

The second meeting of the City of Astoria 2017-18 Budget Committee was held at the above place at the hour of 6:00 pm, which was a continuation from the meeting held on April 25, 2017.

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, Police Chief/Assistance City Manager Johnston, Fire Chief Ames, Public Works Director Cook, Library Director Pearson, Parks Director Cosby, City Engineer Harrington, and Public Works Operations Superintendent Nelson.

The meeting was called to order by Chair Mathews.

Finance Director Brooks distributed a memorandum containing responses to questions posed at the previous meeting. She provided a brief overview of the memorandum, which included the following:

- Astor East and Astor West Urban Renewal Funds – Revisions to the Beginning Fund Balance were attached to the memorandum.
- Promote Astoria Fund – The question regarding the 2015 historical data was a one-time refund from the Service Transportation Program Fund. The City paid some fees upfront to keep the Waterfront Bridge Project moving and was reimbursed from the State.
- Community Development Grant Expense - The information on Page 20 differed from the Summary page, which was incorrect. The Summary page has been revised to reflect the correct information.
- Fire Department Budget – The amount shown for Fire Department Machinery and Equipment was correct, but the Capital Improvement Fund has been revised.

**INDIVIDUAL BUDGET CONSIDERATION TO TENTATIVELY APPROVE
General Fund:**

Police

City Manager Estes identified the paid staff positions in the department. Staff clarified that any salary savings from unfilled positions would be spent on overtime, and that all positions had been accounted for in the budget. The department advertised for entry level and lateral positions, and received 51 applications, which still need to be reviewed. Staff explained the Fire and Police Department would like to share an off road vehicle to access suspects and patients who could not be accessed by car. The City planned to purchase the vehicle rather than lease it, because only one vehicle is needed and it would not be part of a Capital Replacement Program. The vehicle would be a one-time asset paid for out of the Capital Improvement Fund and shared between the Police and Fire Departments.

Committee Action: Motion made by Councilor Price, seconded by Councilor Nemlowill to tentatively approve the Police Department Budget. (Motion carried unanimously.) City Councilors Jones, Brownson, 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 for the fund and listed the paid staff positions in the department. Director Pearson explained that licensing for Freegal and Mango Languages would not be renewed because use by library patrons was so minimal. These services would be replaced with options that are free to the library. City Manager Estes confirmed that \$150,000 in Capital Improvement Funds set aside to hire architects, complete an analysis of the library building, and develop concept designs. He noted the budget erroneously stated the money was for roof repairs, which would be corrected to state, "Renovation Projects. However, any interim repairs to the roof would be paid for out of this budget. Director Pearson provided an update on ongoing maintenance of the roof and upgrades to the library's reservation software, which was completed before he was hired.

Committee Action: Motion made by Mayor LaMear, seconded by Councilor Brownson to tentatively approve the Library Budget as presented. (Motion carried unanimously.) City Councilors Jones, Brownson, 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. He added that while the Finance Department provides oversight for this fund, it has no direct staff. However, the RARE Assistant hired to conduct resiliency and emergency management planning would be paid for out of this fund. Finance Director Brooks confirmed the Oregon Housing Authority Community Incentive loan would retire in 2020. She clarified the beginning date of 2015 stated in the budget was a typographical error.

Staff addressed clarifying questions about the Beginning Fund Balance. She explained why some equipment expenditures had been included in the fund and confirmed the City would receive any property taxes and liens due on foreclosed properties. Staff confirmed it would be possible to complete the implementation of the Riverfront Vision Plan prior to the start of the next grant funding cycle by using City Funds.

Committee Action: Motion made by Shel Cantor to add a line item under Professional Services for Completion of Riverfront Vision Plan Urban Core Implementation in the amount of \$75,000.

City Manager Estes noted that if the City budgets for this expense, the State might rescind the grant. He believed a healthy fund balance and prioritization was necessary to ensure adequate cash flow. He recommended the Contingency remain at \$150,000 and keep the Ending Fund Balance as is. City Council has the authority to elect to pay cash for the project out of the contingency if grant funds are not received.

Shel Cantor rescinded the motion.

Staff explained some of the increased expenses for Parks, including the purchase of waste bins and implementation of the Parks Master Plan. They also answered questions about how low priority projects were allocated within the budget.

Councilor Nemlowill recommended more funds be allocated to purchase recycling bins for parks. Staff confirmed this would cost about \$40,000, which could come from cuts to another line item or out of the Contingency Fund. Staff answered questions about the design of the bins, their installation, and possible savings from ordering both garbage and recycling bins at the same time.

Committee Action: Motion made by Mayor LaMear, seconded by Councilor Nemlowill to reduce the Contingency Fund by \$40,000 and increase the Parks and Recreation Fund by \$40,000. (Motion carried.) City Councilors Jones, Brownson, and Nemlowill, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes. Councilor Jones and Loran Mathews voted no. Councilor Price abstained.

Councilor Price stated she was not ready to make a decision on recycling in parks and was looking forward to discussing it at City Council's work session with the Parks Department. A contingency of \$150,000 for the entire Capital Improvement Fund seemed small and she believed the Riverfront Vision Plan took priority over recycling services.

The Committee shared concerns about budgeting for recycling prior to Council being presented with the details of adding recycling service to parks. Staff confirmed that if the budget was approved as presented, recycling could be paid for out of the Contingency Fund or Council could approve a budget adjustment. Staff recommended the Committee refrain from taking any money out of the Ending Fund Balance because the balance is low and the fund must cover expenses payable at the beginning of the next fiscal year.

Committee Action: Motion made by Councilor Jones, seconded by Richard Hurley to tentatively approve the Capital Improvement Fund Budget as adjusted for recycling containers. (Motion carried)

unanimously.) City Councilors Jones, Brownson, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Staff shared details about implementation of the Parks Master Plan and explained that specific projects were not identified in the budget so Staff could adapt to City Council's direction after their upcoming discussion on the Parks Department budget.

Parks Operation Fund

City Manager Estes explained the fund was created in 2012 to consolidate all of the Park's functions into one fund. The fund's revenue sources include program fees and a transfer from the General Fund. He noted that additional funds would need to be acquired in order to continue Parks operations at current fiscal year levels. This issue and future sustainability of the Parks Department will be discussed with City Council in the next few weeks. He listed the paid staff positions within the department.

Staff addressed questions about how the department's budget has been affected by City Council's direction to avoid a year-end transfer each year. Revenues and expenses are being calculated more accurately now that new software is being used to track data.

The Committee and Staff discussed the possibility of reallocating line items within the fund according to the resources approved by City Council. Staff also addressed questions and comments from the Committee about budget projection methods, Parks' use of Promote Astoria funds, and aspirations for the next fiscal year

Parks Director Cosby listed the projects that would be paid for by the capital funds allocated to the Aquatic Center. Staff answered questions about how outsourcing has and could impact the maintenance division's level of service and the challenges that make recruiting and retaining parks maintenance employees difficult.

Finance Director Brooks explained that amounts previously budgeted for worker compensation were not a true reflection of labor costs, due to the City's insurance carrier inaccurately categorizing employees. While the City now has the right rates, worker compensation increased 30 percent this year because the City had some insurance claims within the three previous years. Staff answered questions about worker compensation and the types of claims that are typical for Parks staff. They also explained how these claims are used to calculate insurance rates.

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

Public Works Improvement Fund

Director Cook shared details about the department's engineering and operations divisions. City Manager Estes explained the purpose of the fund, noting its funding sources and expenses.

Staff answered questions about interest charged on the long-term debt, which would be paid off prior to the December 2017 deadline. They explained how the six percent increase in CSO charges proposed for the next fiscal year would impact the budget and confirmed the CSO charges were still on track to peak in 2021. Staff also noted that Warrenton Pacific Seafood water usage was not significant enough that the budget would be impacted when they relocate out of Tongue Point. Staff shared details about the resiliency study on the transmission main, which will result in a guidance document that recommends how to reroute the main and what type of water lines should be used. The document will not spell out Capital Improvement Projects, but will be incorporated into the Water System Master Plan.

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

Public Works Capital Reserve Fund

City Manager Estes described the purpose of the fund. Staff confirmed that maintenance of the slow sand filters is an ongoing expense and shared details about maintaining the filters and replacing the sand. Staff tries to save up for these expenses to avoid loans.

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

Combined Sewer Overflow (CSO) Funds

City Manager Estes noted that this fund no longer existed and was shown for informational purposes. The projects paid for by this fund have been completed. He explained how monies remaining in the fund were transferred when the fund was closed out.

Combined Sewer Overflow (CSO) Debt Service Fund

City Manager Estes described the purpose of the fund and noted the CSO surcharges paid for the debt.

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

Public Works Fund

City Manager Estes described the purpose of the fund and listed the staff positions paid for out of the fund. Director Cook explained the need for an additional employee in the Public Works Department. Staff described how the amount transferred in from the General Fund was determined and confirmed their methodology was audited every year. They also answered questions about monies transferred from the Public Works Fund into the General Fund.

Staff updated the Committee on expenses related to closing the landfill and explained how expenses were decreasing. Financial assurance, a required bond, is not reflected in the budget because the City expects the Department of Environmental Quality (DEQ) to allow Astoria to provide self-assurance.

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

Chair Mathews called for a recess at 7:48 pm. The Budget Committee reconvened at 7:58 pm.

Consent Calendar

Janet Miltenberger requested the following Special Revenue Funds be removed from the Consent Calendar for further discussion: Emergency Communications Fund, Community Policing Fund, and Maritime Memorial Fund.

Chair Mathews requested the 17th Street Dock Enterprise Fund be removed for further discussion.

Committee Action: Motion made by Councilor Jones, seconded by Councilor Brownson to tentatively approve the Consent Calendar, except for the Emergency Communications Fund, Community Policing Fund, Maritime Memorial Fund, and 17th Street Dock Enterprise Fund. (Motion carried unanimously.) City Councilors Jones, Brownson, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

Emergency Communications Fund

City Manager Estes described the purpose of the fund, noting its revenue sources and expenditures and listing the staff paid for out of this fund. Staff answered questions about revenue sources and confirmed that Astoria pays about 40 percent of the call center costs because the city is the largest user of call center services. Staff also provided details about the capital outlay expenses and transfers to and from the General Fund.

Staff provided an update on efforts to consolidate the Seaside and Astoria call centers, noting that negotiations have stalled. If the consolidation were approved this fiscal year, Staff would have to propose a supplemental budget. However, the process is complex and several entities are involved. So, Staff did not anticipate a consolidation within the year.

Chief Johnston described the benefits of combining the two dispatch centers. Staff explained the cost to the City could change, depending on how the subscriber fees change upon consolidation.

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

Community Policing Fund

Finance Director Brooks explained this fund was for special policing projects. City Manager Estes noted that the fund is now being referred to as the Special Policing Project Fund, but the agenda has used the fund's old name. He described the purpose of the fund and explained why the name of the fund was changed. Staff answered questions about the Beginning Fund Balance.

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

Maritime Memorial Fund

City Manager Estes described the purpose of the fund, noting revenue sources and expenses. Staff answered questions about capital outlay expenses.

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

17th Street Dock Fund

Staff confirmed the fund was receiving enough revenue to cover expenses incurred when the dock needs to be replaced. City Manager Estes explained the process Staff used to ensure that upcoming major repairs are budgeted. Finance Director Brooks gave details about reserves for future capital requirements and explained Staff's efforts to pay down the loan before the City's lease with the Coast Guard expires.

Committee Action: Motion made by Councilor Jones, seconded by Councilor Nemlowill to tentatively approve the 17th Street Dock Fund. (Motion carried unanimously.) City Councilors Jones, Brownson, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

FINAL REVIEW AND MOTION TO APPROVE THE CITY OF ASTORIA BUDGET AS A WHOLE

Shel Cantor stated he would vote against the budget because he believed the Promote Astoria Fund contained at least \$220,000 in wasteful spending.

Committee Action: Motion made by Councilor Price, seconded by Richard Hurley that the Budget Committee approve the City of Astoria 2017-18 Budget as a whole. (Motion carried 9 to 1.) City Councilors Jones, Brownson, Nemlowill, and Price, Richard Hurley, Loran Mathews, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes. Shel Cantor voted no.

MOTION TO SET TAX RATE FOR GENERAL FUND AT \$8.1738 PER \$1,000 OF VALUATION

Committee Action: Motion made by Councilor Price, seconded by Councilor Jones that the Budget Committee set the Tax Rate for General Fund at \$8.1738 per \$1,000 of Valuation. (Motion carried unanimously.) City Councilors Jones, Brownson, Nemlowill, and Price, Richard Hurley, Loran Mathews, Shel Cantor, David McElroy, Janet Miltenberger, and Mayor LaMear voted yes.

MOTION TO ADJOURN CITY OF ASTORIA BUDGET COMMITTEE MEETING

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

Chair Mathews adjourned the Astoria Budget Committee meeting at 8:19 pm.

ATTEST:


Secretary