

A work session of the Astoria Common Council was held at the above place at the hour of 9:00 am.

Councilors Present: Nemlowill, Jones, Price, Mayor LaMear, and Brownson.

Councilors Excused: None

Staff Present: City Manager Estes, Community Development Director Cronin, Parks and Recreation Director Cosby, Finance Director Brooks, Fire Chief Ames, Police Chief Johnston, Public Works Director Cook, Library Director Pearson, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

PRESENTATION

Parks Department Budget Discussion

City Manager Estes briefly reviewed the presentation on the Parks Department that was given at the last work session. He noted that Staff had done some research and had a few updates to present to Council. Staff wanted to discuss the Department's options with Council and receive clear direction on how to move forward.

Staff described the funding options listed in the Parks and Recreation Master Plan and explained the processes required to obtain or implement each type of funding. They answered Council's questions about defining the boundaries of a cemetery taxing district, potential revenue from a food and beverage tax, and compression resulting from multiple taxing authorities. Director Brooks explained how an operations levy could affect taxes and noted that Astoria was already under compression. Staff detailed the requirements for using a portion of transient lodging taxes for Parks and explained how Promote Astoria Funds affect the Parks Department.

Councilor Nemlowill supported an increase to the transient lodging tax because tourists use parks and restrooms. She also noted that the Lower Columbia Tourism Committee (LCTC) supports an increase to the tax as well.

Staff listed the Parks Department's expenses paid for with transient lodging taxes and shared the tax rates currently charged in surrounding communities. Councilors Jones and Nemlowill wanted Staff to prepare more details about the taxes charged in nearby areas. Council agreed that increasing the transient lodging tax in Astoria would not deter tourists.

Councilor Price wanted more data on all of the funding options recommended by Staff, as well as a soft drink tax. She did not believe an increase in transient lodging taxes would bring in enough revenue, so Council needs to consider several options. Council also needs to think about all of the City's needs and the entire budget.

Mayor LaMear wanted to know how an operations levy would affect all of the other departments.

City Manager Estes explained Staff needed direction from Council on what type of budget to propose for the next fiscal year. The Parks Department is trying to provide stability for the next fiscal year while also maintaining long-term sustainability. Therefore, Staff needs to know Council's priorities for the Department. Once priorities are established, Staff wants to know what funding opportunities Council would like to move forward with.

Councilor Jones supported funding sources that impacted tourists, like the lodging tax. He did not want the financial burden placed exclusively on Astorians because tourists use Park facilities as well.

Councilor Brownson asked questions about maintenance expenses covered by Promote Astoria Funds. Councilor Nemlowill suggested Promote Astoria Funds pay for garbage pick up along the Riverwalk and other tourist-oriented sites.

Staff noted that garbage pick up and recycling costs were detailed on the last page of Council's packet and explained how the franchise agreement with Recology could be changed so that Astoria residents would share

the costs of trash pick up in parks, just as they do now with trash pick up in the downtown area. The chart in Council's packet showed how much garbage and recycling charges would increase for each resident if Recology began servicing the parks. The City would be required to purchase new garbage cans, which could cost up to \$40,000. Therefore, the draft budget for the next fiscal year includes this expenditure in the Capital Improvement Fund. The cost would double if recycling service was added to the contract with Recology. If Council decides to have Recology service parks, Staff recommended Council consider adding residential curbside recycling to the contract at the same time. Staff explained why new trash cans would have to be purchased and confirmed the trash pick up schedule would be three times a week during the summer and two times a week the rest of the year.

Councilor Nemlowill asked if having Recology service the parks would save the Department money or just add capacity to the maintenance department. Director Cosby explained that during the spring and summer when seasonal employees are working, the City would not have to pay those employees to empty trash cans. During the rest of the year, full-time employees spend about two days per week on trash service because the garbage run is an all day task. This costs the City between \$30,000 and \$40,000 per year. City Manager Estes added that because Recology specializes in trash pick up, they could offer more efficient services at lower prices.

City Manager Estes briefly reviewed past budgeting goals and said Staff has been working to eliminate the need for a year-end transfer each year. After some analysis of the budgeted hours of operations at park facilities, Staff learned that a staffing vacancy has offset the expense of additional part-time hours needed to keep facilities open for this fiscal year. However, an overage in staffing expenses of about \$133,000 for the next fiscal year is anticipated if the operating hours remain the same. He believed the Parks staffing budget could be increased by about \$100,000, but other needs in the Parks Department would still leave the overall budget short by about \$100,000.

Staff reviewed the cuts to facilities and programs that would allow the City to avoid a year-end transfer, which were discussed at the last work session. Three of the four park sites recommended for sale have extensive deed restrictions and Staff would continue to do research on them. Staff explained how the deed restrictions impacted the use of these sites. A chart listing the cost of each program was included in the packet and displayed on the screen.

The Council took a brief recess.

Director Cosby explained why she recommended certain programs be cut in the next fiscal year and how those cuts would affect the community and the budget.

Councilor Nemlowill said youth basketball and softball serves a large portion of the community and she believed the City should provide these services. All other athletics could be cut because other organizations in the community offer sports other than basketball and softball.

Staff explained why current levels of service are not sustainable and how maintaining current service levels will cause financial and staffing problems as time goes on. If staffing levels are not addressed now, the financial issues will still have to be resolved at some point. Staff anticipates higher turnover rates if workloads are not decreased this year and high turnover rates can have a negative impact on services.

Councilor Nemlowill said the workload of the recreation coordinator position has already decreased by 25 percent, so she did not understand why all athletics would need to be cut. Cutting family and community events would help a lot. Director Cosby explained that tracking staff time spent on each program has recently become more accurate. When burial planning was moved to the Finance Department, the task seemed more time consuming than it actually was. The Department now realizes that the workload was not actually cut by 25 percent. The recreation coordinator's workload still includes so many varied tasks that one person cannot do them all properly. If the Aquatic Center and Recreation Center were consolidated, only one supervisor would be needed and the entire facility could be managed with three people. She believed consolidation and some cuts to recreation programs would make a big difference. If all of Staff's recommended cuts were made except athletics, the City would save about \$30,000. If adult athletics were cut as well, an additional \$14,000 could be saved.

Councilor Nemlowill stated she wanted to keep youth basketball and softball because such a large portion of the community participates in these sports.

Councilor Price said she wanted to retain all youth athletics. She asked what programs currently taking place at the Recreation Center would continue if the rest of Staff's recommended cuts were made. Director Cosby said adult fitness classes, after school programs, and youth summer camps are currently bringing in revenue. Councilor Price stated adult fitness classes could be cut.

Council briefly discussed moving the adult fitness classes, but Staff stated the Aquatic Center and Grey School lacked adequate room.

Councilor Jones asked if there were any major maintenance expenses coming up at the Recreation Center. Staff said yes, especially if current services stay in that building long term. The center has to be closed during high winds because of structural issues. This fiscal year, the Capital Improvement Fund included \$125,000 for constructing sheer walls to support the building's wind load capacity and to replace some flooring.

Councilor Price asked for the Parks Board's position on Staff's recommendations. City Manager Estes explained that the Parks Board does not deal with budget matters. Director Cosby said she did discuss the Peer Community Analysis with the Parks Board.

City Manager Estes reminded Council to consider long-term sustainability of programs, services, staffing, and funding. This could mean reevaluating priorities or analyzing potential cuts to other departments that would have a positive impact on the General Fund.

Councilor Price believed the Promote Astoria Funds currently going to LCTC should be spent instead on outsourcing some of parks tasks. There is not much the City could do to negatively affect the tourism industry in Astoria. So the advertising funds should be cut for one year. Staff explained that this would free up some of Staff's capacity, but it would not net dollars. Also, Staff would have to verify that parks maintenance would be an eligible expense of those funds. City Manager Estes added that increases in room taxes and other revenues would bring in about \$100,000 more to the General Fund.

Mayor LaMear excused herself from the meeting at 10:57 am.

City Manager Estes recommended a follow up meeting be scheduled soon. Staff can provide Council with more information about the funding options. He asked if Council wanted any of the funding options removed from the list.

Councilor Price said none of the options should be dismissed until Council had considered them in more detail. Staff's recommendations are long-term solutions, but the City needs to deal with the budget for FY2017-2018 first.

Councilor Nemlowill believed Council should create a more manageable park system before considering increasing funding. Many of the funding options are valid, but they do not relate directly to parks. A food and beverage tax has nothing to do with parks and she did not believe the tax would be a fair burden to place on Astoria's small business owners.

Councilor Price asked if Councilor Nemlowill should recuse herself from speaking about a food and beverage tax if it were presented to Council for approval. She believed the tax would have a financial impact on Councilor Nemlowill because she worked at the grocery cooperative and co-owned Fort George Brewery.

City Manager Estes asked Council to come to a consensus on which funding options Staff should investigate.

Councilor Jones wanted Staff to look into a transient lodging tax because a portion of the Promote Astoria Fund can be used for parks maintenance. He also wanted more information about an operations levy, but he would not support a levy if it reduced school funding. The City should pursue a cemetery taxing district because people who live in the county benefit from the cemetery without paying taxes towards it. He also wanted to find out if a food and beverage tax would have a negative impact on businesses. He confirmed that cutting programs was not a policy decision and Staff just wanted to know which program cuts Council supported.

City Manager Estes understood Council was divided about cuts to athletic programs, but supported cuts to other programs like community events. Councilor Jones believed that giving Staff direction on cutting programs sends the community an important message that Council is taking action to address budget shortfalls. City Manager Estes reminded that Council needed to consider both the budget and long-term issues. Staff can provide more information about the funding options at a future meeting, but some funding options would take time to implement.

Councilor Brownson supported hiring contractors when it saves money. If Council decides to pursue a transient lodging tax, he wanted the City to be able to tell LCTC that while their funds were being cut temporarily, the City was also looking for ways to increase funds for their programs in the future.

City Manager Estes confirmed the draft budget would not recommend any cuts to LCTC because the City would need their support for an increase to the transient lodging tax. Council debated about how cutting tourism marketing funds may or may not affect tourism revenues in Astoria.


Councilor Jones wanted Council to consider long term funding options for capital improvement projects, including the sale of excess City-owned properties. He thanked Director Cosby for all her work to deal with the Parks Department's issues, which developed long before she began working for the City.

Councilor Nemlowill wanted Council to consider consolidating the services at the Aquatic Center and Recreation Center. She suggested a feasibility study be completed sooner than the six to nine years recommended in the Master Plan. If the City decides it will only use the Recreation Center for a few more years, the capital improvement projects can be postponed so that Staff can begin working on consolidation. Consolidating services into one building could help with the housing issue and provide better services for citizens.

ADJOURNMENT

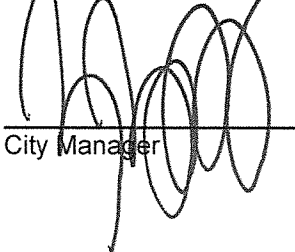
There being no further business, the meeting was adjourned at 11:15 am.

ATTEST:



Finance Director

APPROVED:



City Manager