

AGENDA

City of Hood River Budget Committee Meeting #3 Fiscal Year 2018-19 Budget

Wednesday, May 9, 2018
City Council Chambers, 211 Second St.
The meeting will begin no earlier than 7:00pm

1. CALL TO ORDER
2. APPROVE BUDGET MINUTES – May 2, 2018 Pages 2-5
3. DISCUSSION ITEMS – ADJUSTMENTS TO PROPOSED BUDGET
 1. Optional Programs Proposed by Staff
 2. Non-profit Financial Assistance Requests
4. PUBLIC HEARINGS
 - STATE SHARED REVENUE
 1. Hold Public Hearing
 2. Suggested Motion: “I move that state revenue sharing money be used for the purposes shown in the proposed FY 2018-19 Budget.”
 - PROPOSED BUDGET
 1. Hold Public Hearing
5. FINAL DELIBERATIONS
6. APPROVE FY 2017-18 BUDGET
Suggested Motion: “I move to approve the proposed FY 2018-19 budget as submitted by the Budget Officer with the adjustments as discussed.”
7. APPROVE PROPERTY TAX LEVIES.
Suggested Motion: “I move to approve taxes for the FY 2018-19 fiscal year, at the rate of \$2.8112 per \$1,000 of assess value for operating purposes in the General Fund, and \$722,351 for the Fire General Obligation bond levy for payment of principal and interest.”
8. ADJORN

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 #2
Fiscal Year FY2018/19 Budget
May 2, 2018**

Present: Paul Blackburn, Kate McBride, Susan Johnson, Peter Cornelisan, 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, Administrative Services Officer Monica Morris, City Recorder Jennifer Gray

Absent: Mark Zanmiller, Becky Brun

9. CALL TO ORDER – 6:00 p.m.

10. APPROVE BUDGET MINUTES – DATE

McBride made a motion to approve the minutes of April 25, 2018. Christopher second the motion. – Motion passed.

3. GENERAL FUND

Wheeler stated this is a continued meeting to review the City's FY2018-19 budget. Wheeler will be finishing a few items from the General Fund. He stated either later tonight or at the next week's meeting the committee will need to discuss the Additional Items to be consider; page 15 of the budget document.

a. City Council

Wheeler reviewed the figures under City Council. Mayor Blackburn noted he will be bring up the idea at Goal Setting whether to consider if it would make sense to pay Councilors and the Mayor more money. Christopher agreed. Wheeler stated the rate of pay for Mayors and Councilors in the State of Oregon varies greatly, since there are no guidelines. He will add this to the Goal Setting list.

Christopher stated in regarding to the newsletter cost for the year \$6,463 seems high. Norris noted Pageworks would be creating the content in the newsletters, as well as sending it out.

b. Municipal Court

Norris stated there are no big changes to Municipal Court.

c. Parking

Lago reviewed parking. Currently they are updating all of the Cale machine doors. This update will allow customers to pay with their phone. He stated one of the add packages is proposing the removal of all remaining parking meters and replacing them with Cale machines. Lago explained the Cale machines require less maintenance and

they do not require the frequent removal of money like the parking meters. The parking meters also require a lot of time drying coins in the colder weather months, before they can go to the bank.

There was discussion regarding the add package proposal of the Cale Machines \$217,000. After further discussion, the committee agreed to revisit this later for a final decision on how to proceed.

4. GENERAL FUND/PUBLIC WORKS

a. Engineering

The Engineering program consists of a contract services arrangement with Bell Design Company and a percentage allocation of the Public Work's Project Mangers expense. Formally contained in the Restricted Revenue Fund, the Engineering program is returned to the General Fund in FY2018-19. This is where the program was budgeted prior to FY2015-16. There was discussion regarding possible SDC changes in the coming future.

b. Parks

The City has 19 parks/open spaces to maintain. This funds three temporary full time workers to help during the summer season. Lago spoke about the current concession stand at Collins Field. One of the add packages is to build a new concession stand; page 16. The new concession stand would be placed in a location that it could be utilized by Collings Fiend and Jackson Park. Bick noted the Collins Field concession stand has been a project reviewed by the Rotary Club/Service Committee. Bick stated if the City bought the materials and placed the foundation, Rotary could possible assist with building it.

5. OTHER FUNDS

a. Road Fund

Lago reported on the Road Fund. The Road Fund provides all maintenance in the public right of way including streets and alleys (paved and gravel, sidewalks (only adjacent to City owned property), curb & gutters, signs, painting, thermoplastic, stripping, snowplowing, snow removal from City owned sidewalks, tree trimming, tree removal & care, classic lights, banners, holiday lights, State Street restroom, street benches, landscaping, vehicles and equipment. There is 64 city single lane miles, 42 ODOT single lane miles and six ODOT traffic lights. Goals for FY2018-19; trim all the vegetation in the public right of way to the HRMC height and set back limitations, concert all the City's classic lights fixtures to LED bulbs, complete the scheduled paving management for 2018-19 and traffic signal at 2nd Street and Oak (final design and construction was carried over from FY2017-18.

Lago stated spoke about SDC funds for the intersection of Rand and Cascade. If they do not use all of the money for design, acquisition and engineering the matching money will go towards construction. There is \$650,000 for the intersection at 2nd and Oak Street.

b. Water Fund

Lago stated it has been four years since the main transmission line was completed; 20 miles. The Water Fund provides all maintenance and repairs to the City owned water

system. Goals; insure the water is clean and safe to drink, install remote sensors on pressure reducing valves (phase goal until completed), have all backflow devices tested annually to protect the public water system, increase water pressure and flow in the Sherman Avenue and Serpentine area, increase water pressure and flow in the Sherman Avenue area.

c. Sewer Fund

This fund has two related but distinct operating domains. The Sewer Fund provide all maintenance and repairs to the City owned sewer system including alongside the City limits, areas in the Urban Growth Area and including the High School, Windmaster corner and the Airport. There is 55 miles of sewer mains. Goals: spend 12 weeks per year cleaning 20% of the City sewer mains, clean the 5 priority sewer mains 3 times a years, video 10 miles of City sewer mains per year to identify problem areas, improve the UV system at the WWTP, upgrade the existing digester and support building at the WWTP and improve and update the sewer pipe between Jaymar and Wasco Court.

d. Stormwater Fund

The Storm Fund provides all maintenance and repairs to the City owned storm system inside the City limits. There are 64 single lane miles of streets that need sweeping which is preventative maintenance on the Storm Water collection system and approximately 45 miles of storm mains and catch basin laterals. This fund is anticipating significant review and development of an updated comprehensive Storm Water Management Plan and Storm Water Capital Facilities Plan. Goals; keep the City streets clean of debris, clean 25% of City storm water mains and catch basins and complete the Storm Water Capital Facility Plan (carry over from FY2017-18).

e. Restricted Revenue Fund

Norris presented information for the Restricted Revenue Fund. The Restricted Revenue Fun accounts for the receipt and expenditure of legally or contractually restricted dollars. Revenues into these accounts may only be used for their intended purposes and cannot be transferred into another fund. Sub-funs within the restricted revenue funds include: building program (contracted through Clair Company), Local Improvement District Assessments, Small Grants, Fire Station General Obligation Bond Debt Services, Tourist Promotion Fund and Construction Excise Tax.

f. Internal Service Fund

Wheeler stated this fund has four parts to it; Administration, Finance, Information Technology and Legal.

Councilor Saunders asked for the hourly rate Pageworks charges. Norris will get their costs and report to the committee.

Equipment Maintenance is under the Internal Service Fund. The equipment maintenance sub-fun provides all maintenance and repairs to vehicles, rolling stock and numerous light equipment. Revenue to the program comes from charges for service to client departments. The hourly service charge for the City Mechanic for FY2018-19 is \$70, the same as the previous year. Vehicles parts are charged to the client departments at cost.

Equipment Replacement Fund also falls under this fund. Norris stated this policy was adopted from Resolution 2007-20 directing the City to maintain a replacement schedule of all vehicles and large equipment. Norris explained the calculations and process implemented for the replacement schedule. Norris stated the fund would now be fully funded. This will now be the opportunity to merge everything at the same starting point, 100% funded in the internal service fund from now on out. There will be charges of a fair lease cost to everyone based on usage on a go forward bases. See page 154 in the budget document. Norris explained all City vehicles will now be owned by the Internal Service Fund. They will be rented out on an annual bases to the departments using the vehicles and equipment. This fund will have funds to go towards future vehicles. This fund will have half the value of all the vehicles in the fund balance. It will be a source of funds they can reliability borrow from. The City will not have to borrow from the bank. Instead of borrowing from the bank, they will be paying interest to themselves, back into the fund which further reduces lease costs.

g. Reserve Fund

The Reserve Fund has several funds; Parking in Lieu, PERS Stabilization, Affordable Housing Revenue, Compensated Absences and Equipment Replacement Reserve. As of right now, there is around \$10,000 in the parking in lieu of fund. The PERS Stabilization fund was created FY2016-17. They have not used it. The City has been able to fund itself on existing revenues. This is accumulating interest and growing slightly. The Affordable Housing Fund, previously known as Miscellaneous Revenues was established to separately track proceeds from miscellaneous dedicated monies. In FY2016-17, City Council allocated \$100,000 for Affordable Housing Initiatives into this account. For FY2018-19, the small remaining balances associated with Overlook Memorial Park Brick Program and Oregon Community Foundation Grants will be transferred to the newly created Small Grants account in the Restricted Revenue Fund, leaving only the \$100,000 set aside for affordable housing. Compensated Absences Fund is based on a formula to start saving incase the City has several employee that have large balances leave the City. Last year's contributions were good enough to keep this fund fully funded. Norris will be working to make some adjustments to address foreseen issues with the variation in employee leave balances. The Equipment Replacement Reserve Fund is fully funded, consolidated with the Public Works equipment replacement accounts and modified to be part of the Internal Service Fund on an ongoing basis.

Wheeler stated the next City Budget will be held Wednesday, May 9 at 7:00pm. The Urban Renewal Agency Budget Meeting will begin at May 9 at 6:00pm.

6. RECESS/ADJORN – 8:32 p.m

Ross Brown, Chair

Jennifer Gray, City Recorder

Approved by Budget Committee on _____