

City of Cascade Locks
BUDGET COMMITTEE MEETING
Wednesday, May 23, 2012, 6:30 PM, City Hall

PURPOSE: The purpose of the Budget Committee is to develop the 2012-13 Budget for the City of Cascade Locks.

AGENDA:

1. **Call to Order / Pledge of Allegiance / Roll Call.**
2. **Approval of Minutes of May 16, 2012 Budget Committee Meeting**
3. **Public Comment**
4. **Review & Discuss the following budget elements**
 - Streets (3)**
 - Water (21)**
 - Sewer (31)**
 - Grants (7)**
5. **Additional Public Comment**
6. **Continuance of Meeting to May 30, 2012, 6:30 PM, City Hall.**

PUBLIC IS WELCOME

Budget Committee

May 16, 2012

Minutes

1. **Call to Order / Pledge of Allegiance / Roll Call.** BO Koch called the meeting to order at 6:35PM. Present were BCMs Karen Sype, Tina Tarani, Randy Holmstrom, Rob Brostoff, Lance Masters, Bobby Walker, Sandra Kelley, Brad Lorang, Tom Cramblett, Mark Storm, Darlene Sullenger and Gail Lewis. Shawna Hasel arrived at 7:00PM. BCM Helfrich was excused. Also present were Budget Officer Paul Koch, Finance Officer Marianne Bump, Accounting Clerk Shirelle Price, Activity Coordinators Karen Peck and Pam Morse, and Camera Operator Betty Rush. Audience members present were Virginia Fitzpatrick and Gyda Haight.
2. **Election of Budget Committee Chair and Vice-Chair:** BCM Kelley nominated BCM Lewis as chair, seconded by BCM Sullenger. The nomination failed. BCM Storm nominated BCM Brostoff as chair, seconded by BCM Masters. The nomination passed. BCM Brostoff asked for nominations for Vice Chair. BCM Masters nominated BCM Lewis as Vice Chair, seconded by BCM Holmstrom. The nomination passed.
3. **Approval of Minutes of June 10, 2011, June 14, 2011 & June 15, 2011 Budget Meetings and May 2, 2012 Budget Workshop:** **Motion:** BCM Lorang moved, seconded by BCM Storm, to approve the minutes from June 10, 2011, June 14, 2011, June 15, 2011 and May 2, 2012. The motion passed. BCM Masters abstained.
4. **Approval of Budget Committee Meeting Guidelines for Fiscal Year 2012/2013 Budget Process:** BCM Lewis asked if there was going to be public comment allowed at each meeting or just at the beginning and the end of the process like it was last year. BCM Sullenger asked if there would be a time limit. BCM Brostoff said 3 minutes maximum. There was a consensus of the Committee to allow public comment at the beginning and end of each meeting. BCM Kelley said at the beginning of the meeting would be sufficient. BCM Sullenger said at the end of each meeting would be more appropriate unless there was a special circumstance. She said it may get time consuming to do it before and after. **Motion:** BCM Lewis moved, seconded by BCM Walker, to approve the Committee Meeting Guidelines. The motion passed unanimously. BO Koch said the Guidelines would be changed to reflect citizen comments.
5. **Approval of proposed work plan:** **Motion:** BCM Walker moved, seconded by BCM Lewis, to approve the proposed Work Plan. The motion passed unanimously.
6. **Municipal Corporate Budget Message:** BO Koch delivered the Budget Message and summarized the handout (exhibit A).
7. **Approval of Property Tax Rate of \$2.7050 per 1,000 of Assessed Value for Fiscal Year 2012/2013:** **Motion:** BCM Lorang moved, seconded by Storm, to approve the property tax rate of \$2.7050 per 1,000 of assessed value for Fiscal Year 2012/2013. The motion passed. BCM Walker opposed and asked that last year's rate be read into record. BO Koch said it was the same rate last year. BCM Walker said the rates are too high and cuts needed to be made.
8. **7:30 PM – Open Public Hearing on Possible Uses of State Revenue Sharing:** BCM Brostoff opened the Public Hearing at 7:19PM. BCM Kelley asked if there was a recommendation from staff on how the funds should be used. FO Bump directed the Committee to a sheet in the budget book. She said since part of it went to Parks and Recreation last year, staff hasn't made a recommendation except for Senior Sewer Subsidy and Senior Potlatch. She said there is currently \$3,000 in Senior Sewer Subsidy and \$1,000 in Senior Potlatch.
BCM Sullenger asked what Parks and Recreation's total budget was last year. FO Bump gave the total of \$9,257. BCM Kelley asked where the revenues came from. FO Bump said the recreation fees and subsidy from General Fund.

Budget Committee

May 16, 2012

Minutes

BCM Lewis asked why there's sewer subsidy but not electric subsidy. FO Bump said there is low income energy assistance in the amount of \$6,000 per year that comes out of the light fund. BCM Walker asked how much was spent of Sewer Subsidy last year. FO Bump said last year was \$2,633 and current YTD was \$2,360. She said \$2,000 went to Parks and Recreation last year. BCM Kelley said dealing with this before we've made decisions about the Parks and Recreation budget is premature.

BCM Lewis asked about the transition and time line of Parks and Recreation being taken over by United Way. BO Koch said it could take 8-10 months. BCM Walker said with the proposed budget the Recreation program would end June 30th. He said we would be without a recreation department until United Way or CLAD picked it up. BCM Lewis said maybe the Revenue Sharing should go to Parks and Recreation to help transition. BCM Sullenger said maybe \$2,000 could go to Parks and Recreation for a limited summer program and transition into the United Way.

BCM Masters called for a point of order. He asked if this was a hearing on the possible uses of State Revenue Sharing so that all ideas are listed of possible uses or was it a determination of possible uses. FO Bump said it's a hearing to hear possible ideas of uses. BCM Masters said Parks and Recreation, Senior Potlatch, and Senior Sewer Subsidy was listed during the hearing for a decision at a later point. BCM Kelley asked if it would be decided in this budget process. BO Koch said when you get to those programs, you can designate that money then. BCM Sullenger said she thought there was a timeline. FO Bump said there was. She explained how the Public Hearing process worked. BO Koch also explained the Public Hearing process. BCC Brostoff asked for public comment from the audience.

AC Morse passed a binder around with letters and pictures the kids made. She gave a report on how many kids used the program and possibilities of funding and savings for the program. BCM Sullenger asked if they had volunteer parents come in. AC Morse said there aren't very many parents that stick around. BCM Sullenger said maybe something can go on channel 23. AC Morse said they've thought about fundraisers, but they don't want to "raise a bunch of money that goes into the general fund and then be cut back" and asked for any suggestions.

Mrs. Haight asked why there was \$1,500 left in the budget. AC Morse turned it over to AC Peck. AC Peck introduced herself and said there was about \$1,400 left in Personal Services. She said they rarely use much of their Materials and Supplies. She said they are very careful with their budget. She said they receive support from other agencies and that's how they're able to keep their use down. She said she would like to run until the new program starts at the school. BCM Walker asked AC Peck to talk about the activities the program provides besides rec. night. AC Peck listed the events and activities. BCM Sullenger asked if there was a summer program planned. AC Peck said the participation dropped so they suggested that the money be used for an additional rec. night for middle school high school kids only. BCM Sullenger suggested contacting the CAT bus to see if they could provide transportation.

BCM Kelley asked what kind of program United Way would be. BO Koch said the school would be a community center. BCM Lorang said the CLAD Program is pretty well funded and if that came through, there would be plenty of funding for staffing. BCM Kelley asked if that fell through, would we be without a program until it was funded again. BO Koch said that was a possibility.

BCM Hasel asked if Parks and Recreation can continue until we are able to determine if United Way will help. BO Koch said there are about 12 agencies working together to bring the community center into action. He said it will be phased in.

Motion: BCM Lewis moved, seconded by Masters, to close the Public Hearing. The motion passed unanimously.

9. Review & Discuss the following budget elements at this May 16, 2012 meeting:

General Fund (1): BCM Sullenger asked if the Use of City Property included payments from the Street Department. FO Bump said it included a \$4,290 payment from Street Fund. There was discussion on the policy regarding Use of City Property Fees. BCM Tarani said if a change is made with the \$4,290, it's not set in stone. She said we can still go back and do something about it later. **Motion:** BCM Lewis moved, seconded by BCM Holmstrom, to approve General Fund Revenues as currently listed. BCM Masters clarified it was a tentative approval. The motion passed. BCMs Kelley, Sullenger, Walker and Cramblett opposed. BCM Kelley said it is not an enterprise fund and money has been taken out for other projects and we need to make that department as strong as we can. BCM Sullenger said it was a violation of City Policy. BCM Walker said an improvement last year was to take some burdens from streets.

BCC Brostoff went on to Personnel Services. BCM Kelley asked if the 5% increase was in this section. FO Bump said it is spread throughout the budget. FO Bump reviewed the increase. There was discussion on cost of living increase and a merit program. BCM Kelley said a 5% increase was inappropriate in these hard times. BCM Sullenger asked if there would also be a step salary raise. FO Bump said no. BCM Walker said he could not agree with the raises that were proposed. BCM Masters agreed. He said if the Committee approved the increases, then Council approves the increases, what happens to those funds. BO Koch said the Council hasn't had its discussion with employees. He said if it is approved then the expenses are less, that would just reduce the expenditures. He said you could go back through and modify the budget, but that's a whole process in itself. BCM Tarani asked about the history of COLA and Merit increases. FO Bump explained. BCM Sullenger suggested that Council have this as an action item then bring it back because it could be a significant amount of money. BCM Walker asked if there were any PERS increases expected. BO Koch said he didn't think the state was going to deal with it for 2-3 years. BCC Brostoff said PERS is not across the board. There was some discussion on wages and cuts and possible increases in employee contribution to health insurance. BCM Tarani asked if there had been any discussion of furlough days. FO Bump said there hadn't been any discussion with Council. BCM Cramblett said the increases could amount to \$50,000. He said with an initiative, you can't raise any fees so you have to cut it out of somewhere else. BCM Kelley said administration cost is growing at a faster rate than revenues are growing. She said expenses needed to be frozen to make the money go around. She said the audit report showed a decrease in revenue. She said we have to get more out of less and we don't have as much as we used to but we need more. BCM Storm asked about the level of merit increases and if all employees got a merit increase. FO Bump went over the history and said if the review warranted a merit and it was approved, they received the increase. BCM Masters suggested the committee get back to the task at hand and the Council would deal with that. BCM Sullenger said the beginning balances keep declining and if we keep raising expenses they were going to decline even more. BCM Lorang said this doesn't necessarily approve the wage scale. He said the budget is just a guideline and makes no promises. BCC Brostoff said the Committee should go ahead and pass it and let the Council "wrestle" with it. He said they are ultimately going to make the decision anyway. BCC Brostoff called for a motion.

Budget Committee
May 16, 2012
Minutes

BCM Sype said the beautification department was funded last year and asked if it was going to be funded this year. BO Koch said that it would be handled by volunteers and community fundraising.

Motion: BCM Tarani moved, seconded by BCM Kelley, to postpone approval of Personnel Services until the Council has had a chance to make possible changes. The motion passed. BCMs Lewis, Masters, Brostoff and Sype opposed.

BCC Brostoff moved to Materials and Services. BCM Tarani asked about Contract Service Miscellaneous. FO Bump listed all the items that are budgeted for. There was some discussion on Ordinance Codification. BCM Walker asked if it was a Council Goal to have the wage study conducted. FO Bump said it was. BCM Sype asked about the Recreation Department as it is part of the General Fund. BO Koch said it could be discussed during the Parks and Recreation portion of the agenda. **Motion:** BCM Lorang moved, seconded by BCM Masters, to accept the Materials and Services. The motion passed. BCMs Walker and Sullenger opposed.

Motion: BCM Masters moved, seconded by BCM Holmstrom, to tentatively approve Capital Outlay. The motion passed unanimously.

There was some discussion on the Fire Station loan payment scheduled as an inter-fund transfer from the General Fund and whether or not it could be changed. **Motion:** BCM Sullenger moved, seconded by BCM Lewis, to approve the inter-fund transfers. BCM Masters said he would rather set it aside in the event the Council may adjust it. The motion failed. **Motion:** BCM Masters moved, seconded by BCM Lorang, to set inter-fund transfers aside and wait for possible Council action. The motion passed. BCMs Sullenger, Kelley, Lewis and Cramblett opposed.

There was a consensus of the Committee to continue the meeting to 10:00PM. BCC Brostoff called for a break at 8:54PM.

BCC Brostoff called the meeting back to order at 9:04PM. BCM's Sullenger and Kelley were not present. BO Koch suggested the Committee approve by fund or department rather than by category. He reminded them they are only tentatively approving and this would make things move faster. **Motion:** BCM Lorang moved, seconded by BCM Lewis, to approve the General Fund. BCM Lorang amended his motion to exclude Personnel Services, Inter-fund Transfers and Parks and Recreation. BCM Lewis agreed. There was discussion about \$2,000 of the State Revenue Sharing money possible being allocated to Parks and Recreation. BCM Lewis asked staff to suggest a change. FO Bump said she wouldn't feel comfortable making a cut without going back and looking at it. She said she and BO Koch would need to make that decision. BCM Sype said the Committee should direct staff to go back and find where to cut \$2,000. The motion passed unanimously.

Planning (1-2): This was approved with the General Fund.

Property (1-4): This was approved with the General Fund.

Beautification (1-5): This was approved with the General Fund.

Museum (1-7): This was approved with the General Fund.

Recreation (1-9): This was postponed until a later date.

Police (1-19): This was approved with the General Fund.

Gov/Community Relations (1-8): This was approved with the General Fund.

Budget Committee
May 16, 2012
Minutes

SDC (2): Motion: BCM Masters moved, seconded by BCM Storm, to approve the SDC Fund. The motion passed unanimously.

911 (6): Motion: BCM Masters moved, seconded by BCM Storm, to approve the 911 Fund. The motion passed unanimously.

Museum Trust Fund (16): There was discussion on what the Museum Trust Fund was. FO Bump explained it was not necessary any more as the City is no longer funding the Museum. **Motion:** BCM Masters moved, seconded by BCM Storm, to approve the Museum Trust Fund. The motion passed unanimously.

Cemetery (17): Motion: BCM Masters moved, seconded by BCM Storm to approve the Cemetery Fund. The motion passed unanimously.

Cemetery Trust Fund (25): There was discussion on what the Cemetery Trust Fund was. **Motion:** BCM Masters moved, seconded by BCM Storm to approve the Cemetery Trust Fund. The motion passed unanimously.

Sewer Bond (40): Motion: BCM Masters moved, seconded by BCM Storm, to approve the Sewer Bond Fund. The motion passed unanimously.

OEDD Loan (45): Motion: BCM Masters moved, seconded by BCM Storm, to approve the OEDD Loan Fund. FO Bump explained that this would be the final payment on this loan. The motion passed unanimously.

OIB Loan (16): Motion: BCM Lorang moved, seconded by BCM Storm, to approve the OIB Loan Fund. The motion passed unanimously.

Capital Reserve (56): Motion: BCM Masters moved, seconded by BCM Storm, to approve the Capital Reserve Fund. FO Bump directed the Committee to the handout stating the change needed to be noted in the motion. She explained the changes. She said the System, Vehicle, Equipment Upgrade/Replacement total needed to be changed from \$578,500 to \$573,000 and the Reserve to be changed to from \$1,200,165 to \$1,205,665. BCM Masters amended his motion to reflect that change. BCM Storm agreed. The motion passed unanimously.

10. Additional opportunity for public comment: There was no additional public comment.

11. Continuance of Meeting to May 23, 2012, 6:30 PM, City Hall: Motion: At 9:37PM BCM Masters moved, seconded by BCM Storm to continue the meeting to May 23, 2012. The motion passed unanimously.

Prepared by:
Shirelle Price
Accounting Clerk

Approved By:

Rob Brostoff, BC Chair