

**City of Cascade Locks**  
**BUDGET COMMITTEE MEETING AGENDA**  
**Wednesday, April 13, 2016, 6:30 PM, City Hall**

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**PURPOSE:** The purpose of the Budget Committee is to develop the 2016-17 Budget for the City of Cascade Locks.

1. **Call to Order / Pledge of Allegiance / Roll Call.**
2. **Election of Budget Committee Chair and Vice-Chair.** Immediately upon selection, the conduct of the meeting will be turned over to the elected chair.
3. **Approval of Minutes of April 29, 2015 Budget Meeting, May 6, 2015 Budget Meeting and April 6, 2016 Budget Workshop Meeting.**
4. **Approval of Meeting Guidelines for Fiscal Year 2016/2017 Budget Process.** The Guidelines have been provided to the Committee for formal adoption.
5. **Approval of proposed work plan.** The Committee is asked to formally adopt the Work Plan as submitted. It is recognized that the Work Plan gives us a place to start and may be modified or changed at any point by the Budget committee.
6. **Budget Message.** The full budget message will be given at this meeting.
7. **6:30 PM – Open Public Hearing on Possible Uses of State Revenue Sharing.** The State requires that the City Budget Committee hold a public hearing on proposed uses of State Revenue Sharing funds. This is the time in your work for that hearing to occur.
8. **Approval of Property Tax Rate of \$2.705 per \$1,000 of Assessed Value for Fiscal Year 2016/2017**
9. **Review & Discuss the following budget elements at this April 13, 2016 meeting:**

General Fund (1)	Police (1-19)
Planning (1-2)	SDC (2)
Agency (1-3)	Grant Fund(7)
Museum (1-7)	Capital Reserve Fund (56)
Gov/Community Relations (1-8)	
10. **Public Comment.**
11. **Continuance of Meeting to April 27, 2016, 6:30 PM, City Hall.**

**THE PUBLIC IS WELCOME.**

City of Cascade Locks  
Minutes  
Budget Committee Meeting  
April 29, 2015

- 1. Call to Order/Pledge of Allegiance/Roll Call:** Budget Committee Chair Pruitt called the meeting to order at 6:31pm. Budget Committee Members Groves, Randall, Sype, Irving, Nielsen, Fitzpatrick, Carr, Cramblett and Budget Committee Chair Pruitt were present. Budget Committee Members Helfrich, Busdieker and Kelley were excused. Budget Committee Members Walker and Evans were absent. Also present were Budget Officer Gordon Zimmerman, Finance Officer Marianne Bump, Accounting Clerk Megan Webb, Tourism Committee Chair Marie Miller and Electric Department Working Foreman Keith Terry.
- 2. Approval of Meeting Minutes of April 22, 2015 Budget Meeting: Motion:** BCM Fitzpatrick moved, seconded by BCM Nielsen, to approve the minutes from the April 22, 2015 Budget Meeting. BCC Pruitt said she would like to have it noted in the minutes when BCM Randall left the meeting. BCM Fitzpatrick amended his motion to include the mark ups, BCM Nielsen seconded the amended motion. The motion passed unanimously by BCM's Groves, Randall, Sype, Irving, Nielsen, Fitzpatrick, Carr, Cramblett and BCC Pruitt.
- 3. Review and discuss the following budget elements at this April 29, 2015 meeting:** BO Zimmerman introduced Marie Miller, Tourism Committee Chair. He said this budget follows closely with the current year budget. He said it is more of a maintenance budget and that the spending has been very tight. BO Zimmerman explained that any extra revenues from TRT taxes are being added to Capital Reserve to save money to install a new kiosk. BCM Irving asked how the Tourism fund has changed over the years. She said the fund previously funded beautification. BO Zimmerman said the City Attorney determined that it was against an ORS to fund beautification. He said that flowers do not bring visitors into the City to stay. He said the committee is focusing on bringing "heads in beds" to town. BO Zimmerman and TCC Miller explained the plans the committee put together. She said those plans included social media, marketing and promoting the City and what can be done here.

BO Zimmerman summarized the CATV/BB funds. He said Staff is very close to finalizing the sale of the CATV system. He said the City will need to continue paying the programming cost because we will need to maintain those contracts through December. He said Gorge.net will be reimbursing the City for those costs.

BO Zimmerman summarized the electric department revenues and expenditures. He said the beginning fund balances have declined due to costly expenses to maintain and upgrade the system. BCC Pruitt said she was concerned with how expenses were being distributed between City Light and Southbank. She referenced several line items that seemed disproportionate. EDWF Terry explained that most expenses are being charged to only the City because that is where the work is being done. He said this current year and next year he anticipates spending most, if not all, of the time in the City. He said there are unforeseen circumstances like outages in Southbank and those will be dealt with when they come along.

BCM Irving asked about the funds budgeted for a system rebuild in Southbank. BO Zimmerman explained that it was to replace bad underground wire. BCC Pruitt pointed out the expenses for Southbank are higher than the revenues. She said the City is still subsidizing Southbank. BO Zimmerman explained that the Electric Department is budgeted as one fund. He said the only reason Staff has broken it down into City and Southbank is so that it is clearer to see the actual cost of

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business to run each area. BCC Pruitt suggested including some kind of face sheet that lists only the revenue and expenses for each area. BCM Nielsen pointed out that as of February, in the current year's budget, the revenues for Southbank exceed the expenditures.

BCM Irving asked why the insurance under materials and services went down when it seems like it should have increased. FO Bump said she will have to look at the break down. She said she would bring that answer to the next meeting. BCM Randall asked why \$5000 was budgeted for transformers. EDWF Terry explained those funds were there in case he needed to purchase transformers. He said he never knows if or when he will need to purchase one.

BO Zimmerman asked if anyone had any questions regarding the insurance spread he handed out tonight. BCC Pruitt asked if he could explain the handout. BO Zimmerman explained that this budget also includes the third lineman that will be hired during the current budget year.

**Motion:** BCM Nielsen moved, seconded by BCM Randall, to continue the meeting to May 6, 2015. The motion passed unanimously by BCM's Groves, Sype, Irving, Carr, Cramblett, Nielsen, Fitzpatrick and BCC Pruitt. BCC Pruitt closed the meeting at 7:20pm.

Prepared by:  
Megan Webb  
Accounting Clerk

Approved By:

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Tiffany Pruitt  
Budget Committee Chair

1. **Call to Order/Pledge of Allegiance/Roll Call:** Budget Committee Chair Pruit called the meeting to order at 6:30pm. Budget Committee Members Sype, Irving, Nielsen, Evans, Kelley, Busdieker, Carr, Cramblett and Budget Committee Chair Pruit were present. Budget Committee Members Randall, Walker and Groves were excused. Budget Committee Members Helfrich and Fitzpatrick were absent. Also present were Budget Officer Gordon Zimmerman, Finance Officer Marianne Bump, Accounting Clerk Megan Webb and Station Captain Jesse Metheny.
2. **Approval of Meeting Minutes of April 29, 2015 Budget Meeting:** BCC Pruit asked if the minutes should read "heads in beds" rather than "heads and beds". BO Zimmerman said it should read "heads in beds". **Motion:** BCM Irving moved, seconded by BCM Kelley, to approve the minutes from the April 29, 2015 Budget Meeting as written with corrections. The motion passed unanimously by BCM's Sype, Irving, Nielsen, Evans, Kelley, Busdieker, Carr, Cramblett and BCC Pruit.
3. **Review & Discuss Holiday Lighting Options:** BO Zimmerman summarized the information he provided for the committee. BCM Nielsen asked if the City was the correct entity to facilitate this program. He said in Hood River the Chamber of Commerce is responsible for their lighting program. BO Zimmerman said the City maintains the lights, installs them and stores them. He said there is really no other entity to facilitate the program. BO Zimmerman said he had just received information that 1% of the State Gas Tax money will be required to be spent on Bike/Pedestrian Improvements. He said next year there will be a line item in Capital Outlay under Street Department called Bike/Pedestrian Improvements. He said this may be an option to help fund a Holiday Lighting Program.  
  
BCC Pruit asked how much the Business Association would be able to pay for. BCM Irving said she talked with Kathy Woosley. She said that the BA does not hold any fundraisers and they do not have any funds to help with the lighting program. She said the BA would like to see the program continue but they could not help financially. There was some discussion regarding asking businesses to help fund the lighting program and asking the Port to help with funding. BO Zimmerman asked what the Committee would like to do. He said we could refurbish what we have and revisit this program in a couple of years. BCC Pruit said that would probably be the best option because we just don't have the money in this budget. She said she agrees that we should start saving money now but not replace anything this year. BCM Kelley suggested that we should ask the community for donations. BO Zimmerman said he would take this staff report to the Council in June and get their direction.
4. **Review & Discuss Liability Insurance for Electric Department.** BO Zimmerman explained why there was such a decrease in the property and liability insurance. He said the previous electrical superintendent budgeted half a million dollars in reimbursable projects. He said because of that high dollar amount our liability insurance was significantly high. BO Zimmerman said the insurance company bases our premiums on the previous year's budget and that is why the insurance cost is just now going down.
5. **Review & Discuss the Following Budget Elements:** BCM Kelley asked why there was no money budgeted to purchase a new command vehicle. SC Metheny said that he just couldn't find any extra funds in his budget. He said there is some money in contingency that he would have to get approval from the Council to use. BO Zimmerman said staff is also looking at other options like a donation

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from Multnomah County or a State surplus vehicle. BCM Irving asked why such a small department is paying such a high amount into the administrative overhead. BO Zimmerman explained SC Metheny will have his Paramedic license soon and his salary will increase. He said the budget reflects that increase. He said each department's administrative overhead is determined based on their percentage of Personal Services as a whole.

BCM Sype asked for an explanation of the intern scholarship line item. SC Metheny explained that Council had adopted a recruitment and retention program last year. He said this is tuition cost for a current volunteer to obtain her Paramedic license. He said she works a certain number of shifts per month at the station and in return she has her tuition paid by the City. BO Zimmerman explained the volunteers are also paid a stipend to respond to patient transports. BCM Irving asked how this is different from Travel & Training. SC Metheny said the separate line items were created so it would be easier to track the specific costs for these specific programs. BCM Nielsen asked why the EMS support fees had doubled. BO Zimmerman explained that this was the amount that is billed on Utility Bills. He said during the current budget year we have only been receiving revenue since January 1<sup>st</sup>. He said next budget year revenues will be coming in for the whole year. BCM Busdieker asked why the Rural Fire Protection Contracts revenue is so much higher than what we anticipated. SC Metheny explained that we never know what revenues will come in from those contracts. He said it is dependent on the amount of residents who sign up and what their assessed property value is.

BCM Busdieker asked where the extra \$6,000 came from that is now in contingency. BO Zimmerman explained that our actuals were more than what we had anticipated last year. He explained that because of that we were able to put some extra funds into contingency. BCM Kelley asked about the line item for SCBA Hydro Testing. SC Metheny explained this is an expense that is incurred only every 5 years. He said after 15 years the tank can no longer be hydro tested and will need to be replaced. There was some discussion regarding the revenue actuals and what was budgeted for. BO Zimmerman explained that we can only estimate what this department will receive in revenues. He said there are so many things that factor into the revenue stream with weather being the largest one.

BO Zimmerman explained the revenues for Capital Reserve. BCM Cramblett said he would like to see the \$40,000 for the electric utility truck removed. He said the City has a lot of electrical projects going on and their Capital Reserve Fund will be hit hard. He said we shouldn't be worrying about purchasing a new utility truck. **Motion:** BCM Cramblett moved, seconded by BCM Kelley, to remove the \$40,000 for a utility truck from Capital Reserve. BCM Cramblett explained that we should not even be looking at purchasing a truck right now. BCM Busdieker asked how old the truck was and how many miles it had on it. BO Zimmerman said he's not sure how many miles it has but it is 20 years old. BCM Busdieker asked what would happen if the truck broke down. She asked if the department could run without it. BO Zimmerman said Staff would have to ask Council's permission to purchase a new one. BCM Nielsen said he would be more in favor of leaving the funds where they are. He said Staff would need to come in front of Council to use that money. BCM's Cramblett, Kelley, Irving and BCC Pruitt voted in favor. BCM's Nielsen, Sype, Busdieker and Carr were opposed. BCM Evans abstained. The motion failed.

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There was discussion regarding the Council reviewing the insurance premium participation. BCM Kelley said she would not approve a budget when the Council hasn't looked at the insurance cost and 2% raise.

**Motion:** BCM Nielsen moved, seconded by BCM Busdieker, to approve the Fiscal Year 2015/2016 Budget as amended in the amount of \$10,133,327. BCC Pruitt said she would like to see a recommendation added to the motion for the Council to review the insurance participation and 2% raise. BCM's Nielsen, Evans, Busdieker, Carr and Sype voted in favor. BCM's Cramblett, Kelley, Irving and Pruitt were opposed. The motion failed.

**Motion:** BCM Kelley moved, seconded by BCM Cramblett, to close the meeting and continue it next week. BCM Kelley voted in favor. BCM's Nielsen, Sype, Evans, Busdieker, Carr, Irving, Cramblett and BCC Pruitt were opposed.

**Motion:** BCM Nielsen moved, seconded by BCM Irving, to approve the Fiscal Year 2015/2016 Budget in the amount of \$10,133,327 with the recommendation that the Council review the health insurance contribution and cost of living increase. The motion passed with BCM's Nielsen, Sype, Evans, Busdieker, Carr, Irving, Cramblett and BCC Pruitt voting in favor. BCM Kelley was opposed.

- Motion:** BCM Busdieker moved, seconded by BCM Irving, to adjourn. The motion passed unanimously by BCM's Nielsen, Sype, Evans, Busdieker, Carr, Irving, Cramblett, Kelley and BCC Pruitt. The meeting was adjourned at 8:00pm.

Prepared by:  
Megan Webb  
Accounting Clerk

Approved By:

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Tiffany Pruitt  
Budget Committee Chair

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Budget Committee Workshop  
April 8, 2015

**6:30 PM – Orientation for new/returning Budget Committee Members:** Present were Budget Committee Members Shirley Carr, Barbara Irving and Karen Sype. Staff present was Budget Officer Gordon Zimmerman, Finance Officer Marianne Bump and Accounting Clerk Megan Webb. Budget Committee Members Busdieker, Groves, Rutherford, Randall, Walker, Pruitt, Nielsen, Cramblett and Kelley were absent. Budget Committee Member Fitzpatrick was excused.

- **Budget Committee Handbook:** BO Zimmerman explained that nothing had changed from last year to this year in terms of budget training. He said that since there were no new members to the budget committee and only three members attended everyone could be dismissed unless there were questions. He said that the budget could not be talked about until the next meeting on April 13, 2016. There were no questions from committee members.
- **Identification of questions and issues:** None

The meeting ended at 6:45 pm.

Prepared by:  
Megan Webb  
Accounting Clerk

Approved By:

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Budget Committee Chair

## Budget Committee Meeting Guidelines

1. Meetings will start at 6:30 PM.
2. Eight Committee members constitute a quorum. A quorum of the Committee is a majority of the Committee, not a majority of the Committee in attendance. If the total Budget Committee is only 12 (not enough elected body or citizen body) a majority of the Committee would be seven (7).
3. Meetings will end at 9:00 PM, unless the consensus of the Committee is to continue.
4. Committee members should show respect for others by waiting for the Chair to recognize them before speaking, listening to what others have to say, and not repeating things that have already been said.
5. If a Committee member brings up an item or issue not on the agenda, the Chair will poll the attending Committee members to determine if it is an issue of interest to the majority of the Committee. If it is not of interest to the majority, the Committee will move on and the person may then discuss the issue outside the meeting with the Budget Officer.
6. Committee members who miss a meeting should contact the Budget Officer or another Committee member to find out what they missed, and should not expect the Committee to rehash a meeting or discussion again for their benefit.
7. If someone votes in opposition to the majority, they should be given the opportunity to explain why.
8. Accept public comment during each meeting.

These are the process guidelines adopted by past Budget Committees. This Committee may wish to add or delete items before approving them for this year.

# Proposed 2016/2017 Budget Committee Work Plan

## April 13, 2016

- General Fund (1)
- Planning
- Agency
- Museum
- Gov/Community Relations Dept
- Police
- SDC Fund(2)
- Grant Fund (7)
- Capital Reserve (56)

## April 27, 2016

- Streets (3)
- Water (21)
- Sewer (31)
- Sewer Bond Fund (40)
- Property (1-4)
- Cemetery (17)
- Cemetery Trust (25)
- Electrical (51)
- EMS (5)
- Tourism (8)

Take action to tentatively approve each dept/program budget as presented. At the last meeting, review tentative actions and create final recommendations.



**City of Cascade Locks**  
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## **City of Cascade Locks FY 2016-17 Budget Message**

### **Hon. Mayor, Council and Budget Committee Members:**

For the next few weeks we will review the City of Cascade Locks' budget for the fiscal year 2016-17. The budget is balanced as required by state law. The budget provides an idea about what the city will provide in the way of services and serves as an operational guideline to assist in managing the City throughout the year. This is not a financial report. It is a tool to be used by the City in managing its many functions and services as well as taking steps to create and maintain the kind of community desired.

This document is the result of many hours of work by City staff. A city budget is about where the City is going and what will it cost to get there.

### **The Budget Approach:**

The 2016-17 budget process began with the establishment of goals by the City Council. Those goals are listed for you in the Budget Training Session section. In broad summary, the goals continue the work set out by City Council last year.

- 1. Address the Public Works projects such as downtown street furnishings and cleanup and holiday lighting**
- 2. Maintain the City Light budget to improve reserves through growth**
- 3. Maintain the Emergency Services Department budget**
- 4. Update City Community Development Code**

Beginning fund balances are up for all funds except the Cemetery Fund and the Electric Fund. The Electric Fund revenues have been decreased by two warm winters in a row and the expenditures have increased because of two severe wind storms and the rebuilding of the Pyramid Substation. Overall, the budgets of each department have been stable and improving.

### **General Information about this Budget Document:**

- 1. Beginning Balances:** All beginning balances are up this year except the Cemetery and the Electrical Department.
- 2. Administration Expenses:** All administration expenses have been collected in the General Fund again this year. We included excess crime, liability, and property insurance into the administration funds this year in order to distribute the costs to the departments more fairly. Those costs are spread (allocated) across the operating

departments and funds in relation to the proportion of personnel or material/services expenses of each individual operating fund. This model provides the objective basis for cost allocation as recommended by the City's auditor and the forensic accountant.

3. **Planning Services:** Because of continued pressure on the General Fund, this budget continues to rely on a contracted planner. This budget also reflects a continuation of current policy that requires the costs for planning fees to be borne by the applicant for development. Although the community has not experienced a great deal of development activity in the past few years, as of this writing 14 homes have been built, permitted, or approved within the City limits. This budget reflects an income of \$10,000 in planning fees from proposed developments. There is also allocation of \$10,000 of non-revenue covered planning services to assist the City in facilitating and preparing for needed planning services that would not be covered by development fees.
4. **Agency Funds:** Some administration costs are strictly General Fund expenditures that should not be allocated out to operating funds.
5. **Personnel Services:** This budget reflects the increased costs outlined in the next section.
6. **Grants:** The budget reflects the grant for the Wastewater System Master Plan for \$150,000 and a \$175,000 Gorge Hubs grant for the improvements at Overlook Park. Any additional grant opportunities that might arise during the year will be approved by City Council prior to application.
7. **Inter-fund Transfers:** For this budget the City has moved the revenues from the General Fund to the EMS Department that pay for the debt service in that department. This gives a clearer picture of the total cost to run the EMS Department.
8. **Loans:** This budget reflects the continuation of payments previously approved to the USDA. The OIB loans for the new Fire Station have been retired. In the Water Fund, this budget anticipates a loan for up to \$3,764,515 from the USDA Rural Utility Service to fund the projects identified in the Water System Master Plan.
9. **Contingency Funds:** These funds are down because we no longer have the Cable TV included, the Street and Water funds have moved resources into the reserve accounts, and the Electric Fund continues to erode.

### **PERSONNEL EXPENSES:**

The proposed budget contains a cost of living increase for all non-contract employees of 3.00% effective with the adoption of the budget. The collective bargaining agreement (CBA) with the International Brotherhood of Electrical (IBEW) estimates a 3.0% increase for union employees after January. This budget also removes the third lineman until the revenues and reserves are increased through growth.

Health insurance costs will increase about 2.5% overall, the lowest increase for several years. The budget also reflects the continuation of the employee contribution to health insurance premiums at 12.5% for non-contract employees.

Workers Compensation will increase 7.2% this year.

The unemployment payments due the State will decrease from 0.7% to 0.1% because we have not had to use unemployment insurance for several years.

There were some significant PERS increases this year. Tier One employees PERS contribution increased almost 10%. OPSPR Employees contribution will increase from 2% to 3½%, depending on their classification.

This City is not alone in the challenges we face. Every city and county in this state and many other states are going through the same effort. This budget work is very important to the long term survival of the community, the health and well-being of the businesses in the community and the future of Cascade Locks.

As staff we stand ready to assist you and to provide any information you desire to help you in your deliberations.

Thank you.

Gordon Zimmerman  
City Administrator

# History of Uses of State Revenue Sharing

State Revenue is received and allocated in the General Fund. The expenses are allocated in the Government/Community Relations Department of the General Fund (Department 8).

## **FY 16-17 Proposed Budget:**

The proposed budget allocates \$8,500 in revenues from State Revenue Sharing. It is currently distributed as follows:

Senior Sewer Subsidy	\$3,000
Reverse 911	\$1,000
Mid-Columbia Community Action Council	\$1,500

The Budget Committee will hold a Public Hearing on April 15, 2015 to hear possible uses of State Revenue Sharing Funds.

<b>FY 15/16</b>	Senior Sewer Subsidy	\$3,000
	Reverse 911	\$1,000
	Mid-Columbia Community Action Council	\$1,500

<b>FY 14/15</b>	Senior Sewer Subsidy	\$3,000
	Support Potlatch Cook	\$1,000
	Reverse 911	\$1,000
	Mid-Columbia Community Action Council	\$1,050
	Travel & Training Council	\$ 950

<b>FY 13/14:</b>	Senior Sewer Subsidy	\$3,000
	Support Potlatch Cook	\$1,000
	Forensic Accountant	\$3,000

<b>FY 12/13:</b>	Senior Sewer Subsidy	\$3,000
	Parks & Recreation	\$2,000
	Support Potlatch Cook	\$1,000

<b>FY: 11/12:</b>	Senior Sewer Subsidy	\$3,000
	Support Potlatch Cook	\$1,000
	Library	\$2,000