

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

May 14, 2020

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. as a virtual meeting.

Those Attending

Committee Members attending were Joe Benetti, Drew Farmer, Harold (Ken) Folker, Steven Horne, Stephanie Kilmer, Ali Mageehon, Phil Marler, Carmen Matthews, Roy Metzger, Rob Miles, Florence Pourtal-Stevens, Fredrick Taylor, and Patrick Terry. Committee Member Lucinda DiNovo was absent. City staff present were City Manager Rodger Craddock, Finance Director Nichole Rutherford, Deputy Finance Director Melissa Olson, Fire Chief Mark Anderson, Library Director Sami Pierson, Deputy Library Director Christina Coffman, Police Chief Gary McCullough, Deputy Police Chief Chris Chapanar, Police Lieutenant Michael Shaffer, and Public Works and Community Development Director Jim Hossley.

Election of Officers

Committee Member Benetti nominated Phil Marler as Chair. Committee Member Miles seconded the motion which carried. Ayes: Benetti, Farmer, Folker, Horne, Kilmer, Mageehon, Marler, Miles, Pourtal-Stevens, Taylor, Terry. Absent: DiNovo, Matthews, Metzger.

Committee Member Benetti nominated Stephanie Kilmer as Vice-Chair. Committee Member Miles seconded the motion which carried. Ayes: Benetti, Farmer, Folker, Horne, Kilmer, Mageehon, Marler, Miles, Pourtal-Stevens, Taylor, Terry. Absent: DiNovo, Matthews, Metzger.

Committee Member Benetti nominated Patrick Terry as Secretary. Committee Member Miles seconded the motion which carried. Ayes: Benetti, Farmer, Folker, Horne, Kilmer, Mageehon, Marler, Miles, Pourtal-Stevens, Taylor, Terry. Absent: DiNovo, Matthews, Metzger.

Public Comments

No comments were provided online and no public comment forms were received.

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) 2020-2021 proposed budget totaled \$72,080,008 which included \$9,037,890 in wastewater capital improvements, \$1,941,778 for street improvements, \$2,374,500 for capital sidewalk improvements, and \$1,918,700 for capital park improvement projects; 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 2.6% cost of living adjustment (COLA) for AFSCME, CBPOA, and IAFF; as well as, management. Personnel expenses comprised 20% of the total City operating budget, with salaries comprising 61% and benefits comprising 39% of personnel expenses. The FY 2020-2021 proposed budget reflected a 7% increase in employee medical, vision and dental insurance cost, and 15% workers compensation insurance increase over the FY 2019-2020 budget. The proposed budget did not include an increased cost for the State's regulated and managed public employee retirement system program (PERS); though, it reflected a substantial benefit cost of \$2,190,256 across all funds.

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 2020-2021 was \$2,200,000; 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 2.25% increase in property tax revenue over the 2019-2020 budget year and a decrease of 7.5% in proposed uncollectable amounts due to the COVID-19 pandemic and impacts on local citizens it was assumed a slightly higher rate than the previous 5% in FY 2019-2020. The proposed budget reflected \$6,446,648 in combined resources for use from Funds 2, 16, 18, 19, and 39; of which \$4,637,870 was proposed for street & sidewalk maintenance and capital improvement projects. The Street Improvement Fund included an additional \$960,000 in estimated revenue dedicated to street maintenance from the Transportation Utility Fee (TUF). The Wastewater Fund proposed budget reflected a 5.5% rate increase to meet the demands for improvements and \$3,807,890 in loan and grant proceeds used to undertake identified projects in the wastewater construction in progress (CIP). The proposed budget also included \$5,230,000 for needed wastewater infrastructure capital projects. The Hotel/Motel Fund reflected a decrease of 17% in the transient lodging tax due to the anticipated impacts of the COVID-19 pandemic. The FY 2020-2021 proposed budget included only a minimal amount of a projected timber sale as conducting a timber sale was held off due to market conditions.

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

A public hearing notice was published May 4, 2020 in The World newspaper and provided an opportunity for public comments during the May 14, 2020 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 provided online, no public comment forms were received and the hearing was closed.

Review of Proposed Budget for Fiscal Year 2020-2021

General Obligation Bonds Tax Levy Computations

The Budget Committee reviewed General Obligation (GO) Bonds Tax Levy Computations, no changes were made.

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.

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 Rodger Craddock 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 reviewed the Community Contributions Department (180) which consisted of \$10,000 to the SWOYA Boys and Girls Club; \$10,000 Coos Bay Area Habitat for Humanity; \$2,000 to Alternative Youth Activities; \$5,000 Southwestern Oregon Veterans Outreach; \$2,500 to Common Ground Mediation; and \$1,500 to Mental Health Association of Southwestern Oregon.

Committee Member Marler disclosed his daughter worked with the Bay Area Hospital Kids' HOPE Center.

Committee Member Kilmer redlined Community Contributions Expenditures, Department (180), page 33, line item 520-2411, Bay Area Hospital Kids' HOPE Center.

Non-Departmental

The Budget Committee reviewed Non-Departmental Department (190) General Fund 01. Committee Member Miles redlined Non-Departmental Expenditures, Department (190), page 35, line item 520-2320, Library Building Maintenance.

Other Expenditures

The Budget Committee reviewed Other Expenditures Department (195), no changes were made.

Police Department

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

Fire Department

The Budget Committee reviewed the Fire Department (261) General Fund 01. Committee Member Kilmer redlined Fire Department Expenditures, Department (261), page 46, line item 520-2207 Special Dept Supplies/Emergency Mgmt.

Committee Members Carmen Matthews and Roy Metzger entered the meeting at 7:35 p.m.

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, no changes were made.

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.

The Budget Committee meeting took a break at 8:07 p.m. and returned at 8:15 p.m.

Debt Service Funds

The Budget Committee reviewed the General Obligation Bond Fund 11 and 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.

Reserve Funds

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

Review of Redlined Budget Items

Chair Kilmer redlined Community Contributions Expenditures, Department (180), page 33, line item 520-2411, Bay Area Hospital Kids' HOPE Center. Chair Marler stated his daughter worked at the Bay Area Hospital HOPE Center, was told it was an oversight on their part for not applying for the grant for FYE 2020-2021, and abstained from the conversation. Committee Member Benetti moved to approve an increase of \$2,500 for a total of \$2,500 to line item 520-2411, Bay Area Hospital Kids' HOPE Center from contingency line item 01-195-560-6001. Committee Member Matthews seconded the motion which carried. Ayes: Benetti, Farmer,

Folker, Horne, Kilmer, Mageehon, Matthews, Metzger, Miles, Pournal-Stevens, Taylor, Terry.
Absent: DiNovo. Abstain: Marler.

Committee Member Miles redlined Non-Departmental Expenditures, Department (190), page 35, line item 520-2320, Library Building Maintenance. Committee Member Miles stated he redlined the item to appropriate funds for needed building maintenance. City Manager Rodger Craddock stated there were Library Building Maintenance funds of \$50,000 in Library Fund 7, line item 520-2309, page 73, also. If there was a major failure or capital item, the Urban Renewal Agency could fund or there could be a budget adjustment for consideration by City Council at a later date. Budget Committee consensus to not amend line item 520-2320, Library Building Maintenance at this time in the proposed budget.

Committee Member Kilmer redlined Fire Department Expenditures, Department (261), page 46, line item 520-2207 Special Dept Supplies/Emergency Mgmt. Committee Member Kilmer stated she redlined the item to appropriate funds for additional disaster preparedness/emergency management supplies. Committee Member Benetti moved to approve an increase of \$30,000 for a total of \$50,000 to line item 520-2207, Special Dept Supplies/Emergency Mgmt, if there were unexpected funds available at the end of FY 2019-2020 in Carryover, line item 01-000-300-0100, to appropriate. Committee Member Horne seconded the motion which carried. Ayes: Benetti, Farmer, Folker, Horne, Kilmer, Mageehon, Marler, Matthews, Metzger, Miles, Pournal-Stevens, Taylor, Terry. Absent: DiNovo.

Approval of Permanent Tax Rate

Committee Member Metzger moved to approve imposing the City's maximum permanent tax rate of \$6.3643 per \$1,000 taxable assessed value for fiscal year 2020-2021. Committee Member Horne seconded the motion which carried. Ayes: Benetti, Farmer, Folker, Horne, Kilmer, Mageehon, Marler, Matthews, Metzger, Miles, Pournal-Stevens, Taylor, Terry. Absent: DiNovo.

Approval to Impose General Obligation Bonded Debt

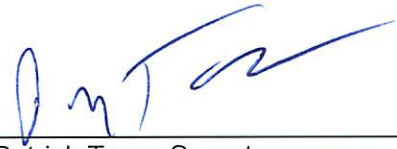
Committee Member Pournal-Stevens moved to approve imposing the general obligation bonded debt amount of \$527,259. Committee Member Mageehon seconded the motion which carried. Ayes: Benetti, Farmer, Folker, Horne, Kilmer, Mageehon, Marler, Matthews, Metzger, Miles, Pournal-Stevens, Taylor, Terry. Absent: DiNovo.

Approval of the Fiscal Year 2020-2021 Budget

Committee Member Metzger moved to approve the Fiscal Year 2020-2021 City of Coos Bay budget as amended and forward to the Coos Bay City Council for adoption at the June 2, 2020 City Council meeting. Committee Member Kilmer seconded the motion which carried. Ayes: Benetti, Farmer, Folker, Horne, Kilmer, Mageehon, Marler, Matthews, Metzger, Miles, Pournal-Stevens, Taylor, Terry. Absent: DiNovo.

Adjourn

There being no further business to come before the Committee, Chair Marler adjourned the meeting.

Attest: 
Patrick Terry, Secretary


Phil Marler, Chair