

City of Creswell
Budget Committee Meeting
May 21, 2013

The annual Budget Committee meeting was called to order by Mayor Dave Stram at 7:02 PM.

Budget Committee Members Present:

Adam Pelatt
A.J. O'Connell
Jane Vincent
Dave Stram
Jacob Daniels
Brent Gifford
Nora Reynolds

Tim Bonn
Jonathan Woodland
Sue Sturgess
Lacey Risdal
Bob Millam

Budget Committee Members Absent

Holly Campbell
Keith Morgan

Staff Present:

Jamon Kent
Roberta Tharp
Layli Nichols
Cliff Bellew
Shelley Humble
Denise Walters

City Administrator
City Recorder
Finance Director
Public Works Lead
Airport Manager
Planner

Press: 0
Audience 3

Introductions

Budget Committee Elects Chair

Mayor Stram opened nominations to elect a Budget Committee Chair.

Jane Vincent seconded by Adam Pelatt nominated Jacob Daniels to serve as Budget Committee Chair.
Mayor Stram seconded by Lacey Risdal nominated Brent Gifford to serve as Budget Committee Chair.

Jacob Daniels withdrew his name from the nominations as chair but revealed he would be willing to serve as a vice-chair.

No other nominations were received.

The committee voted unanimously to appoint Brent Gifford to serve as chair of the Budget Committee and Jacob Daniels to serve as vice chair.

Review and Approval of Last Year's Minutes

Committee Chair, Brent Gifford asked if everyone has reviewed the minutes of the May 29, 2012 Budget Committee Meeting.

Bob Millam moved Jane Vincent seconded to approve the May 29, 2012 Budget Committee minutes as presented. Voted on and carried unanimously.

Review Proposed FY 2013-14

Committee Chair Brent Gifford asked City Administrator Jamon Kent to review the FY 2013-14 Budget with the committee. City Administrator Jamon Kent welcomed and thanked everyone who has participated in putting the city budget together. He also thanked the City Council and members of the Budget Committee for the opportunity to present the Fiscal Year 2013/2014 budget. Mr. Kent reviewed the budgeting process with the committee and walked them through the proposed budget.

The overall budget for FY 2013-14 is \$16,925,817. The total includes anticipated property tax revenue of \$802,724. The total Appropriations for this year budget is \$13,926,431 which is projected to leave an unappropriated ending fund balance of \$2,999,386. This year's budget includes a Cost of Living Increase (CPI) of 1%. The CPI reflected by Portland State University is actually 2%. By maintaining higher insurance deductibles for employees and including a 1% CPI our Personal

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Services budget increases will be 0.99%. In reviewing the history of staff salary increases, Mr. Kent asked the committee to agree to add an additional ½ percent to the budget bringing the CPI to 1 ½ % for an additional \$5,000.

As a result of the Council/Staff Goal Truthing work session, Mr. Kent also added to the proposed budget the following:

Wetland Inventory	\$42,000
Emergency Preparedness Plan	\$5,000
Transportation System Plan	\$15,000
Stormwater Master Plan	\$5,000
Total Additions	\$67,000
Additional ½ % CPI	\$5,000
Grand Total	\$72,000

General Fund

Temporary Help – The proposed budget shows a reduction in Temporary Help for the FY 2013/14. The proposed reduction of \$12,577 from the adopted 2012/2013 budget brings the amount down to \$12,975. The Annual City Wide Clean-up event continues to grow so an additional \$1,000 was added bringing the proposed amount to \$3,000.

RARE Intern - The City has submitted an application to the University of Oregon and is anticipating having a RARE (Resource Assistance for Rural Environments) Interim next year. The estimated cost for this program stands the same as last year, \$23,000. To fund a few of the projects this student will be working on, Mr. Kent added \$5,000 for Parks Equipment and \$100,000 to cover the cost of continued improvements to the Cobalt Building.

Comprehensive Plan – In the goals set by the Council, we are looking to update the Comprehensive Plan. The proposed budget for the Comprehensive Plan update includes \$25,500 for legal services, 50,000 to cover the cost of continuing the work on the comp plan and \$42,000 for a Wetland Inventory.

Lane County Sheriff Contract – For the 2013-2014 fiscal year the Sheriff's contract will increase by \$16,625 bringing the total to \$428,587. This allocation will continue to provide services at the current level of two full time deputies and a one third time sergeant. Mr. Kent also added \$5,000 for an Emergency Preparedness Plan.

Transfer from General Fund to the Airport Fund of \$100,000 – Mr. Kent recommends transferring \$50,000 now and holding the remaining \$50,000 in reserve to use only if needed.

There is also a transfer from the General Fund to the Capital Improvement Fund to cover the cost of improving the parking lot across from City Hall. This is part of the Planned Development for the City that follows along with the improvements to City Hall. Mr. Kent also pointed out that the General Fund ending fund balance has been reduced by \$47,000 to cover the additions.

Water Fund – As per the City's adopted Water Rate Resolution, rates have been increased in this budget by ½ of 1 percent (.005). This increase generates approximately \$6,700 in revenue. For a rate payer using 700 cubic feet of water the increase is .24 per month or \$2.88 per year. The city has also rented out the old city shops to PP&L to stage their work vehicles closer to the needed areas. You will see a new line item titled Rental Income that reflects the expected revenue of \$4,200. Chemicals for both water and sewer treatment continue to increase at a high rate. The current estimate for water treatment is \$71,200 and estimated increase of \$10,000. The proposed water increase does not keep up with the increased cost of treatment chemicals. \$50,000 is proposed in the budget to work on a Water Master Plan which is part of the overall Comprehensive Plan. The council has requested a Water Rate Study be completed; \$25,000 has been included to cover the cost of that study. Debt Service amounts for the principle and interest for the Water Loans have been budgeted for a total of \$790,646. Of the \$324,000 budgeted in Capital Outlay for Wells and Pipelines, \$225,000 will be used to install and/or repair failing water mains, \$72,000 for new Radio Read water meters, \$25,000 to decommission wells and \$2,000 for gravel in support of these projects.

Sewer Fund – Like the water fund, the sewer fund will have an increase of ½ of 1 percent also. This increase will generate approximately \$4,000 worth of revenue. The average user will see an increase of \$0.21 per month to their bill and averaging

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about \$2.52 per year. The overall revenue is less than last year due to over projecting in last year's budget and a reduction in the number of services this year. Rental Income is budgeted to reflect \$8,200 worth of revenue from the Dillard Road property and the old public works shops. \$50,000 has also been budgeted for work on the Wastewater Master Plan in support of the Council Infrastructure Goal.

Building Fund – All System Development Charges (SDC's) as well as Building Permits are budgeted based on ten new single family dwellings in the upcoming fiscal year.

Street Fund – Included in this fund is \$4,500 for legal costs for plan reviews associated with Street Improvements, an additional \$15,000 for a total of \$60,000 for the Transportation System Plan and an additional \$5,000 for a total of \$70,000 for the Storm Water Master Plan. \$265,500 has been budgeted for improvements to Oregon Avenue and Butte Road.

Airport Fund – The Airport Fund reflects the transfer from the General Fund in the amount of \$100,000. It is Mr. Kent's recommendation to transfer \$50,000 at the beginning of the fiscal year and hold the remaining \$50,000 in reserve. The Airport Donations line reflects \$20,000, that of which \$15,000 is expected to be donated from the pilots and members of the Airport for the AWOS installation. The remaining \$5,000 is anticipated proceeds from the Fly-in sponsored by the EAA.

Capital Improvements - \$150,000 has been transferred from the General Fund to cover the cost of improving the parking lot across from City Hall. \$50,000 has been budgeted for a second bathroom and completion of the unfinished spaces on the second floor of City Hall.

New and included in this year's budget is a two page spreadsheet that shows all the funds as well as the base requirements and expenditures. Also new and included is a schedule of proposed budget transfers.

Questions and Comments for Mr. Kent

Councilor Pelatt would like to see an increase in staff salaries to at least come closer if not match the CPI. He also inquired about the cities investments and interest rates received and suggested we look for a better place or way to invest our money. Mr. Kent recommends the Finance Committee be charged with looking in to this option.

Mr. Pelatt asked Mr. Kent to expand on the upgrades to City Hall second floor. The council needs to discuss the long range goal of the City Hall. There are plans for extending into the Fire Hall in the future should the Fire Department ever want to sell their building. The council has indicated they want a second bathroom and placement of that room would need to be determined so it doesn't interfere with plans already set in place should there be an opportunity for expansion.

Councilor Vincent stated she would like to increase the summer recreation program budget along with additional funds for upgrading the community center. Mr. Kent noted we have budgeted \$16,000 in Capital Outlay for the Community Center; \$4,000 will go towards improving the bathrooms, \$6,000 for tables and chairs and \$6,000 for the HVAC system. Ms. Nichols explained Willamalane Recreation/Summer Fun program requested \$4,000 for their program, up \$1,000 from prior years. Ms. Vincent also requested an additional \$3,500 be budgeted for Food for Creswell.

A discussion ensued regarding the \$100,000 transfer from the General Fund to the Airport Fund and Mr. Kent explained the way it is proposed, the transfer is for \$100,000, but the administrator would only approve \$50,000 now. They would then work with the Airport Manager to determine if the additional \$50,000 is needed and the new city administrator would have the authority to make that decision and the transfer.

Councilor Vincent asked for clarification on the difference between Water Analysis and Water Rate Study. Mr. Kent explained one is water sampling and the other is a rate study to see how we compare with other cities. Ms. Vincent asked in regards to the State Highway Street Fund, if Council wanted to change the traffic lights at Oregon Avenue and Mill Street could those funds be taken from there. Mr. Kent said that is ODOT's jurisdiction and should the City ever be given the opportunity to change it themselves, it would have to be approved by the Council.

Councilor O'Connell proposed the committee not approve the proposed budgeted amount of \$100,000 on Capital Outlay to the Cobalt Building. He is proposed a number of revisions:
General Fund - Cobalt Building - Planning and Feasibility - \$10,000

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Community Center – Electricity - \$7,950
Community Food For Creswell – Double appropriation to \$7,000
Community Sharing – increase an additional \$15,000 to \$17,165
Elections – Decrease the budgeted amount from \$8,000 to \$0.00

Layli Nichols explained the City always needs to budget money in case of a special election called for any reason.

Water Fund – Hills Creek Maintenance – decrease from \$25,000 to \$0.00

Water Quality Assessment – Garden Lake Park – decrease from \$5,000 to \$0.00

City Planner Denise Walters said these are related to storm water and some of them are required for the City to meet the TMDL requirements and are part of our partnership with the watershed council who does a lot of monitoring for us.

A discussion ensued regarding Garden Lake Park and the water flow of Hills Creek. Cliff Bellew said this is a huge project that involves a lot of people, and this study will lay the foundation to go out and get grants. Councilor O'Connell said his biggest concern is that the current levels of services are maintained. Further discussion ensued to decrease the Hills Creek Maintenance line item by \$5,000.

Lacey Risdal asked for clarifications on what the \$100,000 transfer to the Airport Fund will be used for. Ms. Nichols said they could be used for the overall operations of the Airport.

A.J. O'Connell moved Dave Stram seconded to move the Public Comment forward on the agenda to be heard at this time. Voted on and the motion carries unanimously.

Public Comment

Mike Fleck Director of Community Sharing addressed the Council to provide some information about their programs and the folks they serve. They provide assistance with basic needs such as laundry, prescriptions and the food pantry. They also provide assistance with water bills. His staff has revealed to him that there are occasions where they are not spending the whole allotted amounts every month, and he would caution the committee about putting a whole lot of money exclusive for water assistance as he is not sure they could spend it. There is a need for basic needs assistance but not so much in water assistance.

A discussion ensued on prior years budgeted amounts for Community Sharing and how the monies were spent. Mr. Kent said he has penciled in one hundred and ten percent or \$2,165 to match the funds donated to the Help to Others program (H2O) for Community Sharing. Further discussion carried on regarding the operations funding shortages in the Community Sharing budget and how they are working to balance out their shortfalls.

Mayor Stram asked what the City donates to Community Sharing and Ms. Nichols stated historically the city has donated \$1,500 annually for support to their program. You will not see the H2O program in the budget as it is funded entirely on donations, but it does show up on the balance sheet page of the financial statement. The \$2,165 budgeted amount in the General Fund is made up of the annual \$1,500 donation and the one hundred ten percent match to the H2O program. In conversations with Mr. Fleck prior to putting the budget together, he indicated this money could best be utilized for basic services.

Christopher Douglas, Creswell resident just outside city limits addressed the committee to strongly discourage the committee from depleting the money from the Cobalt Building. He has served on the Citizens Involvement Committee and feels this building means a lot the children of the community. The skate plaza is beginning to come forth again and on behalf of the project he would like to ask for \$1,000 of the donated money already received to use as seed money for fundraising over the next year. A discussion ensued regarding costs of a skate plaza. Mr. Douglas said the skate plaza is estimated at 25,000 to 30,000 of square feet of useable surface at an estimated cost of \$50 per square foot.

Mr. Douglas asked that once the Parks Advisory Board (PAB) is reconvened they be given a charge to look at park land acquisition. He asked the committee to consider putting money in the budget over the next couple of years to gather up to one million dollars to be leveraged in applying for an Oregon Parks and Recreation Department Acquisition Grant. A discussion ensued on fundraising as well as Parks System Development Charges and how the money is received and how it can be spent.

Mr. Douglas encouraged the committee to continue funding for the work on the diversion of Hills Creek maintenance. He also would like to see the city move forward with a larger park for community events and suggested places such as the Foster Farms or Bald Knob property.

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Mr. Kent and Mr. Gifford went over the list of recommended changes to the budget:

- Increase Summer Recreation Program from \$7,000 to \$10,000
- Increase Community Food for Creswell from \$3,500 to \$7,000
- Increase Community Sharing Fund from \$2,165 to \$17,165
- Increase Staff Salaries from 1% to 1.5 to 2%, roughly \$10,000
- Decreasing the Cobalt Building Equipment line item from \$100,000 to \$0
- Adding \$10,000 Planning and Feasibility to the Cobalt Building
- Transfer \$100,000 from the General Fund to the Airport Fund
- Adding \$7,000 Electricity to the Community Center
- Request to spend \$1,000 for Skate Plaza seed money
- Request to consider Accumulating money for Parks Land Acquisition in the amount of \$250,000 per year

Bob Millam stated he feels we need to work through the big ticket items first by starting off by seeing what there is consensus on. Discussion ensued regarding continue working tonight or schedule another meeting next week. Mr. Gifford asked the committee for consensus on each of the recommended changes.

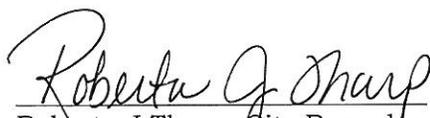
- The committee gave unanimous consent to increasing as recommended staff salaries (2%), Community Food for Creswell (\$7,000), Electricity for Community Center (\$7,950), and transfer \$100,000 from the General Fund to the Airport Fund.
- The committee gave consent with only one person in opposition to provide Mr. Douglas \$1,000 seed money for fundraising from the Skate Park account.
- The committee deferred the recommendations for the Summer Fun Program, Community Sharing, Cobalt Building Capital Outlay, Cobalt Planning and Feasibility and the Parks Land Acquisition until next week's meeting

The next budget committee meeting is scheduled for May 28, at 7:00 pm.

Budget Committee Chair Brent Gifford asked if there was any other business. There being none, Mr. Gifford adjourned the meeting at 9:33 pm.



Budget Committee Chair



Roberta J Tharp, City Recorder