

The second 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 20, 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, Community Director Cronin, Police Chief/Assistance City Manager Johnston, Fire Chief Ames, Public Works Director Cook, Library Director Tucker, Parks Director Cosby, and Public Works Operations Superintendent Nelson.

The meeting was called to order by Chair Mathews.

Tiara Moore stated that she and other students from Knappa High School were present as part of an assignment in their Senior Government Class.

The Budget Committee consented to change their meeting start time to 6:00 pm for subsequent meetings.

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

Janet Miltenberger noted Licenses and Permits on the General Fund Revenue page (Page 4) were proposed again at \$6,200; however, last year, a memo from John Snyder explaining why the actual Revenue should be more like prior years, which was \$15,600 in year ending 2014 and more than \$30,000 in 2015. Finance Director Brooks said she would look into changing the figure.

City Manager Estes explained the Quarterly Budget to Actual reports which are distributed to the City Council will be distributed to the City Council after the meeting tonight.

INDIVIDUAL BUDGET CONSIDERATION

General Fund:

Finance

City Manager Estes noted the components of the Finance Budget. Finance Director Brooks clarified the Public Involvement item of \$33,500 was actually Audit Fees and explained the \$6,000 increase in account 4540 Professional Services - General was for Opengov a web-based software Staff been working to implement that will provide more financial information to the public.

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

After a brief discussion, the Budget Committee consented to address the Promote Astoria Fund as the first item of business at the Monday, April 25, 2016 Budget Committee meeting.

City Attorney

City Manager Estes described the purpose of the fund, adding that the changes being discussed to the contract would not impact the budget and would be approved and negotiated by City Council.

Committee Action: Motion made by Councilor Warr, seconded by Councilor Nemlowill to tentatively approve the City Attorney Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price,

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, noting that while the Community Development Director supervises the Building Inspection Division the budgets were separate because the Building Inspection Fund's revenues and expenditures are based on building permit receipts. Staff described the City's process for transferring revenue funds to the City, which complied with State statutes, and explained how grant funding is reflected in the budget as an expense and a funding source.

Staff addressed questions regarding the \$ 40,000 Coastal Zone and Management Program which is grant money from the State of Oregon as part of the economic strategy and potentially using funds from the Professional Services budget for a countywide housing strategy, if needed. Funds needed to develop the City's public relations would come from the City Manager's budget; however, City departments were using mechanisms like Facebook, Instagram, and Twitter to do more outreach and increase communication with the public.

Council Herzig suggested allocating \$50,000 of the Chamber's Promote Astoria funding to increase public communications because communicating what the City is doing is as much about promoting Astoria as maintaining the Riverwalk.

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

City Hall

City Manager Estes briefly described the purpose of the fund, addressing questions about InterFund Wages and updating on the status of the City Hall Renovation Project, which was almost complete.

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

Non & Interdepartmental

City Manager Estes briefly explained the purpose of the fund. City Staff addressed many clarifying questions about the budget's format and related challenges, as well as about the Unemployment Trust, Emergency Communications Fund, and transfers related to the Parks Aquatic Fund and Capital Improvement Fund. Finance Director Brooks corrected that Downtown Restrooms should be removed from this department, as that item was budgeted in the Promote Astoria Fund.

Councilor Nemlowill suggested future budgets provide a breakdown of how much General Fund money goes to each Enterprise Fund in the Parks Budget. City Manager Estes explained the Parks Master Plan was considering how to identify which departments generate more revenue versus those that require more support. He confirmed an additional General Fund transfer is expected in the Parks Aquatic Fund at the end of the current fiscal year.

Committee Action: Motion made by Mayor LaMear, seconded by Councilor Warr to tentatively approve the Non & Interdepartmental Budget. (Motion carried.) City Councilors Warr, Herzig, Nemlowill, and Price, 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 Page 24-6 highlighted the Capital Improvement Fund monies that had been requested, but were not necessarily approved. He explained the purpose for the New Ladder Truck Change Orders/Bond line item, which was an oddity because Pierce, the construction company, required payment of the performance bond at the end of the ladder truck's construction. Finance Director Brooks explained the discrepancy between regular salaries and overtime, stating the figures would be corrected to show

approximately \$36,000 in Overtime and an overall Total Salaries of \$980,000. Fire Chief Ames corrected that the pumper truck lease was a 7-year, not a 10-year lease.

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

Police

City Manager Estes described the purpose of the fund. Police Chief Johnston noted the increase in Career Development to host a course on Implicit Bias in policing. Staff clarified that as discussed last night, Prison Lodging would be moved to the Municipal Court budget and the Parking Control Officer would be removed since it would now be included as a line time in the Promote Astoria Fund for the Astoria Downtown Historic District Association (ADHDA). Budget summary and detail were updated to reflect the change in parking enforcement after the budget was published and was provided separately as an update to the Budget Committee.

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

Library

City Manager Estes described the purpose of the fund, noting funds were included for the Library Director's increased salary as approved by City Council on Monday, April 18th. Other than the Capital Improvement Fund allocation to replace the roof, the Library budget was status quo.

Councilor Herzig suggested adding solar panels to the library building when the roof was done, as well as exhaust fans in the restrooms, which was suggested by patrons.

Staff addressed several comments and questions related to the roof replacement project, noting the \$280,000 cost was due to the complex elevations and draining systems that existed and that given the uncertainty of the Library Renovation Project, this line item was placeholder to avoid a large budget amendment later in the year. The roof's replacement was not anticipated until the summer of 2017, so further decisions regarding the Library Project were expected before City Council was asked to approve the contract for the new roof.

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

Capital Improvement Fund

City Manager Estes explained the purpose of the fund, noting its revenue sources included monies from timber harvests and carbon credits, and reviewed some of the departments' projects in the Fund, namely the Parks Department. He addressed several questions about a new Reserve for Library Project, which would remain in the Capital Improvement Fund as unappropriated money specifically reserved for future use and not be expended in 2016-17. The reserve amount for the Library would be reevaluated each budget year. This fund would remain as a budget line item in subsequent years, so the amount would be tracked and the funds could be reallocated in the next budget cycle depending on what happens with the Library Project.

Staff addressed clarifying questions and also provided background regarding the City-owned lots in Mill Pond and the program to sell the lots and use the proceeds for Heritage Square. Following a brief discussion, Councilor Price suggested that selling the lots be considered by City Council in the near future.

Richard Hurley expressed concern that funding for landscaping at the Library was included in the Capital Improvement Fund without a modified resolution by City Council. Years ago, the Committee determined that because the Capital Improvement Fund is funded by long-term assets like timber sales, its monies should not be used for things like operational expenses. This was a fundamental policy change.

Parks Director Cosby provided further details about the major Public Works and Parks Departments' projects listed in the Capital Improvement Fund and responded to questions from the Committee. Director Cosby agreed the detailed page was missing in the Parks budget regarding the Parks Department's request in Machinery and Equipment on Page 32-1.

The Committee discussed the wisdom of spending money to improve or update City buildings that the City may not use long term. Staff provided a brief history of some of the improvements made to certain City facilities and addressed questions about the proposed improvements. Opportunities for combining City facilities were a number of years into the future, especially with the Library Project moving forward, and it was important to invest in the City's facilities to keep them operating safely and efficiently and to avoid further consequences of additional deferred maintenance. City property would also lose value if not maintained properly.

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

Parks Operation Fund

City Manager Estes explained that the Parks Operation Fund is now a consolidated budget that incorporated all the budgets for the various Parks Divisions into one fund. Staff addressed several questions from the Committee about various budget line items, which included explanations of the changes resulting from the now consolidated budget; the new Contingency Fund; and the self-sufficiency of the Astoria Recreational Center.

Staff addressed several questions regarding the proposal to transfer \$70,000 from the 17th St Dock Fund to the Parks Department Budget. The Coast Guard does not pay property taxes in Astoria, but its members and families use many Parks facilities, so this transfer was negotiated in the lease contract for the dock. The Coast Guard, its members, and families pay fees to use the Aquatic Center like everyone else. This transfer is not related to the \$98,000 allocation from the Promote Astoria Fund. The fund transfers to the Parks Operation Fund would not result in a decrease in any line item, but would provide needed capacity, particularly in Maintenance due to the outsourcing of maintenance of tourist-oriented areas.

Councilor Nemlowill suggested having a breakdown of the revenue and expenditures of the Enterprise Funds within the Parks budget, as well as how much of the General Fund Transfer was used for the Aquatic Center, Maintenance, and Recreation and Administration.

The Committee discussed the need to create efficiencies and identify priorities within the department. Facilities, amenities, and programs keep being added, but no one wants to pay for them. Efficiencies could be realized by privatizing facilities, for example; land was not being used and while Lil' Sprouts fills a need and generates revenue other things are losing money.

City Manager Estes explained the Parks Master Plan would prioritize the functions of the department, noting cost savings would be realized by lower levels of maintenance on less utilized parks. Cutting programs that did not generate revenue or break even would result in canceling Movies in the Park, the Easter Egg Hunt and Monster Bash. These events, which had large expenses, serve high populations and are enjoyed and appreciated by citizenry. Efficiencies have been completely tapped out. The Department had more demand for a higher level of care than has been seen in years and was trying to respond to that concern by increasing resources for the Parks Budget. The Maintenance division is not able to keep up with day-to-day activities, but is receiving pressure to do even more.

Staff explained the Parks Department faces ongoing budget challenges due to costs increasing astronomically, especially due to employee wages and contractual obligations. The General Fund transfer was proposed to remain the same and the additional 17th Street Dock Transfer would help offset cost increases. The proposed budget, which included the General Fund and 17th Street Dock Transfers and the allocation from the Promote Astoria Fund, would provide additional capacity and resources for Parks, but tough decisions still needed to be made by City Council, once the Master Plan was completed.

Councilor Herzig stated the proposed budget would stabilize the department and keep it functional while waiting for bigger decisions to be made. The City could not wait to fix these problems.

Committee Action: Motion made by Councilor Price, seconded by Richard Hurley to tentatively approve the Parks Operation 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.

Chair Mathews adjourned the meeting at 9:11 pm, noting the Budget Committee would reconvene at 6:00 pm on Monday, April 25, 2016.

ATTEST:



Secretary