

AGENDA

City of Hood River Budget Committee Meeting #2 Fiscal Year 2018-19 Budget

**Wednesday, May 2, 2018
City Council Chambers, 211 Second St.
The meeting will begin no earlier than 6:00pm**

1. CALL TO ORDER
2. APPROVAL OF MEETING MINUTES – April 25, 2018 Pages 2-6
3. GENERAL FUND
 - a. City Council
 - b. Municipal Court
 - c. Parking
4. GENERAL FUND/PUBLIC WORKS
 - a. Engineering
 - b. Parks
5. OTHER FUNDS
 - a. Road Fund
 - b. Water Fund
 - c. Sewer Fund
 - d. Stormwater Fund
 - e. Restricted Revenue Fund
 - f. Internal Service Fund
 - g. Reserve Fund
6. RECESS

Note: Public comment related to the FY 2018-19 Budget will be taken by the Budget Committee on Wednesday, May 9, 2018, no earlier than 7:30pm.

Note: All public meeting locations are handicapped accessible. Please let the City Recorder know if you will need any special accommodations to attend any meeting. Call (541) 387-5212 for more information. Oregon Relay Service 1-800-735-2900

**City of Hood River
Budget Committee Meeting #1
Fiscal Year 18/18 Budget
April 25, 2018**

Present: Paul Blackburn, Kate McBride, Susan Johnson, Peter Cornelisan, Becky Brun, Megan Saunders, Ross Brown, Dave Bick, Grant Polson, Christy Christopher

Staff: City Manager/Budget Officer Steve Wheeler, Finance Director/CMA Will Norris, Public Works Director Mark Lago, Police Chief Neal Holste Planning Director Dustin Nilsen Fire Chief Leonard Damian, Planning Director Dustin Nilsen, Administrative Services Officer Monica Morris, City Recorder Jennifer Gray

Absent: Mark Zanmiller

1. CALL TO ORDER – 6:02 p.m.

2. INTRODUCTIONS

3. ELECT OFFICERS

a. Chair

Motion: I move to nominate Ross Brown as Chair.

First: Bick

Second: McBride

Discussion: None

Vote: Motion passed

b. Vice-Chair

Motion: I move to nominate Christy Christopher as Vice Chair.

First: Bick

Second: Brown

Discussion: None

Vote: Motion passed

4. APPROVE BUDGET MINUTES – DATE

Saunders made a motion to approve the minutes of May 10, 2017. Blackburn second the motion.
– Motion passed.

5. PRESENTATION OF THE BUDGET MESSAGE

Wheeler presented the Budget Message for FY18/19. Currently there are 11 members on the Budget Committee. The committee's goal in this process is to vote to affirm budget approval. As the group reviews the budget, if there are proposed changes supported by the majority of the committee, Wheeler will keep a record of the changes to update the budget at the end of

the process, prior to approval. Wheeler stated the budget is currently balanced; that means in Oregon language, resources and requirements have been met. The General Fund contingency proposes \$328,000. The General Fund ending fund balance proposal increase by \$150,000. He stated the City finances are in good shape. Staffing numbers for the City is at 66. This is the highest number since FY2008-09. In the last year, the City has increased staffing by one at the Fire Station. The Police Department is in the process of hiring a new police officer. Wheeler stated out of the eight different funds, the storm water fund is in the worst shape. This has been discussed before. It has weak revenues and has continued to be underfunded.

The City is in a very fortunate position to be in, with finances. The City has a broad base of revenues and in the past 10 years had a very fiscally prudent direction from a resolution that was adopted. That is portrayed in the budget situation.

6. THREE-YEAR FORECAST

Norris presented the three-year forecast. Norris noted in the expenditures there is a personal forecast that has been revised down, from what is in the budget book due to a calculation error.

Norris has corrected this, taken it out and it actually improves the budget. The City is required to do the three-year forecast by the approved budget resolution. There are 18 requirements in the resolution. Norris explained they will also continue to make changes, always making adjustments, looking at actuals and reassessing situations and correcting overtime. The composition of the expenditure line is like any other local government, focusing on personal services because the City is a service organization. Materials and services are considered to stay with inflation. Norris explained what makes up the personnel forecast. It is all based off the assumption that is put into the model; excising staffing and carry it forward. PERS increases are also factored. Current employee costs and contracts are carried forward.

Norris reviewed revenues. The budget has five major revenue sources; property taxes, unrestricted transient room taxes, franchise fees (includes utility charges), ambulance billing and parking revenues. Norris reviewed the trends for the five revenue sources. All of the assumptions together create a growing revenue trend. Staff is always checking the assumptions, actuals and making updates when the assumptions do not hold.

7. INTRODUCTION OF OPTIONAL NEW PROGRAMS

Wheeler stated this year the optional new programs document has been added to the budget document. These are in the proposed budget. They can be taken out or modified. Items included in the City Managers 2018-19 Proposed Budget: Parking Study for downtown, Full-time Planning Assistance, Summer Road/Parks Extra-Help, Quarterly Newsletter, Fire Admin Assistance, Lean Process Improvement Study, Contract Engineering Assistance, Police Space Needs Analysis and Utility Rate / SDC Plan Update.

Additional items for Budget Committee consideration: Downtown Clean Team, Cale Parking Machines, Collins Field Concession Stand, Management Analyst, Cottonwood Storm Pipe, Columbia Area Transit and Hood River Shelter Services.

8. GENERAL FUND DISCUSSION

a. Police Program

Chief Holste presented an overview of his department. One change in staffing this past year; patrol officer promoted to a lieutenant. This position has been a great help to Holste.

The revenues received from marijuana sales has shown to be sustainable to hire an additional patrol officer. A conditional job offer has been made. Call for service increased 12% in the past year. Calls trending very high on alcohol related incidents.

The police department has continued to be involved with in the community. They continue participated in *Shop with a Cop* program and they will begin a new event called *Coffee with a Cop* at local coffee shops. The department will be there to answer questions; there is no agenda. The department has had an increase in social media response.

Rates for time to respond are still low. Code enforcement is definitely experiencing an increase. Currently Code Enforcement Officer Marty Morgan is doing both code enforcement and parking. The temporary summer help for parking enforcement helps with Morgan's workload on code enforcement during the summer season.

Holste explained the increase in Contact Services by \$5,300; improvement of storing evidence and information. All other items in his budget for FY18-19 are status quo. He did some minor shifting in different categories.

b. Fire Program

Chief Damian presented an overview of his department. He thanked the group for allowing him to hire two additional positions. It has been very important to the department and has made a large impact. They have had a busy year and last September was extremely busy with the Indian Creek Fire and multiple structure fires in the City and across the river. This year's ask is for an administrative assistant; 8 hours a week. The loss of Kip Miller position last September has not gone unnoticed. The administrative help would free up staff to do their fire and EMS duties. Goals for the coming year; develop use of City GIS data and access to improve pre-fire planning process, provide training and support systems for individual employee performance and development, and develop new HRFD policies and procedures that align with both COHR employee handbook, known compliance standards.

Damian reviewed the changes to address overtime costs in the budget. One of the ambulance vehicles will be replaced. The care unit will be taken off and placed on a new vehicle. This will save the City \$125,000 rather than purchasing an entirely new ambulance. This is allowed to be done to an ambulance vehicle once.

The difficulties of recruiting and retaining volunteers at the fire department and other Hood River fire districts was discussed. It is a nationwide issue.

Damian stated in regards to EMS, in 2016 16% of the departments calls were overlapping. In 2017, that percentage increased to 20%. He is having difficulty with the reporting software and cat system that is operated through the 911 center; how to rectify

when they do not take calls for service. They need to account for what call they are not taking. He is working on improving that information.

The current staffing minimum is three firefighters on duty a day. Three firefighters on shift cannot run two ambulances. When the new hire from March has completed his training period, there will be a discussion about what that staffing looks like going from 3 to 4. This would allow them to consistently run two ambulance calls 24/7. His hope is this will drive up revenue and capture their calls for service for the citizens of Hood River.

c. Planning

Nilsen presented an overview of the Planning Department. In November, City Council adopted their top tier goals all of which are related to Planning related goals; parking, housing and Westside Concept. A goal for this year is to transition the temporary Admin Technical Assistance into a full time position. With that comes the honor and responsibility to tackle the Short Term Rental program. In order to justify this expansion of salary by 20%, this is what we see happening to make it happen. He stated it is a critical position to be attentive to the walk-in public, but also to keep the technical staff and defend planning staff's desk time from distractions. He expects to see the department's workload to continue to be very busy. The Westside Concept Plan is their heaviest lift and planning effort. STR will now be their operational procedure. They are still in court regarding Lot 700. Once that manages away from court, will become a land use application.

d. Non-Departmental

Wheeler stated non-departmental is the program where all non-departmental specific General Fund revenues are recognized. This includes property tax, transient room tax, intergovernmental revenues received from the state of Oregon and monies transferred into the General Fund. Expenses are minimal and include items like City contributions/donations, contractually required annexation related remittances to Westside Fire District, external communications contract, and other senses that cannot be attributed to a single department but are also not general administration.

FY2018-19 includes the following significant changes:

1. The legally restricted portion of TRT (25%) dedicated to tourism promotion is removed from the General Fund. These revenues and expenses are now accounted for in the Restricted Revenue Fund, titled "Tourist Promotion".
2. The previously separated fund balances from Parking, Emergency Medical Services, Engineering and Municipal Court are returning to the General Fund.
3. A one-time transfer out to fully fund Equipment Replacement is budgeted in the amount of \$888,743.

The next budget meeting will be held on Wednesday, May 2 at 6pm. Public Works Director Mark Lago will be discussing Road, Fund, Water Fund, Sewer Fund, Stormwater Fund, Misc. Restricted Fund, Reserve fund, Internal Service Fund and Parks.

9. Recess – 7:45 p.m

Ross Brown, Chair

Jennifer Gray, City Recorder

Approved by Budget Committee on _____