

MINUTES OF THE BUDGET COMMITTEE OF THE CITY OF REEDSPORT APRIL 16, 2012,
7:00 P.M. AT CITY HALL.

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

Committee Members Aeron Blackman, Jackie Potter, Tammy Van Syoc, Norman Morrison, Judy Macho, Lee Bridge and Mark Bedard

City Manager Scott Somers

OTHERS PRESENT: Floyd Dollar, Robin Dollar, Diane Novak, Deanna Schafer, Vera Koch, Chief Mark Fandrey, Harold Rose, Tom Anderson, Bill Steiber, Ed O'Carroll, Liz Adamo, Phyllis Deaver, Jessica Lloyd-Rogers Jerry Schneih, S Turner, D Chapman, Jim Ash, Portia Harris, Dave Harris, Mary Baker-Olson, Gregg Olson, Nancy Hammond, Bobbi Unger, John Paul, Bill Wolfe, Doreen Malone, Joe Coyne, Maury Browhard, DeeDee Murphy, Harold Rose, Dennis Swartz

1. CALL TO ORDER
2. APPROVAL OF THE AGENDA

Councilor Diane Essig moved that the Budget Committee approve the Agenda.

Councilor Mike Macho seconded the motion.

MOTION:

that the Budget Committee approve the Agenda.

VOTE:

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

AYES 14 NAYS 0

(Mayor Tymchuk, Councilors Anderson, Essig, Otis, Macho, Walker, Wall-Meyer and Committee Members Bedard, Blackman, Bridge, Van Syoc, Macho, Morrison, 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 January 30, 2012.

It was identified that Committee Member Lee Bridge had been listed in the minutes as Councilor Lee Bridge and Mayor Keith Tymchuk as a Councilor.

Councilor Bill Walker moved that the Budget Committee approve minutes of the January 30, 2012 Budget Committee as amended.

Mayor Keith Tymchuk seconded the motion.

MOTION:

that the Budget Committee approve minutes of the January 30, 2012 Budget Committee Meeting as amended.

VOTE:

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

AYES 14 NAYS 0

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

Chair Mark Bedard declared the motion passed unanimously.

4. BUDGET UPDATE: CITY MANAGER

City Manager Scott Somers said that the primary focus for the last meeting and mostly likely this meeting will be on the General Fund. He presented a review of the chart presented at the April 9th meeting showing a comparison of the revenue and expenditures since 2002. He indicated that the lines on the graph are about to merge meaning that expenditures will outweigh revenues in the near future. Somers gave an overview of Measures 5 and 50 and the unintended consequences that affect cities such as Reedsport.

Somers said that last week the Committee was presented with a comparison of permanent tax rates of neighboring communities. He said that there were questions from the committee on how and why Bandon and Florence can operate with low permanent tax rates. Somers said that staff completed some history checking and found that the reason the City of Bandon can do this is that they own the electric utility in their area and use those proceeds to supplement the general fund and any other fund that needs it. He said that they also transfer 79% of the transient room tax generated in Bandon to the General Fund. The City is allowed to do that because prior to 2003 the law allowed that, a City cannot do that today. The City of Florence operations relies on a significant amount of transfers in from other utility funds (water and wastewater) along with transient room tax. The City of Reedsport relies on 44.9 percent property taxes where as the City of Florence relies on 28.4.

Moving on, City Manager Scott Somers said that last week the Budget Committee was presented with a balanced budget. That is no longer the case. He said that expenditures have increased by

\$44,715.00. There are two reasons that this has occurred. The first and largest reason is that the Teamsters Bargaining Unit which represents the City's police and dispatch personnel has rejected a request to waive a cost of living allowance (COLA) increase which increases expenditures by over \$32,000.

Mayor Keith Tymchuk pointed out that the increase in expenditures is not just the COLA for Teamsters because what they decided affects the other bargaining unit as well.

Somers said that is correct because the other union's agreement to waive their COLA was based on Teamsters waiving. He said that this number includes all employees with the exception of the City Manager who will not be receiving a COLA for this fiscal year. He said that since this decision was voted on, he has met with the unit again and offered some concessions to encourage them to reconsider.

Somers said that the balance of the deficit is a request to reduce the transfer to the riverfront fund from the transient room tax dollars. This would reduce the amount withheld from the Chamber of Commerce out of the transient room tax dollars by \$12,500. This means that the Budget Committee needs to find that money somewhere else in the budget.

Somers read from the Teamsters bargaining unit contract some standard language regarding the ability of the City of Reedsport to reduce wages or benefits subject to budgetary limitations but that the City doesn't guarantee any level of employment in the bargaining unit. He said that this implies that the Teamster employees would rather and be willing to layoff an employee rather than waive a COLA. With seniority provisions within the contracts it would be implemented as the last hired is the first fired.

Councilor Bill Walker said that if the Teamsters don't care enough about Reedsport to waive a COLA than it should be up to the Teamsters to make up the difference.

Somers gave an update of the recommended budget cuts as determined at the March 19th, Budget Committee Workshop.

Chair Mark Bedard said that members have before them a packet of information received from Mr. Joe Coyne, Winchester Bay resident and Ms. Nancy Hammond, President of the Reedsport/Winchester Bay Chamber of Commerce.

5. CITIZEN COMMENTS

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

Ms. Nancy Hammond, President of the Reedsport/Winchester Bay Chamber of Commerce said that she appreciates that the Committee has proposed to reduce the cut in funds to the Chamber by \$12,500. She said that the goal is to work together; however, the real issue is that the money is not the Chambers to give and not the City's to take. She said that it is its own universe. She said that there is legislation regarding it and this was put into place because they knew that when budgets got tight every city would look to that fund as free money.

Discussion ensued on the proposed uses of the funds and the Chamber of Commerce budget.

Several citizens raised concerns and spoke in support of the Chamber of Commerce and the Umpqua Discovery Center.

6. BUDGET EXERCISE TO FILL REMAINING DEFICIENT

Chair Mark Bedard led the Budget Committee in an exercise to make recommendations to balance the budget. The following budget reduction items were presented and voted on.

Layoff an employee (1 FTE) - Estimated savings of \$35,000-\$65,000: 6 opposed, 8 recommended

Eliminate General Fund transfer to Riverfront Fund - Estimated savings of \$12,500: 11 opposed, 3 recommended

Eliminate Senior Center funding - Estimated savings of \$8470: not recommended

Eliminate Library funding - Estimated savings of \$10,600: not recommended

Outsource municipal jail & dispatch - Estimated savings of \$20,000-\$40,000: 13 opposed, 1 recommended

Outsource police services to County - Estimated savings of \$400,000: 13 opposed, 1 recommended

Eliminate employer funded Long Term Disability employee insurance - Estimated savings of \$1,500: 11 opposed, 3 recommended

Eliminate 24 hour police coverage - Estimated savings of \$75,000: 13 opposed, 1 recommended

Eliminate energy conservation measures - Estimated savings of \$7,960: 2 opposed, 12 recommended

Turn off street lights - Estimated savings of \$68,000: 13 opposed, 1 recommended

Eliminate employee recognition - Estimated savings of \$500: not recommended

Eliminate volunteer recognition - Estimated savings of \$500: not recommended

Eliminate General Fund transfer to Fire Equipment - Estimated savings of \$15,000: not recommended

Councilor Ginger Anderson added a recommendation to the list to be considered.

Reduce City Council travel and training budget to a total of \$2,500 - Estimated savings of \$5,000: 1 opposed, 13 recommended

Chair Mark Bedard said that staff will evaluate the results of the recommendations and present at the April 30th meeting at that time the Committee will know whether or not the Teamsters Union will waive a COLA.

7. GENERAL BUSINESS

City Manager Scott Somers began reviewing the proposed budget where the Committee left off at the last meeting at the Municipal Jail fund. Building Inspection Department, Animal Shelter, Public Services Division, Library Building, Senior Center, and the Dial a Ride Funds were reviewed.

8. MISCELANEOUS ITEMS
(*Budget Committee Members, City Staff*)

There were no miscellaneous items discussed.

9. ADJOURN

Next Meeting Date: April 30, 2012 7:00pm

Mark Bedard, Chair

ATTEST:

Deanna Schafer, City Recorder