

# MINUTES OF THE PROCEEDINGS OF THE CITY OF COOS BAY BUDGET COMMITTEE

April 10, 2018

The minutes of the proceedings of a meeting of the City of Coos Bay Budget Committee held immediately following the City of Coos Bay Urban Renewal Agency Budget Committee meeting held at 6:00 pm in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

## **Those Attending**

Committee Members attending were Joe Benetti, Curt Benward, Melissa Cribbins, Lucinda DiNovo, Drew Farmer, Harold (Ken) Folker, Jennifer Groth, Steve Horne, Stephanie Kilmer, Stephanie Kramer, Phil Marler, Roy Metzger, Joe Monahan and Patrick Terry. City staff present were City Manager Rodger Craddock, Finance Director Susanne Baker, Interim Deputy Finance Director Nicki Rutherford, Finance Assistant Melissa Olson, Fire Chief Mark Anderson, Library Director Sami Pierson, ESO Coordinator Jennifer Croft, Police Chief Gary McCullough, Police Captain Chris Chapanar, and Public Works and Community Development Director Jim Hossley.

## **Election of Officers**

Committee Member DiNovo nominated Jennifer Groth as Chair. Committee Member Benward seconded the motion which carried with Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Groth, Horne, Kilmer, Kramer, Marler, Metzger, Monahan and Terry voting aye.

Committee Member DiNovo nominated Roy Metzger as Vice-Chair. Committee Member Kramer seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, Monahan and Terry voting aye.

Committee Member Kramer nominated Drew Farmer as Secretary. Committee Member Marler seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, Monahan and Terry voting aye.

## **Public Comments**

No comments were made.

## **Presentation of the Budget Message by Budget Officer Rodger Craddock**

City Manager Rodger Craddock reviewed the budget message as attached and hereby made a part of the record. City Manager Craddock reported the fiscal year (FY) 2018-2019 proposed budget totaled \$69,192,245 which included \$13,509,817 in wastewater capital improvements and noted the budget was based on conservatively estimated revenues with expenditures based on actual experience and incremental increases and/or decreases as needed. Reserve Funds were maintained at adequate funding levels in accordance to accepted accounting practices. City Manager Craddock provided a general overview of the budget funds and categories. Significant highlights of the proposed budget included Personnel Costs – Salaries and Benefits for the four different segments of the City's workforce: employees represented by

the American Federation of State, County and Municipal Employees (AFSCME), Coos Bay Police Officer's Association (CBPOA), International Association of Firefighters (IAFF), and non-represented (management) employees. Projected personnel costs included 1% cost of living adjustment (COLA) for IAFF, 2.5% for AFSCME, and 3% for CBPOA. Personnel expenses comprised 18% of the total City operating budget, with salaries comprising 62% and benefits comprising 38% of personnel expenses. The FY 2018-2019 proposed budget reflected a 5.1% medical/vision, 1.66% dental increase in employee insurance cost over the FY 2017-2018 budget and no increase in PERS rates.

Operationally, department heads submitted a budget reflecting a status quo budget from the previous year with small increases to account for inflation or the need to replace critical items; estimated General Fund carryover for fiscal year 2018-2019 was \$3,025,000; reserved to maintain the General Fund over a four month period in which no substantial revenues were received.

City Manager Craddock stated through balancing measures taken by Council and staff, the proposed budget projected a general fund unappropriated ending fund balance higher than the prior year. As a balancing measure, the proposed 2018-2019 budget included increases in service contracts and fees. Projected property tax revenue reflected a slight increase in the growth in property assessments; anticipated an approximate 2% increase in property tax revenue over the 2017-2018 budget year. The Wastewater Fund proposed budget reflected a 6.4% rate increase to meet the demands for improvements and \$13,509,817 in loan and grant proceeds used to undertake identified projects in the wastewater construction in progress (CIP).

#### **Public Hearing - Citizen Input on the Use of State Revenue Sharing Funds**

A public hearing notice was published April 4, 2018 in The World newspaper and provided an opportunity for public comments during the April 10, 2018 Budget Committee Meeting. Chair Groth opened the public hearing and invited citizen input on the use of State Shared Revenue funds. No public comments were given and the hearing was closed.

#### **Review of Proposed Budget for Fiscal Year 2018/2019**

##### **General Fund**

The Budget Committee reviewed the summary pages and the City of Coos Bay General Fund (01) by Department as follows:

##### **City Council**

The Budget Committee reviewed the City Council Department (100), no changes were made.

Committee Member Farmer exited the meeting at 6:51 p.m. and re-entered at 6:52 p.m.

##### **City Manager**

The Budget Committee reviewed the City Manager Department (120), no changes were made.

### Finance

The Budget Committee reviewed the Finance Department (130), no changes were made.

### City Attorney

The Budget Committee reviewed the City Attorney Department (140), no changes were made.

### City Hall

The Budget Committee reviewed the City Hall Department (170), no changes were made.

### Community Contributions

Committee Member Farmer recused himself declaring a conflict of interest stating he worked for the Mental Health Association of Southwestern Oregon.

The Budget Committee accepted the Community Contributions Department (180), page 18, as proposed by staff which consisted of \$10,000 to the Boys and Girls Club; \$4,000 to Coos County Area Transit; \$2,500 to Southwestern Oregon Veterans Outreach; \$2,500 Coos Bay Area Habitat for Humanity; \$2,000 to Coos Cares; \$2,000 to T.H.E. House; \$2,000 to the Bob Belloni Ranch; \$1,500 Bay Area Hospital Kids' HOPE Center; and \$1,500 to Mental Health of Southwestern Oregon.

### Non-Departmental and Other Financing Sources

The Budget Committee reviewed Non-Departmental Department (190) and Other Financing Uses (195), no changes were made.

### Police Department

The Budget Committee reviewed Police Division (240), Police Communications Division (242), and Codes Enforcement Department (243), no changes were made.

### Fire Department

The Budget Committee reviewed the Fire Department (261), no changes were made.

Committee Member Farmer exited the meeting at 7:47 p.m. and re-entered at 7:50 p.m.

### Public Works & Community Development

The Budget Committee reviewed the Public Works and Community Development Departments (301), (302), (305) and (306), no changes were made.

Committee Member Kramer exited the meeting at 7:55 p.m. and re-entered at 7:57 p.m.

### State Gas Fund

The Budget Committee reviewed the State Gas Tax Fund 2 Maintenance Department (320), no changes were made.

### **Wastewater Fund**

The Budget Committee reviewed the Wastewater Fund 3, Departments (350), (351), (352), (353), and (355), no changes were made.

### **Hotel / Motel Fund**

The Budget Committee reviewed the Hotel/Motel Tax Fund 5. Committee Member Kramer redlined Hotel/Motel Tax Fund Expenditures, Department (410), page 77, line item 520-2410, Boat Building Center (Tall Ships).

### **Library Fund**

The Library budget was funded by the Library Service Taxing District and was reviewed by the Coos Bay Library Board and the Coos County Board of Commissioners. The Budget Committee reviewed the Library Fund 7, no changes were made.

### **Building Codes Fund**

The Budget Committee reviewed the Building Codes Fund 8, no changes were made.

### **9-1-1 Tax Fund**

The Budget Committee reviewed the 9-1-1 Tax Fund 10, no changes were made.

### **Debt Service Funds**

The Budget Committee reviewed the General Obligation Bond Fund 11, and the Revenue Bond Fund 12, no changes were made

### **Library ESO Fund**

The Coos County Library Service District - Extended Service Office (CCLSD - ESO) budget was funded by the Library Service Taxing District and was reviewed by the Coos County Board of Commissioners. The Budget Committee reviewed the CCLSD - ESO Fund 14, no changes were made.

### **Capital Improvement Funds**

The Budget Committee reviewed Special Improvement (LID) Fund 15, Street Improvement Fund 16, Parks Improvement Fund 17, Bike/Pedestrian Path Fund 18, Transportation SDC Fund 19, Wastewater SDC Fund 20, and Stormwater SDC Fund 21, no changes were made.

Chair Groth stated the City Council wanted the Budget Committee to advise on a possible \$5.00 transportation utility fee added to the water bills for street improvement. Committee Members stated concerns of an increase, but agreed on the need for funding street improvements. Consensus of the Budget Committee was to impose a \$5 street utility fee.

Committee Member Cribbins exited the meeting at 8:59 p.m. and re-entered at 9:01 p.m.

Committee Member Metzger exited the meeting at 9:04 p.m. and re-entered at 9:06 p.m.

## **Reserve Funds**

The Budget Committee reviewed the Fire Station Reserve Fund 27; Wastewater Improvement Fund 29; Major Capital Reserve Fund 34; Jurisdictional Exchange Streets Reserve Fund 39; Technology Reserve Fund 40; County-wide CAD Core Reserve Fund 41; and the Rainy Day Reserve Fund 42, no changes were made.

Committee Member Kilmer exited the meeting at 9:10 p.m. and re-entered at 9:12 p.m.

Committee Member DiNovo exited the meeting at 9:15 p.m. and re-entered at 9:17 p.m.

Committee Member Farmer exited the meeting at 9:22 p.m. and re-entered at 9:23 p.m.

## **Review of Redlined Budget Items**

Committee Member Kramer redlined Hotel/Motel Tax Fund Expenditures, Department (410), page 77, line item 520-2410, Boat Building Center (Tall Ships). Committee Member Kramer stated she redlined the item to appropriate funds to the Boat Building Center for the Tall Ships. Committee Member Monahan moved to approve \$5,000 to line item 520-2410, Boat Building Center (Tall Ships), and reduce line item 560-6001, Contingency, by equal amount. Committee Member DiNovo seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Kilmer, Kramer, Marler, Metzger, Monahan, and Terry voting aye. Committee Member Horne was absent.

Committee Member Horne exited the meeting at 9:29 p.m. and re-entered at 9:31 p.m.

## **Approval of Permanent Tax Rate**

Committee Member Benward moved to approve imposing the City's maximum permanent tax rate of \$6.3643 per \$1,000 taxable assessed value for fiscal year 2018-2019. Committee Member Metzger seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, Monahan, and Terry voting aye.

## **Approval to Impose General Obligation Bonded Debt**

Committee Member Marler moved to approve imposing the general obligation bonded debt amount of \$546,834. Committee Member Metzger seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, Monahan, and Terry voting aye.

## **Approval of the Fiscal Year 2018-2019 Budget**


Committee Member Metzger moved to approve the Fiscal Year 2018-2019 City of Coos Bay budget as amended and forward to the Coos Bay City Council for adoption at the June 5, 2018 City Council meeting. Committee Member Farmer seconded the motion which carried with Chair Groth and Committee Members Benetti, Benward, Cribbins, DiNovo, Farmer, Folker, Horne, Kilmer, Kramer, Marler, Metzger, Monahan, and Terry voting aye.

**Adjourn**

There being no further business the meeting was adjourned.

Attest:

  
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Drew Farmer, Secretary

  
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Jennifer Groth, Chair