

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

April 17, 2014

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

Those Attending

Committee Members attending were Brian Bowers, Mark Daily, Lucinda DiNovo, Jennifer Groth, Thomas Leahy, Philip Marler, Roy Metzger, Colin Myatt, Alan Pettit, Crystal Shoji, Mike Vaughan, and Brooke Walton. Committee Members Stephanie Kramer and John Muenchrath were absent. City staff present were City Manager Rodger Craddock, Finance Director Susanne Baker, Deputy Finance Director Amy Kinnaman, Community Development Director Eric Day, Fire Chief Mark Anderson, Police Chief Gary McCullough, and Public Works Director Jim Hossley.

Election of Officers

The meeting opened immediately following the Budget Committee Meeting for the Urban Renewal Agency held at 7:00 p.m. with the election of officers. Committee Member Metzger nominated Jennifer Groth as Chair. Committee Member Daily seconded the motion which carried with Committee Members Bowers, Daily, DiNovo, Groth, Leahy, Marler, Myatt, Pettit, Shoji, and Walton voting aye and Committee Member Metzger voting nay. Committee Members Kramer, Muenchrath, and Vaughan were absent.

Committee Member Shoji nominated Brian Bowers as Vice-Chair. Committee Member Daily seconded the motion which carried with Chair Groth and Committee Members Bowers, Daily, DiNovo, Leahy, Marler, Metzger, Myatt, Pettit, Shoji, and Walton voting aye. Committee Members Kramer, Muenchrath, and Vaughan were absent.

Committee Member Shoji nominated Lucinda DiNovo as Secretary. Committee Member Walton seconded the motion which carried with Chair Groth and Committee Members Bowers, Daily, DiNovo, Leahy, Marler, Metzger, Myatt, Pettit, Shoji, and Walton voting aye. Committee Members Kramer, Muenchrath, and Vaughan were absent.

Public Comments

No comments were made.

Presentation of the 2014-2015 Budget Message by Budget Officer Rodger Craddock

City Manager Rodger Craddock reviewed the budget message which is attached and hereby made a part of the record. City Manager Craddock reported the 2014-2015 proposed budget totaled \$66,317,534 which included \$30,466,418 in wastewater capital 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 International Association of Firefighters (IAFF), Coos Bay Police Officer's Association (CBPOA), American Federation of State, County and Municipal Employees (AFSCME), and non-represented (management) employees. Projected personnel costs included salary increases of 2%, a cost of living adjustment (COLA) for AFSCME and CBPOA; 1% for IAFF (currently in negotiations), and no COLA for non-represented (management) employees. City Manager Craddock stated personnel expenses comprised 16% of the total City operating budget, with salaries comprising 66% and benefits comprising 34% of personnel expenses. The FY 2014-2015 proposed budget reflected an 11% employee insurance cost increase over the FY 2013-2014 budget and the same biennium PERS rate as FY 2013-2014.

Operationally, department heads submitted a budget reflecting decreased expenditures from the previous year or small increases to account for inflation or the need to replace critical items; estimated General Fund carryover for fiscal year 2014-2015 was \$2,417,366; reserved to maintain the General Fund over a four month period in which no substantial revenues were received. City Manager Craddock stated over the past two budget cycles, General Fund revenues (property taxes and franchise fees) have not kept pace with General Fund operational expenses resulting in two consecutive years of potential operating budget deficits before utilization of balancing measures occurred; the predominate balancing measure was the use of "Carryover" funds which resulted in decreased Carryover balances. Projected property tax revenue for fiscal year 2014-2015 reflected a modest increase not sufficient to meet operational expenses or rebuild the Carryover to a level required to meet the first quarter budget operational needs. Staff made mid-budget year corrections during fiscal year 2013-2014; corrections included controlling expenses by limiting discretionary spending on materials and services, restricting capital expenditures, vacant positions remained unfilled, and reducing existing management agreements.

Actions taken to increase revenues included the use of grants and contracts to fund certain existing positions, selling surplus property and equipment, increasing existing fees, creating new fees, and conducting a double timber harvest. The positive net change of these efforts was \$1,291,152; the proposed budget still required the additional balancing measures of sale of surplus property, utilization of timber revenues, and the utilization of funds normally placed in the Rainy Day Reserve Fund. A new fund, the Library Education Service Office (ESO) Fund was included in the proposed budget and provided for revenues and expenditures associated with the operation of Coos County Library Service District's ESO operated out of the Coos Bay Library and funded from the countywide public library tax. The Wastewater Fund proposed budget reflected a 6.5% rate increase to meet the demands for improvements and \$28,176,000 loan proceeds used to undertake identified projects in the wastewater construction in progress (CIP). The Wastewater budget funded a new position, Wastewater Engineer, proposed to assist the City with wastewater and storm water capital improvement projects.

Committee Member Vaughan entered the meeting at 8:10 p.m.

Review of the Proposed Budget for Fiscal Year 2014-2015

Chair Groth briefly explained the procedures for going through the proposed budget and for redlining items.

General Fund

The Budget Committee reviewed 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 Metzger redlined the entire budget for the Community Contributions Department (180), page 28.

Non-Departmental

The Budget Committee reviewed Non-Departmental Department (190), no changes were made.

Other Financing Uses

The Budget Committee reviewed Other Financing Uses (195), no changes were made.

Police Department

Police Chief Gary McCullough stated the Police Department's 2014-2015 budget consisted of three Departments: Administrative, Operations, and Support Services staff were combined under Police Division (240), Public Safety Communication staff funded by Police

Communications Division (242) and the 9-1-1 Tax Fund 10. The Budget Committee reviewed Police Departments (240) and (242), no changes were made.

Codes Enforcement

Police Chief Gary McCullough stated the Codes Enforcement Department (243) was moved to the Community Development Department during fiscal year 2013-2014. The Budget Committee reviewed Codes Enforcement Department (243), no changes were made.

Fire Department

Fire Chief Mark Anderson reported the Fire Department 2014-2015 budget reflected costs to maintain the three fire stations; noted an increase building and plant maintenance due in part to the aging of two of the three fire stations. The Budget Committee reviewed the Fire Department (261), no changes were made.

Community Development Department

City Manager Rodger Craddock stated Public Works and Development Administration Department (300) was abolished in FYE 2014.

Community Development Director Eric Day reported the Community Development Department consisted of the following Departments: Planning/Community Development and the DCLD/Coast Implementation Grant. The Budget Committee reviewed the Community Development Departments (301) and (302), no changes were made.

Library Fund

Chair Groth stated the Library Director was out of town; review of the Library Fund 7 was moved to the April 22, 2014 Budget Committee meeting.

Public Works Department

Public Works Director Jim Hossley reported the Public Works and Development Department consisted of the following Departments: Administration/Engineering and Parks; Administration Department (300) merged to (305) in FYE 2014. The Budget Committee reviewed the Public Works Departments (305) and (306), no changes were made.

CBNBWB Special Water Project IFA 2010

CBNBWB Special Water Project IFA 2010 Department (313) was abolished in FYE 2014; project completed in FYE 2013.

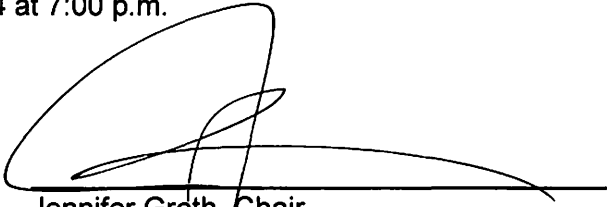
State Gas Tax Fund

The Budget Committee reviewed the State Gas Tax Fund 2 Maintenance Department (320).

Committee Member Marler redlined State Gas Tax Fund 2 Expenditures, Department (320), page 56, line item 520-2307, Concrete, Asphalt and Gravel.

Adjourn

Meeting adjourned until Tuesday, April 22, 2014 at 7:00 p.m.



Jennifer Groth, Chair

Attest: 
Lucinda DiNovo, Secretary