

City of Sutherlin
Budget Committee Meeting
Monday, April 17, 2017
Sutherlin Library Meeting Room – 6:30PM

Committee Tom Boggs, Rebecca Bright-Jones, Charles Brummel, Joe Groussman, William Lee, Wayne Luzier, Todd McKnight, Dennis Riggs, Wendy Schulze, Forrest Stone, Michelle Sumner, Travis Tomlinson, Seth Vincent, Becky Wattles

City Staff: City Manager, Jerry Gillham
Finance Director, Dan Wilson
City Recorder, Debbie Hamilton
Deputy City Recorder, Diane Harris
Community Development Director, Brian Elliott
Public Works Superintendent, Aaron Swan
Public Works Facilities Division Supervisor, Gary Fugate
Public Utilities Water Division Supervisor, Randy Harris
Public Utilities Wastewater Division Supervisor, John Bachman
Director of Public Safety, Kirk Sanfilippo
Police Lieutenant, Troy Mills
Deputy Fire Chief, Avery Hazzard

Audience: Jean Galleher and Jo Barnes (arrived at 7:08)

Meeting called to order by Budget Chair, Rebecca Bright-Jones at 6:30pm.

Flag Salute:

Roll Call: Excused – Joe Groussman, Wendy Schulze, and Travis Tomlinson

Introduction of Media: None present

(Recording device turned on).

PUBLIC COMMENT

- Library Volunteer Coordinator, Jean Galleher – Would like to speak when Library Budget is discussed.

APPROVAL OF MINUTES

- **April 10, 2017 Budget Minutes**

MOTION made by Wayne Luzier to approve April 10, 2017 Budget Committee meeting minutes as submitted; second by Tom Boggs.

Discussion: Deputy City Recorder, Diane Harris – Roll Call votes will be recorded by show of hands.

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

PUBLIC HEARING – STATE REVENUE SHARING FUNDS

Chair Bright-Jones opened the Public Hearing at 6:32pm.

Staff Report – Finance Director, Dan Wilson, reported the public is allowed to comment regarding the use proposed in the budget for State Revenue Sharing Funds.

Called for public comment: None

Chair Bright-Jones closed the Public Hearing at 6:32pm.

2017 – 2018 BUDGET REVIEW

○ Mayor & Council –

Boggs questioned the amount budgeted, asking who among Council uses the Travel & Training budget other than the Mayor? *Wilson – Budgeted same as last year. New Councilors may want to attend the LOC Conference.*

MOTION made by Luzier to approve Mayor and Council budget as presented; second by Seth Vincent.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ City Attorney –

Chuck Brummel asked for clarification regarding costs associated with Police portion of legal fees for 2016-17. *Wilson – There was a couple of personnel issues. City Manager, Jerry Gillham – New ordinances and Code Enforcement issues were also a factor.*

Michelle Sumner asked if it would be prudent to add more to this budget for those reasons. *Wilson – Don't feel there is a need for that; the bottom line is what we are concerned with.*

MOTION made by Sumner to approve City Attorney budget as presented; second by Luzier.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ City Manager –

MOTION made by Luzier to approve City Manager budget as presented; second by Becky Wattles.

Discussion: Forrest Stone – Why did it go up \$5,650 for salary? *Wilson – Increase was not for salary, but mostly for projected PERS and Health Benefit amounts.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ City Recorder/Human Resources –

MOTION made by Luzier to approve City Recorder budget as presented; second by Vincent.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ Finance Department –

Wilson – Personnel changes have been made; new position is splitting time between 2 departments: 25% - Finance and 75% - Community Development.

MOTION made by Luzier to approve Finance Department budget as presented; second by Sumner.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ **Non-Departmental –**

MOTION made by Luzier to approve Non-Department budget as presented; second by Brummel.

Discussion: Brummel – Looking at significant differences in 2015-16 and 2017-18. *Wilson – A lot of that has to do with increases in personnel costs and continuing to place funds our reserve accounts for current and future capital purchases. Amount is similar to 2016-17.*

Wattles – When Fire District #2 was here, City was paying them \$887,464 yearly and they provided all the equipment? *No, costs were just for their services.* Then it isn't costing more to have the new cross-trained volunteers? *Gillham explained it's costing more, no investments in facilities and equipment was made at that time. On top of personnel costing approximately \$550,000, we are now setting aside another \$500,000 for equipment repair and replacement. It will take several years to catch up then it will decrease.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ **Police Department –**

MOTION made by Luzier to approve Police Department budget; second by Sumner.

Discussion: Brummel asked for clarification on Memberships and Subscriptions. *Police Lieutenant, Troy Mills – Budget has gone up due to the increased amount of data storage needed for body and Taser cameras. Director of Public Safety, Kirk Sanfilippo – And body camera replacement program, total of all costs associated is \$8,600 of the \$16,500 budgeted. Sanfilippo itemized Membership and Subscription expenses.*

Discussion continued; suggestion was to create a separate line item for body camera expenses rather than using Membership and Subscription.

Gillham stated Travis Tomlinson, who was unable to attend tonight, submitted questions prior to the meeting. One of his questions pertained to Police vehicle purchases for 2017-18.

Sanfilippo explained reasons for needing new cars. Several of the cars have above 100,000 miles on them, making them unreliable as emergency response vehicles. A history was provided regarding the thousands of dollars spent on repairs on high mileage cars. They need to be replaced at around 90,000 to 100,000 miles.

Todd McKnight – Do all of the cars you want to replace have problems? *We have one that is having major problems and three that, for now are okay, but all have over 100,000 miles on them.*

Wattles – Happy to see the continuance of the School Resource Officer.

Boggs – Is Sutherlin School District only paying \$20,000 towards this service? *Sanfilippo – Have discussed this with Superintendent, Terry Prestianni, and requesting \$30,000; waiting to hear what their budget committee decides.*

Brummel asked for clarification regarding large decrease in the Radio Maintenance budget. *Mobile and portable radios were replaced last year. Less maintenance will be needed next year.*

Forrest Stone – PERS and Health Benefits increased \$91,000 this year for 14 officers? *Wilson – There are actually 15 officers plus 3 Staff members. Insurance for officers is more. Costs do not vary according to job title but does if coverage is for single, married with spouse, or married with family.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ **Police Reserve Fund –**

Budget is for procurement of 4 police cars.

MOTION made by Luzier to approve Police Reserve Fund budget as presented; second by Dennis Riggs.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ **Municipal Court –**

MOTION made by Brummel to approve Municipal Court budget as presented; second by Luzier.

Discussion: Stone – Did City decrease Judge’s fees? *Yes, will be the same this next year.*

Wattles – Health Benefits were less than projected last year - \$18,437 vs. \$5,891. *Wilson explained that Court Clerk is insuring herself only and not her spouse or family as previously projected.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ **Dial-a-Ride Fund –**

MOTION made by Sumner to approve Dial-a-Ride budget as presented; second by Riggs.

Discussion: Wattles – How will they keep up with the demand of increased service? *Anticipate adding another employee to the call center; this program costs the City nothing, it is entirely funded by State and Federal Grants.*

Sumner – Who is responsible for vehicle replacement? *That is also through the grant program.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ **Fire Department –**

Materials and Services decreased by about \$60,000 and personnel increased slightly due to cross-training of City employees.

MOTION made by Luzier to approve Fire Department budget as presented; second by Sumner.

Discussion: Stone – Amounts for Fringe Benefits are not included. *Wilson – That is listed under Other Insurance Benefits.*

Brummel – Salaries and Wages increased from \$225,000 to \$342,000. *Sanfilippo – That is due to the 15% incentive pay for cross-training City employees.*

Wattles – With this incentive pay, are they required to go out on a certain amount of calls? *They are required to maintain their certification, if on duty they are required to go on calls, if off duty it’s optional.* If cross-trained personnel are not needed in the future, will they still receive the 15% incentive pay? *No, that will go away*

Stone – Does the incentive pay come out of the Fire Department’s Budget? *Yes.*

Discussion was held regarding costs for the Fire Department, volunteers, paid and cross-trained Staff.

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **Fire Reserve Fund –**

MOTION made by Luzier to approve Fire Reserve Fund budget as presented; second by Sumner.

Discussion: Brummel asked for clarification on the Beginning Fund Balance increase for 2017-18. ***Wilson – Fire Department received a grant for \$162,000 for SCBA’s, in 2016-17 fy.***

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **Community Development Department –**

Community Development Director, Brian Elliott, explained changes in Personnel Services.

MOTION made by Luzier to approve Community Development Department budget as presented; second by Stone.

Discussion: Stone asked for clarification regarding increase in Professional Services. ***Wilson – Council Priorities will require some additional services for Land Use Consultants and/or Engineering for SDC (System Development Charge) review.***

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **Parks / Facilities–**

MOTION made by Luzier to approve Parks/Facilities budget as presented; second by Riggs.

Discussion: Sumner – Costs for Library grounds maintenance, utilities, etc., is coming out of City’s budget? ***Yes, it always has.***

Discussion continued regarding the future of the library and possible options.

Boggs – How many hours is the library open now? ***Galleher – 24 hours per week, with approximately 30 volunteers.***

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **Parks / Facilities Reserve –**

MOTION made by Luzier to approve Parks/Facilities Reserve budget as presented; second by Riggs.

Discussion: Galleher – Library building is not mentioned in this fund. ***Library is a City “Facility”, it is included in our overall plan; this is a snapshot for the next 5-years.***

Stone - \$120,000 for paving at the Fire Department? ***Public Works Superintendent, Aaron Swan – Need to replace pavement in front where the trucks pull out.*** Has concrete been considered? ***That has been discussed, those costs have not been determined yet.***

Discussion continued regarding reasons for paving the graveled back lot and parking area.

Wattles asked questions regarding resurfacing the tennis court and its infrequent use. Should it be continued as a tennis court or possibly basketball court?

McKnight – Feels it would get more use as basketball court.

Gillham stated this could be a future Council priority and discussed with the Parks Advisory Committee.

Boggs mentioned a citizen has plans to start a tennis club.

Luzier – Regardless of how it is used, it needs to be resurfaced.

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **State Gas Tax Fund –**

MOTION made by Luzier to approve State Gas Tax budget as presented; second by Sumner.

Discussion: Stone – Is the Duke extension for connection to Taylor? *Swan – Yes, eventually.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **Bicycle / Footpath**

MOTION made by Luzier to approve Bicycle/Footpath budget as presented; second by Wattles.

Discussion: Riggs – Heard there are some complaints about activities on the trail, has Police Department received any calls regarding the path? *Sanfilippo – Have not seen calls for service; encourage calling Police Department if there are any issues.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **Street Construction Fund –**

MOTION made by Luzier to approve Street Construction budget as presented; second by Riggs.

Discussion: Brummel - \$998,000 has been budgeted for 2017-18. *Swan reported on the projects planned.*

Wilson explained the beginning fund balance is due to monies received for the projects in 2016-17.

Stone – What is the \$300,000 State Gas Tax Fund for? *Wilson explained transfers and projects involved.*

Discussion continued for clarification purposes.

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles

Opposed: None

Abstain: Stone – did not state reason.

Motion carried unanimously.

- **Street SDC Fund –**

MOTION made by Luzier to approve Street SDC Fund budget as presented; second by Sumner.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **Parks Construction Fund –**

MOTION made by Luzier to approve Parks Construction Fund budget as presented; second by Vincent.

Discussion: Stone – This is for the playground equipment? *Yes.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **Central Avenue Reserve Fund**

MOTION made by Luzier to approve Central Avenue Reserve Fund as presented; second by Sumner.

Discussion: Stone questioned the cost differences from 2016-17 to 2017-18. *Wilson explained.* Stone expressed concerns with moving through the \$1.9 million budget too quickly.

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Stone, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

[Stone exited the meeting at 7:55pm].

City Manager explained the \$1.9 million has been a topic of discussion for two years; Council has been kept up to date and should be familiar with the issues, but new members on the committee need to be updated. Will answer any questions asked.

○ **Street Maintenance Reserve Fund –**

MOTION made by Sumner to approve Street Maintenance Reserve Fund as presented; second by Luzier.

Discussion: Brummel – How far does Central Avenue go? *Swan – City’s jurisdiction stops at Comstock (west end of town) it then becomes ODOT’s going west. ODOT will be doing work at the same time as City, and planning to extend their project further west, possibly to Church Road. City’s maintenance line extends just past Opal Street (east end of town). Will depend on bids to see how far will be able to go eastward.*

Brummel – Will that be completed this year? *Swan – Per engineer’s advice and depending on available contractors and their bids, project may have to be done in 2 seasons. ADA Corners, sidewalk repairs, and storm drains will be done this year; asphalt portion may be started next spring.*

Discussion continued on issues involved with the project and when it will take place. Originally Central was owned by the state and maintenance was not done, City now owns it and will be have control now.

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ **Public Works Operations –**

MOTION made by Sumner to approve Public Works Operations budget as presented; second by Luzier.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ **Public Works Operations Reserve**

MOTION made by Luzier to approve Public Works Reserve budget as presented; second by Brummel.

Discussion: Wattles – Public Works Fund [transfers] increased from \$40,000 in 2015-16 to \$124,000 in 2016-17. *Wilson – Prior to the previous year’s budget a lot of the reserve funds were not being funded for future capital needs, we are now making a conscience effort to start funding those.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

○ **Tourism/Motel Tax –**

MOTION made by Luzier to approve Tourism/Motel Tax budget as presented; second by Sumner.

Discussion: Wattles questioned the change in fund balance. *Wilson explained that is due to funding playground equipment.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None
Motion carried unanimously.

- **G.O. (General Obligation) Bond Debt Service Fund**

Wilson – This bond was issued for the Library building for \$755,000 and will be paid off in 2025.

MOTION made by Luzier to approve G.O. Bond Service budget as presented; second by Riggs.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None

Motion carried unanimously.

- **Water Operations Fund –**

MOTION made by Luzier to approve Water Operations Fund as presented; second by Sumner.

Discussion: Brummel – Beginning Fund balance went from \$98,000 to \$232,000. *Wilson – Anticipated expenses last year were not as high as projected was able to have a higher beginning fund balance.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None

Motion carried unanimously.

- **Water Construction Fund –**

MOTION made by Brummel to approve Water Construction Fund as presented; second by Luzier.

Discussion: Luzier questioned the large decrease in the Beginning Fund Balance. *Wilson – That was because of the N. Comstock Waterline Project.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None

Motion carried unanimously.

- **Water Reserve Fund –**

MOTION made by Luzier to approve Water Reserve Fund as presented; second by Riggs.

Discussion: Brummel – Fund balance is down. *Wilson – Money was borrowed out of this fund to the Parks Construction Fund for the Central Park Improvement Project.*

Wattles – Will that be completed this year? *Wilson – Yes, date of completion depends on the weather.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None

Motion carried unanimously.

- **Water Debt Service Fund –**

MOTION made by Brummel to approve Water Debt Service Fund as presented; second by Sumner.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None

Motion carried unanimously.

- **Wastewater Operations Fund**

MOTION made by Luzier to approve Wastewater Operations Fund as presented; second by Sumner.

Discussion: Wattles – Why is there a large increase in revenue projected? *Wilson – Last year went through a rate restructure because of DEQ's requirements for the WWTP loan.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles

Opposed: None
Motion carried unanimously.

- **STEP Surcharge Fund –**

MOTION made by Luzier to approve STEP Surcharge Fund as presented; second by Sumner.
Discussion: *Gillham – Currently creating a plan to take over the Operations & Maintenance of the STEP systems.*

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None
Motion carried unanimously.

- **Wastewater Construction Fund –**

MOTION made by Sumner to approve Wastewater Construction Fund as presented; second by Vincent.
Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None
Motion carried unanimously.

- **Wastewater Reserve Fund –**

MOTION made by Luzier to approve Wastewater Reserve Fund as presented; second by Wattles.
Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None
Motion carried unanimously.

- **Wastewater Debt Service Fund –**

MOTION made by Brummel to approve Wastewater Debt Service Fund as presented; second by Luzier.
Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None
Motion carried unanimously.

- **Budget Approval –**

MOTION made by Luzier to approve 2017-18 FY budget as recommendation to the City Council for \$28,598,049; second by Sumner.
Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None
Motion carried unanimously.

- **Levy of City's General Operating Tax –**

MOTION made by Luzier to approve levying the City's General Operating Property Tax Rate of \$5.6335 per \$1,000 of assessed value; second by Wattles.

Discussion: None
In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles
Opposed: None
Motion carried unanimously.

- **Levy Property Taxes to pay General Obligation Bonds**

MOTION made by Sumner to approve levy of property taxes to pay G.O. Bonds, exempt from property tax limitation in the amount of \$60,000; second by Vincent.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

- **State Shared Revenue**

MOTION made by Brummel to approve the use of State Shared Revenues for purposes proposed in budget, including but not limited to Police, Fire, Streets, and Planning Services; second by Luzier.

Discussion: None

In favor: Boggs, Bright-Jones, Brummel, Lee, Luzier, McKnight, Riggs, Sumner, Vincent and Wattles

Opposed: None

Motion carried unanimously.

Budget meeting adjourned at 8:22pm.

Respectfully submitted,

Diane Harris

Diane Harris, Deputy City Recorder

Forrest Stone

Forrest Stone, Budget Secretary

APPROVED BY BUDGET COMMITTEE MAY 5, 2017