked if safety is truly a priority of the City. He said that the Chief and Sergeants are overworked and don't get paid enough (in his opinion). He said that he is really disappointed that there is not funding for an SRO. He said that Healthy Schools/Healthy Communities is a nice goal but without a healthy school there won't be a healthy community. He said that he would like to see the funding restored at 10 FTE.

Chair Mark Bedard said that he would like to discontinue the meeting for this week because he sees more discussion is needed on this subject.

6. ADJOURN

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Mark Bedard, Chair

ATTEST:

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Deanna Schafer, City Recorder