

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

**April 11, 2019**

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 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

### **Those Attending**

Committee Members attending were Joe Benetti, Curt Benward, Lucinda DiNovo, Drew Farmer, Harold (Ken) Folker, Steve Horne, Stephanie Kilmer, Phil Marler, Carmen Matthews, Rob Miles, Joe Monahan and Patrick Terry. Committee Members Melissa Cribbins and Roy Metzger were absent. City staff present were City Manager Rodger Craddock, Finance Director Nichole Rutherford, Deputy Finance Director Melissa Olson, Fire Chief Mark Anderson, Battalion Chief Jeffery Adkins, Library Director Sami Pierson, Police Captain Chris Chapanar, and Public Works and Community Development Director Jim Hossley.

### **Election of Officers**

Committee Member Monahan nominated Phil Marler as Chair. Committee Member Farmer seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Matthews, Miles, Monahan, Terry. Absent: Cribbins, Metzger.

Committee Member DiNovo nominated Joseph Monahan as Vice-Chair. Committee Member Kilmer seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Matthews, Miles, Monahan, Terry. Absent: Cribbins, Metzger.

Committee Member DiNovo nominated Stephanie Kilmer as Secretary. Committee Member Benward seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Matthews, Miles, Monahan, Terry. Absent: Cribbins, Metzger.

### **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 to the proposed budget and hereby made a part of the record. City Manager Craddock reported the fiscal year (FY) 2019-2020 proposed budget totaled \$61,663,526 which included \$11,584,620 in wastewater capital improvements, \$2,182,039 for street improvements, and \$2,017,200 for capital sidewalk 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 1.5% cost of living adjustment (COLA) for IAFF, 2.5% for AFSCME, 2.5% for CBPOA, and 2% for management. Personnel expenses comprised 21% of the total City operating budget, with salaries comprising 61% and benefits comprising 39% of personnel expenses. The FY 2019-2020 proposed budget reflected a 3% medical, vision and dental increase in employee insurance cost over the FY 2018-2019 budget and an increase of 11% 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 2019-2020 was \$2,560,000; reserved to maintain the General Fund over a four-month period in which no substantial revenues were received.

City Manager Craddock stated projected property tax revenue reflected an increase in the growth in property assessments; anticipated an approximate 2.5% increase in property tax revenue over the 2018-2019 budget year and a decrease of 5% in proposed uncollectable amounts. The Street Improvement Fund included an additional \$950,000 in estimated revenue dedicated to street maintenance from the Transportation Utility Fee (TUF). The Wastewater Fund proposed budget reflected a 6.5% rate increase to meet the demands for improvements and \$11,584,620 in loan and grant proceeds used to undertake identified projects in the wastewater construction in progress (CIP). The Hotel/Motel Fund reflected an increase of 2.5% rate increase in the transient lodging tax. The proposed budget also projected a \$99,000 decrease in franchise fees based on an anticipated Pacific Power & Light rate reduction.

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

A public hearing notice was published April 1, 2019 in The World newspaper and provided an opportunity for public comments during the April 11, 2019 Budget Committee Meeting. Chair Marler 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 2019-2020**

#### **General Obligation Bonds Tax Levy Computations**

The Budget Committee reviewed General Obligation (GO) Bonds Tax Levy Computations. Committee Member Benetti redlined line item GO Bonds Tax Levy Less Uncollectible (10%), page 3.

#### **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.

### City Manager

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

### Urban Renewal Administration

The Budget Committee reviewed the Urban Renewal Administration Department (121), 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.

Committee Member Farmer declared a possible conflict of interest stating he was Director at Bay Area Enterprises which provided janitorial services to the City at various buildings. City Manager stated the contract existed prior to Mr. Farmer working at Bay Area Enterprises, as a contractual item which did not pay Mr. Farmer, so it was not a conflict of interest.

### Community Contributions

Committee Member Miles declared a possible conflict of interest stating he was the Resource Development Officer at the Boys and Girls Club of Southwestern Oregon. City Manager stated the City had provided \$10,000 to the Boys and Girls Club for a number of years in support of summer youth programs and it did not provide any compensation to Mr. Miles, so it was not a conflict of interest.

The Budget Committee accepted the Community Contributions Department (180), page 18, as proposed by staff which consisted of \$10,000 to the SWOYA Boys and Girls Club; \$10,000 Coos Bay Area Habitat for Humanity; \$5,000 to Coos Cares; \$3,000 Bay Area Hospital Kids' HOPE Center; and \$1,800 to Mental Health of Southwestern Oregon.

### Non-Departmental

The Budget Committee reviewed Non-Departmental Department General Fund 01. Committee Member Benetti redlined Non-Departmental Expenditures, Department (190), page 19, line item 520-2320, Library Building Maintenance.

### Other Expenditures

The Budget Committee reviewed Other Expenditures Department General Fund 01. Chair Marler redlined Other Expenditures, Department (195), page 20, line item 550-5026, Revenue Bond Fund (CH Seismic Payment).

### Police Department

The Budget Committee reviewed Police Administration & Operations Department General Fund 01. Chair Marler redlined Police Administration & Operations Expenditures, Department (240), page 21, line item 520-2221, SCINT.

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

### Fire Department

The Budget Committee reviewed the Fire Department General Fund 01. Committee Member Miles redlined Fire Department Expenditures, Department (261), page 25, line item 520-2207 Special Depart Supplies/Emergency Mgmt.

### Public Works & Community Development

The Budget Committee reviewed the Public Works and Community Development Department – Planning Division (301), Public Works and Community Development Department – Engineering Division (305) and Public Works and Community Development Department – Parks Division (306), no changes were made.

### 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; Administration Department (350), Plant 1 Department (351), Plant 2 Department (352), Collections/Sanitary Department (353), and Collections/Stormwater Department (355), no changes were made.

### Hotel / Motel Fund

The Budget Committee reviewed the Hotel/Motel Tax Fund 5.

Committee Member Matthews exited the meeting at 8:37 p.m.

### 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, no changes were made.

The Budget Committee reviewed the Revenue Bond Fund 12. Chair Marler redlined Revenue Bond Resources, page 51, line item 390-2000, Transfer from General Fund for CH Seismic Loan and Revenue Bond Expenditures, Department (610), line item 540-4015, Principal City Hall Seismic Loan from URA 2011 and line item 540-4016, Interest City Hall Seismic Loan from URA 2011.

Committee Member Monahan exited the meeting at 8:48 p.m. and re-entered at 8:50 p.m.

### **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.

The budget committee meeting took a break at 8:52 p.m. and returned at 9:00 p.m.

### **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.

The Budget Committee reviewed Street Improvement Fund 16. Committee Member Kilmer stated Street Improvements Resources, page 57, line item 380-0700, Transportation User Fee title should be Transportation Utility Fee.

### **Reserve Funds**

The Budget Committee reviewed the Fire Station Reserve Fund 27. Finance Director Nichole Rutherford stated the fund would be brought to City Council for approval to repurpose and rename the Fire Station/Equipment Reserve Fund 27 for reporting and transparency.

The Budget Committee reviewed the 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.

### **Review of Redlined Budget Items**

Chair Marler redlined Other Expenditures, Department (195), page 20, line item 550-5026, Revenue Bond Fund (CH Seismic Payment). Chair Marler stated the Urban Renewal Agency

(URA) Budget Committee had approved forgoing the final two (2) payments to URA from the City of Coos Bay. Committee Member DiNovo moved to reduce line item 550-5026, Revenue Bond Fund (CH Seismic Payment) to zero (\$0) dollars and corresponding Revenue Bond Resources, page 51, line item 390-2000, Transfer from General Fund for CH Seismic Loan; Revenue Bond Expenditures, Department (610), line item 540-4015, Principal City Hall Seismic Loan from URA 2011; and line item 540-4016, Interest City Hall Seismic Loan from URA 2011. Committee Member Kilmer seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Miles, Monahan, Terry. Absent: Cribbins, Matthews, Metzger.

Committee Member Benetti redlined Non-Departmental Expenditures, Department (190), page 19, line item 520-2320, Library Building Maintenance. Committee Member Benetti stated he redlined the item to appropriate funds for needed building maintenance. Committee Member DiNovo moved to approve an increase of \$10,000 for a total of \$15,000 to line item 520-2320, Library Building Maintenance, from reduced line item 550-5026, Revenue Bond Fund (CH Seismic Payment). Committee Member Farmer seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Miles, Monahan, Terry. Absent: Cribbins, Matthews, Metzger.

Chair Marler redlined Police Administration & Operations Expenditures, Department (240), page 21, line item 520-2221, SCINT. Chair Marler stated he redlined the item to appropriate funds for SCINT to continue the program. Committee Member Kilmer moved to approve \$25,000 to line item 520-2221, SCINT, from reduced line item 550-5026, Revenue Bond Fund (CH Seismic Payment). Committee Member Benward seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Miles, Monahan, Terry. Absent: Cribbins, Matthews, Metzger.

Committee Member Miles redlined Fire Department Expenditures, Department (261), page 25, line item 520-2207 Special Depart Supplies/Emergency Mgmt. Committee Member Miles stated he redlined the item to appropriate funds for additional disaster preparedness emergency management supplies. Committee Member Miles moved to approve an increase of \$26,800 for a total of \$46,800 to line item 520-2207, Special Dept Supplies/Emergency Mgmt, from reduced line item 550-5026, Revenue Bond Fund (CH Seismic Payment). Committee Member DiNovo seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Miles, Monahan, Terry. Absent: Cribbins, Matthews, Metzger.

Committee Member Benetti redlined line item GO Bonds Tax Levy Less Uncollectible (10%), page 3, to reduce to 5%. City Manager Rodger Craddock stated the motion to impose the General Obligation Bonded Debt would decrease the amount to 5% uncollectible.

### **Approval of Permanent Tax Rate**

Committee Member Farmer moved to approve imposing the City's maximum permanent tax rate of \$6.3643 per \$1,000 taxable assessed value for fiscal year 2019-2020. Committee Member Kilmer seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Miles, Monahan, Terry. Absent: Cribbins, Matthews, Metzger.

**Approval to Impose General Obligation Bonded Debt**

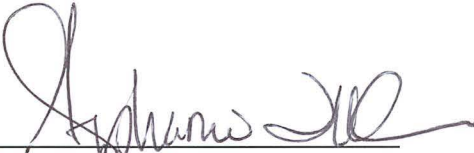
Committee Member Horne moved to approve imposing the general obligation bonded debt amount of \$516,114. Committee Member DiNovo seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Miles, Monahan, Terry. Absent: Cribbins, Matthews, Metzger.

**Approval of the Fiscal Year 2019-2020 Budget**

Committee Member Benward moved to approve the Fiscal Year 2019-2020 City of Coos Bay budget as amended and forward to the Coos Bay City Council for adoption at the June 4, 2019 City Council meeting. Committee Member Kilmer seconded the motion which carried. Ayes: Benetti, Benward, DiNovo, Farmer, Folker, Horne, Kilmer, Marler, Miles, Monahan, Terry. Absent: Cribbins, Matthews, Metzger.

**Adjourn**

There being no further business the meeting was adjourned.

Attest:   
Stephanie Kilmer, Secretary

  
Phil Marler, Chair