

CITY OF LA GRANDE

Budget Committee Meeting

May 10 & 11, 2021

6:00 p.m.

The meeting was available for viewing via the City's scheduled Charter Communications channel 180, on the La Grande Alive website at <https://eoalive.tv/city-events/> and on the Eastern Oregon Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

Monday, May 10, 2021

MINUTES

MEMBERS PRESENT

Stephen E. Clements, Mayor
Gary Lillard, Mayor Pro Tem
David Glabe, Councilor
Nicole Howard, Councilor
Mary Ann Miesner, Councilor
Justin Rock, Councilor

Greg Ammer
Mat Barber
Corrine Dutto
Scott McConnell
Ashley O'Toole

ABSENT/EXCUSED

John Bozarth, Councilor
Ed Henninger
Max Koltuv

STAFF PRESENT

Gary Bell, Police Chief
Michael Boquist, Community Development Director
Kyle Carpenter, Public Works Director
Jake Dixon, Water Superintendent
Jennifer Fox, Fire Department Admin. Assistant
Ronda Griffin, Communications Manager
Jason Hays, Police Lieutenant
Sandra Patterson, City Recorder
Heather Rajkovich, Finance Director
Teresa Roberts, Aquatics Superintendent
Stu Spence, Parks and Recreation Director
Robert Strobe, City Manager/District Manager
Anita Zink, Human Resource Specialist

Lyle Bridge, WWTP/Sewer Superintendent
Josie Boyk, Public Works Admin. Assistant
Emmitt Cornford, Fire Chief
Joe Fisher, Building Official
Carla Greenough, Police Admin. Assistant
Rob Harnack, Senior Accountant
Christine Jarski, Economic Development Director
Kip Roberson, Library Director
McKayla Rollins, Recreation Supervisor
Stacey Stockhoff, Assistant to the City Manager

Per ORS 192.670(1), the Budget Committee and Staff participated in this Regular Session by electronic communication.

ROLL CALL

DISCUSSION/DISPOSITION

Mayor CLEMENTS called the meeting of the City of La Grande Budget Committee to order at 6:33 p.m. Roll Call was taken and a quorum was determined to be present.

AGENDA APPROVAL

DECLARATIONS

There were no additions or changes to the Agenda.

Justin ROCK declared a potential conflict of interest because the City of La Grande has had, and may have again, competitively awarded contracts for towing services which might have included a business in which he had an interest that could receive payments from the City of La Grande's General Fund Budget or other City Budgets. ROCK does not believe this potential conflict of interest would influence his decisions regarding the City's budgets and that he could remain impartial; therefore, he would be participating in the discussion and voting on the budgets.

Corrine DUTTO declared an actual conflict of interest related to the City's General Fund Budget and stated that she had a relative who was an employee of the City of La Grande, who received salaries and benefits from the Parks and Recreation Department. Based on this actual conflict, she was not going to participate in the discussion or vote on any elements of the City's General Fund Budget.

**NOMINATION OF CHAIR
AND VICE CHAIR**

Ashley O'TOOLE was nominated and voted to serve as Chair; Mat BARBER as Vice Chair.

Chair O'TOOLE opened the Budget Hearings on the Proposed Budgets and State Revenue Sharing at 6:39 p.m.

Chair O'TOOLE announced that written submissions for Public Testimony would be read into the record on Tuesday, May 11, 2021, and asked the Budget Officer for the Budget Message.

BUDGET MESSAGE

Robert A. STROPE, Budget Officer

Despite the challenges of the COVID-19 pandemic, STROPE stated that City staff did an exceptional job providing services in La Grande even with facilities closed to the public and strict safety precautions in place. The City would continue to strive for excellence in the service delivery. We have all been experiencing the impacts of COVID-19 in our daily lives and there have been and would continue to be implications for the City's Budgets. There were several notable areas that had been adversely impacted by the pandemic. Three areas of note on the revenue side were Transient Room Taxes (TRT); Parks, Recreation and Aquatics program fees; and Street and Roads (State Highway Taxes). City staff had been extra vigilant this year and made adjustments as they saw the impacts to revenues.

The Proposed Budget reflects reduced estimates for revenues, particularly in the TRT and Parks and Recreation lines. However, budgeting for expenditures based on the anticipation of fully resuming all operations with the understanding that actual expenditures would be based on participation. If the financial impact of the virus continued for a substantial amount of time, other impacts would likely occur and adjustments would again be made as needed. The Contingency had historically been \$300,000 but would remain at \$750,000, even with the expected Federal funding related to COVID-19, which would have restrictions on the use that were unknown at the time of this writing. Contingency funds could only be accessed by Council Resolution.

STROPE noted that in an effort to maximize resources, while remaining balanced in terms of services and economic development efforts, the City Council again reinforced the desire to act upon the recommendations of the Fiscal Committee. These include not reducing service/staffing levels and seeking to increase revenues in the General Fund. The proposed General Fund Budget reflects this intent as it relates to the programs and staffing as well as the Urban Renewal under levy which would provide an estimated \$205,022 of additional revenues without eliminating core economic development programs.

STROPE stated that other than the addition of one FTE in the Police Department and two part-time positions in the Library, staffing levels remain essentially the same.

STROPE added that the \$2 million in Federal funding related to the American Rescue Plan Act of 2021 was included in the Proposed Budget. The final amount and the exact timing of payments was not yet known as well as what these funds could be used for given the rules have not been finalized by the Federal Government. However, in order to expend the funds, an appropriation was included under the City Council, Manager and Personnel tab. The City Council would ultimately determine the specific uses of these funds.

BUDGET REVIEW

STROPE briefly reviewed each fund, noting any major increases or decreases of either \$5,000 or ten percent (10%) whichever was greater, in each. The estimated amounts shown for the current fiscal year reflect the Staff's projections through the remainder of the Fiscal Year. Labor cost in the General Fund

accounted for the vast majority of the total expenditures in that Fund.

STROPE provided the Budget Committee with an overview of the Proposed Budget as follows:

GENERAL FUND:

The overall Budget for the General Fund has not changed significantly; however, the following changes in revenues are reflected in the Proposed Budget:

- Interest: Decreased as interest rates continue to decline.
- Admin & Overhead – Trans in: This number fluctuates each year as actual expenses in the administrative divisions charged out changes annually in addition to time spent by each division performing specific work for other funds.
- Hotel-Motel Taxes: Decreased as this has declined due to the COVID-19 pandemic.
- Hotel-Motel Tax – Union County: Decreased as this has declined due to the COVID-19 pandemic.
- ROW License Fees: Decreased as the Garbage franchise fee increased to the full 7% which resulted in a decrease of 4% that was designated towards the ROW License fees.
- Library Services: With the Council's approval to eliminate overdue fines, we are projecting a small decrease in revenue. The Library will continue to collect fees for lost/damaged items.
- Recreation Program: Decreased as this has declined due to the COVID-19 pandemic.

A discussion was held regarding the FY 2021-2022 requested amount of revenues for Right of Way License Fees in the General Fund's Proposed Budget, to which STROPE stated he would take a closer look at the projections and provide feedback the next day, Tuesday, May 11, 2021, to the Budget Committee.

GENERAL FUND CONTINGENCY, RESERVE FOR FUTURE EXPENDITURE & UNAPPROPRIATED BALANCE: Objective: The City targets a minimum cash carryover of \$1.5 million - \$1.7 million to cover operating costs from the beginning of the fiscal year until the receipt of the property tax revenues without the need to borrow funds. This amount is reflected as the unappropriated ending fund balance. As the

operating budget changes, this figure will also change.

The overall Proposed Budget for the General Fund Contingency, Reserve for Future Expenditure and Unappropriated Balance has not changed significantly. The City Manager and the Management Team have prepared the City's FY 2021-2022 Proposed Budget with \$750,000 in Operating Contingencies, \$750,000 in Reserved for Future Expenditures and an Unappropriated Ending Fund Balance of \$1,928,125.

CITY COUNCIL/CITY MANAGER:

Council and City Manager Goals for 2021 – 2022:

- **Fiscal Management:** Continue to manage the City's finances within limited resources to provide the highest possible level of service to the City of La Grande.
- **COVID-19 Recovery:** Continue to take all necessary actions to comply with the State and Federal mandates related to the COVID-19 pandemic as well as identify and implement policies and programs to assist in the recovery efforts within the City's resources.
- **Economic Development:** Continue to implement the Urban Renewal Plan and economic development strategy as approved by the City Council/Urban Renewal Agency.
- **Wildland Urban Interface:** In concert with Union County and other agencies, take actions to assure La Grande is prepared in the event of a wildfire or other natural disaster, such as the ones that devastated other communities in Oregon in 2020.
- **General Fund Capital Improvements:** Identify funding sources and strategy to address major capital needs.
- **Housing:** Complete the Comprehensive Housing Production Strategy (HPS); upon completion and adoption, implement the strategy.
- **FEMA Maps and Land Use Code Amendments:** Complete the public process and submittal to FEMA for updating the City's Floodplain Maps, and complete the revisions and adoption of the City's Land Use Codes as necessary.
- **Staffing:** Take necessary actions to address critical staffing issues including, but not limited to, hard to fill positions and succession planning for key positions.

Proposed changes City Council, City Manager, and Personnel:

- **Computer System Maintenance and Repair:** Increased by \$30,000 for additional services from IMESD.
- **Insurance (CMO):** Increased to include payments for claims in General Fund associated with higher deductible.
- **Professional Services (CMO):** Increased by \$15,000 for Website Hosting/Maintenance and Customer Service Fees, \$5,000 for Codification, \$4,500 ORMS: (PSNL) Increased by \$15,000 for compensation study.
- **TRT allocations:** \$87,983 for Parks-Tourism Facilities and \$74,037 Chamber of Commerce for Tourism Promotion. An additional \$16,083 in prior years' TRT Revenues is budgeted for Tourism related facilities and/or Tourism Promotion due to ORS requirements. This reflects a significant reduction in TRT revenues due to COVID-19.
- **ARP Funding:** \$2,000,000 to reflect potential Federal funding and associated expenditures. As of this writing the regulations have not been released regarding uses and therefore no specific uses are proposed.
- **The Council Budget now displays all General Fund transfers to General Reserve (fund 016) to assist in tracking Interfund transfers.** This year's transfers total \$113,800 which includes \$8,000 for future projects in Building Maintenance; \$8,000 for Police department tactical vests & future fleet replacement in parking, \$15,000 in Parks for Riverside Greenway trail extension, \$10,000 in Aquatics for Pool boiler, \$10,000 for future fleet replacement in Recreation and \$5,000 Library future purchase of HVAC units. As part of the fund balance policy, \$57,800 of unanticipated increase in General Fund cash will be distributed to reserves for capital expenditures.

Mayor CLEMENTS advocated for \$5,000 in additional funding be set aside for the Blue Mountain Humane Association (BMHA), to which a discussion was held regarding the current agreement between the County and BMHA, which was for \$50,000 each Fiscal Year (\$40,500 from the County and \$9,500 from the City). It was suggested that if the Budget Committee voted and passed a motion for an additional \$5,000 to be paid to the BMHA from the City, that there would be a revised agreement

between the County and BMHA to reflect that increase to a total of \$55,000 (\$40,500 from the County and \$14,500 from the City).

A discussion was held regarding the TRT revenue allocations. The additional \$16,083 that was budgeted in this line could only be used for Tourism related facilities and/or Tourism Promotion due to ORS requirements. STROPE stated the funds would not be spent unless the City Council approved the specific use.

In response to O'TOOLE's question regarding whether or not additional hearings or actions would be required to spend the \$2M set aside for the American Rescue Plan Act (ARPA) funding, STROPE explained that because the \$2M was appropriated in the FY2021-22 Budget, no further action would be required by the Budget Committee and there would not need to be a supplemental budgeting process if the Proposed Budget was approved and ultimately adopted with that appropriation included. The decision on what the funds would be used for would occur once the funding was received. The City Council will make the final decision on the specific uses and since the regulations have not been released regarding uses for the funding, there were no specific uses proposed at this time.

RECESSED

Chair O'TOOLE recessed the meeting at 7:47 p.m.

RECONVENE

Chair O'TOOLE reconvened the meeting at 7:54 p.m.

FINANCE AND MUNICIPAL COURT: Objective: Continue to stay up to date and knowledgeable about our financial software system. Provide staff support with reports and financial information to City Departments. Prepare budget documents for budget hearings and adoption and compile all information and reports for audit.

- **Personnel Cost:** Decreased due to a recent retirement.
- **Auditing Cost:** Increased as we anticipate a single audit due to federal dollars received in FY 2020-21.
- **Professional Services:** Increased due to more participation in electronic payments resulting in increased processing fees.

POLICE DEPARTMENT: Objective: Added one (1) FTE clerk/receptionist to ensure they are able to manage the ever-increasing number and complexity of records requests, releases, and case sealings in

keeping with legal requirements. Recruitment and retention of staff, as they have lost several police officers to retirement in the last several years and will be losing two (2) additional officers to retirement in FY 2021-22.

- Personnel: Increased to add clerk/receptionist position, retirement payouts and COLA, medical insurance and PERS increases.
- Computer Systems Maintenance Agreements: Decreased with new Zuercher software.
- Small Tools and Equipment: Increased to begin 3-year phased replacement of officers' portable radios that are over 10 years old.
- Capital Outlay: \$53,000 for purchase of one new patrol vehicle for fleet rotation.
- \$8,000 transfer into General Reserves for the future purchase of Police tactical vests- \$3,000, and continued savings for a replacement parking enforcement vehicle- \$5,000 is in the City Council/City Manager Budget.

FIRE AND EMS DEPARTMENT: Objective: Continue to deliver high quality fire and EMS services to our citizens. Maintain a high level of preparedness through training in all appropriate fire and EMS fields. Providing for the safety of our members with updated tools and training. Increase paramedic staffing by making available an online training program. Continue to improve department training facilities. Solicit college student involvement in the department by engaging in a resident student program.

- Salaries Part-time: Increased for the addition of program hours as well as premium pay for out-of-town transfers and general alarms.
- Training, Travel and Meeting Expense: Decreased due to adding one student resident rather than three that were budgeted for in FY 2020-21 and we will not be paying biennial EMT certifications.
- Medical Supplies: Increased due to the need to purchase five new IV pumps and three scoop stretchers. There is also a significant increase in routine medical supply costs.
- Departmental Supplies: Decreased as they will only have one student resident this FY 2021-22.
- Small Tools & Equipment: Decreased due to the completion of the SCBA purchase.

- **Capital Equipment:** Increased for the purchase of a new ambulance. To keep with the industry standard of removing an ambulance from service at a mileage of 200,000 and/or age of four to seven years, an ambulance needs to be replaced every three years allowing the removal of their oldest ambulance from the fleet after 12 years and 200,000 miles of operation. Their current fleet years and mileage are 2006 (201,000), 2012 (161,000), 2015 (103,000), 2018 (33,000). This also allows for the anticipated increase in mileage due to the added out of town transfers.

PARKS: Objectives: Plan for and apply for grant funding for Greenway trail extension. Purchase a 3/4-ton pick-up which will be one of the last vehicles before the Parks fleet is completely upgraded. Support School District efforts to install artificial turf at Optimist Field inside Pioneer Park.

- **Salaries - Part-time:** Added one part-time seasonal worker for increased demand on downtown garbage.
- **Facility Repair:** Includes \$25,000 carry over from FY 2020-21 to install artificial turf on the Optimist Field infield.
- **Capital Outlay:** One new $\frac{3}{4}$ ton pick-up budgeted as recommended by the Parks & Recreation Advisory Commission.
- **\$15,000 transfer into General Reserves** for matching grant dollars for the Riverside Greenway trail extension as requested by the Parks Commission is in the City Council/City Manager Budget.

A discussion was held regarding the budgeted amount in the Capital Overlay line for a new $\frac{3}{4}$ ton pickup to be used for the Parks Department and what the pickup would be used for.

AQUATICS: Objectives: Adapt to new COVID restrictions for program delivery to ensure safe, fun community activities. Transition to new staffing structure with retirement of Aquatics Superintendent. Research alternatives to save on costs.

- **Personnel Cost:** Planned Aquatics Superintendent retirement and organizational restructure. Aquatics Superintendent position will be split between Recreation and Aquatics. Lead Guard will

change from 3/4 time to Aquatics Coordinator at full-time.

- Facilities Repair: Decreased as the slide was installed in FY 2020-21 and there are no scheduled large maintenance projects for this FY 2021-22.
- Included with this budget but not shown here is \$10,000 into General Reserves for future pool boiler replacement as requested by the Parks Commission. This transfer is in the City Council/City Manager Budget.

RECREATION: Objectives: Adapt to new COVID-19 restrictions for program delivery to ensure safe, fun community activities. Restore programs and revenues to 75% of pre-COVID activity. Transition to new staffing structure.

- Personnel Cost: Planned Aquatics Superintendent retirement and organizational restructure. Aquatics Superintendent position will be split between Recreation and Aquatics. Recreation Supervisor changes to Recreation Coordinator.
- \$10,000 transfer into General Reserves for future purchase of recreation van/bus as requested by the Parks Commission is in the City Council/City Manager Budget.

URBAN FORESTRY: Objectives: Provide education and support to the community regarding trees and urban forestry including pruning and removals. Increase the density and diversity of the urban forest with the goal of planting a minimum of 100 shade trees annually. Maintain Tree City USA status and coordinate Arbor Day events. Recognize exceptional landscaping efforts with seasonal awards through the Beautification Awards Program. Encourage community support through the Memorial Tree and Sponsor a Tree programs and volunteer opportunities. Support the Wildland Urban Interface Committee and their activities. Using a private donor's funding, replace several trees at the old dog pound location across from Fairgrounds.

Revenue in support of the Urban Forestry Program includes: Street and Roads, \$44,660; Urban Renewal Program, \$5,000; and other fees and charges.

LIBRARY: Objective: Provide full 21st Century library services to the residents of La Grande.

- Salaries - Part-time: Increased as the Library is requesting to add two (2) part-time library clerks in order to allow the Library to re-open on Saturdays and to ensure continuity of full services Monday through Friday.
- \$5,000 transfer into General Reserves for the future replacement of the HVAC system is in the City Council/City Manager Budget.

PLANNING: Objectives: Continue to work with the City Manager and other City Departments toward the accomplishment of the City Council Goals. In FY 2021-22, the Planning Department will continue pursuing the completion of floodplain map amendments, adopting and working towards implementing Housing Production Strategies as required in Oregon HB2003 which supports the City's recently adopted Housing Needs Analysis; and working towards amending the City's Sign Code.

- Consultants: Increased by \$10,000 for the City's 50% match requirement for Certified Local Government Grant of \$20,000 for updating and rewriting the Downtown Historic District Standards.

AMMER asked why the Planning Department was overseeing the Building Department, to which STROPE answered the City Council approved the restructuring as a way to connect the two related departments.

ECONOMIC DEVELOPMENT: Objectives: Continue to work with the City Manager and other City Departments toward the accomplishment of the City Council Goals, with special emphasis on those included on the City Manager's Top Priorities. Specific Goals established for Economic Development Department are as follows: Implement the Urban Renewal Plan, develop and implement an incentive program for non-retail new business development, continue to implement a retail development program, develop and implement a targeted retail business attraction program, and work with other partner organizations to implement an entrepreneurial development initiative.

Economic Development Department Goals were as follows: Continue to implement Economic Development Strategy for La Grande, to include: Provide resources to small business through implementation of the Ignite Center for Entrepreneurship, conduct downtown retail

attraction, utilize a comprehensive retail market analysis; implement strategies for non-retail business recruitment to the Business Park and other commercial/industrial areas; conduct regular annual visits to local key employers; facilitate urban renewal training for the City Council; implement the Urban Renewal Plan to include a 2021 Call for Projects.

- **Consultants:** Increased \$10,000 over FY 2020-21 for additional costs that may arise for projects like the expansion of the Ignite Center for Entrepreneurship in the City's historic firehouse.
- **Other Professional Services:** Decreased \$5,000 for Website project. Increased \$10,000 for a new RARE participant to assist with economic development activities (\$25,000 total cost; \$15,000 from URA and \$10,000 from General Fund).
- **Advertising:** Several outreach activities planned for FY 2020-21 were cancelled due to COVID-19 resulting in an increase for FY 2021-22. This line includes General Fund carry over of \$35,000 from FY 2020-21 in anticipation that promotion and recruitment activities will resume in FY 2021-22 outside the URD. Also, increase of \$2,500 over FY 2020-21 budget so 2 people can attend International Council of Shopping Centers retail recruitment conference.
- **The Grants & Donations fund (005)** is where several grant opportunities are being budgeted. Budgeted is \$200,000 for CDBG grants and \$100,000 for other grant opportunities. The City is sponsoring a grant request to the EDA in the amount of \$1,500,000 to be used for the Ignite Center for Entrepreneurship which includes updates to the City's historic firehouse.

BUILDING MAINTENANCE: Objectives: Preventative maintenance is a program of scheduled work to extend the serviceable life of equipment and systems, reduce downtime due to failure incidents, and reduce cost of routine maintenance. This includes inspection, lubricating, adjustments, replacement of components, performance testing, and analysis. Routine maintenance is a program of unscheduled, day-to-day repairs that restore equipment and systems to operation. Activities that fall within this category are typically accomplished quickly.

- **Facilities Repair:** Increased roughly \$7,200 from the prior FY 2020-21 for removing asbestos tile and carpet replacement in the main hallway of the second floor of City Hall and the Building Division office, upgrading the City Hall alarm system from a 3G to 4G service, and upgrading/replacing the HVAC system in City Hall. (Note: The Building Maintenance HVAC project is estimated to be completed in FY 2021-22 with a 10 +/- year payback in energy savings. The total project costs are estimated at \$100,000 or less, with approximately \$60,000 committed from General Reserves and the remaining \$40,000 budgeted in Building Maintenance - Facilities Repair.)
- \$8,000 transfer into General Reserves for future projects in the City Council/City Manager Budget.

In response to MIESNER's question regarding Health Insurance costs, STROPE stated that an employee's insurance rates were calculated on a tiered rate system with the family's size also influencing the amount of the premium.

BUILDING INSPECTIONS: Objectives: Provide fast response; provide fair treatment; provide friendly service; provide flexible solutions. We are committed to seeking methods by which we could improve our processes and services. We will continue to staff and provide a full-service, professional Building Safety Division to our community. The Building Safety Division was committed to effective and efficient operation receiving 100% of its support from the collection of permit fees.

- **Miscellaneous Revenue:** Decreased after sale of vehicles in FY 2020-21.
- **Transfer to Building Reserves:** Decreased to normal transfer after sale of vehicle in FY 2020-21.

A discussion was held regarding building and electrical inspectors; training opportunities from the City to be certified in more than one area to be able to perform multiple functions for the department; and retaining employment of the inspectors after training was completed.

A discussion was held regarding the amount of Ending Fund Balance that is needed for this Fund

and the Requested FY 2021-2022 Beginning Cash number. Joe FISHER indicated the need to maintain two (2) years of operating cash on hand due to fluctuations in construction activity that may occur.

BUILDING INSPECTION RESERVE FUND: Objective: Expenditures from the Building Inspection Reserve Fund are for capital expenditures that will be determined each year through the budget process and the needs that arise.

- Transfer from Building Inspection: Decreased to normal transfer after sale of vehicle in FY 2020-21.

9-1-1 EMERGENCY FUND: Objective: To attempt to maintain current staffing and service levels within the available 9-1-1 funds.

- Personnel: Increased due to COLA's and medical insurance increases.
- Auditing Cost: Increased as we anticipate a single audit due to federal dollars received in FY 2020-21.
- Computer Systems Maintenance Agreements: Decreased with new Zuercher software.
- Departmental Supplies: Increased to purchase PPE and cleaning supplies related to COVID-19.
- Capital Outlay: Decreased as software project was completed in FY 2020-21.

PUBLIC WORKS PERSONNEL SERVICES: Objective: This budget proposes a Contingency Fund of \$182,401 to provide funds in the event of a fluctuation in Worker's Compensation, Unemployment costs, or any other unforeseen costs.

- Retired Employees/COBRA: Increased based on recent retirements.
- Workers Comp: Increased based on past history of claims.

A discussion was held regarding the labor costs and what was controlling the labor numbers.

WATER: Objective: System Rehabilitation: continue upgrading the telemetry and meter reading system (\$600,000) and replace aging steel mainline (18 inch) on 2nd Street (\$200,000). Transfer to Water Reserve Fund – Continue with transfer of funds to be used for long-term capital improvement projects. These

may consist of a new alluvial well, a water treatment plant, or a yet to be determined project (\$500,000).

- Salaries & Benefits: Decreased to adjust for previous year's retirement payouts.
- Other Professional Services: Increased to track changes of outside laboratory testing, which were previously charged to the Chemical & Lab Supplies line.
- Chemical & Lab Supplies: Decreased as outside laboratory testing charges have been moved to Other Professional Services line.
- Transfer to Street & Road Fund: Increased to provide funds for additional trench maintenance.

WATER RESERVE FUND: Objective: Increase the Water Reserve Fund to provide long-term capital improvement projects funding. Water LID's & Main Extensions: \$150,000 for other likely Water Improvement projects.

- Transfer in from Water Fund - (Revenue): \$500,000 is for long-term capital improvements. These improvements may consist of a new alluvial well, a water-treatment plant or any yet to be determined projects.
- Equip & Improvements: Increased to fund capital improvement project for the Beaver Creek main line.
- Water LID's & Main Extensions: Increased in anticipation of Timber Ridge Apartments project.

MOTOR POOL: Objectives: Maintain levels of service to existing fleet. Integrate usage of new Asset Essentials software for inventory and cost tracking.

- Motor Vehicles & Equipment: Reflects replacing one $\frac{3}{4}$ or 1 ton pickup and the purchase of a street sweeper that was planned for FY 2020-21 that may not occur prior to the end of the current fiscal year.

A brief discussion was held regarding the staffing levels and the job duties performed, snow removal equipment, and funding for snow removal.

In response to AMMER's question regarding the budgeted amount of \$100,000 for consultants in the Water Fund, CARPENTER stated that the only money spent last year for the Beaver Creek

Watershed was for lab testing on the water, which was not included in the funds he was asking about. STROPE added that only \$20,000 of the original budgeted \$100,000 was estimated to be spent with the remaining amount to be carried over to the current budget to be used towards the consultants, if needed.

In response to AMMER's question regarding the process of changing the flood zone, CARPENTER stated that the modeling had been presented to FEMA and once approved, notification would be sent out to the public. A brief discussion was held regarding the flood zone and steps to take to finalize the process to update the mapping.

STREET AND ROAD: Objective: Continue ongoing maintenance programs to the extent allowed with current funding levels. Continue updating signage to meet Federal Retro reflectivity standards.

- Equipment Rental: Increased to cover possible outside equipment rental fee for upcoming projects.
- Motor Pool Rental: Decreased to reflect scheduled project load for this budget year.
- Computer System (s/h): Increased for computer replacement program and GIS related expenditures.
- Road Maintenance: Increased for additional funding (\$90,000) from the Water and Sewer Collection budgets for water and sewer related roadway maintenance.
- Bike/Ped Paths: Increased to address ADA corner ramps in high traffic areas.

A discussion was held in regard to using some of the state and federal COVID funding allocation for revenue replacement as well as continuing to look for Grants and matching fund opportunities that may arise for all of the City funds.

STREET RESERVE FUND:

Objective: Local Improvement District Improvements was budgeted at \$150,000; Possible Bike/Ped Grant, if available would be \$200,000; ADA accessibility grant, \$200,000; Safe Routes to School Grant, \$60,000; STP Projects selected by Parking, Traffic Safety, and Street Maintenance Advisory Commission, \$330,000. These projects are Hall Street (Cove to East O), S Avenue (Monroe to End), Main (2nd to 4th) and O Avenue (4th to 6th).

The amounts shown were designated as "Existing" for projects that have been confirmed as funded for this budget year, and as "New" for projects that present an opportunity for potential funding within this budget year. New projects will not be completed unless funding is received.

Existing Projects: ADA Accessibility Grant, \$100,000; Safe Routes to Schools Grant, \$50,000; STP Project, \$330,000.

New Projects: ADA Accessibility Grant, \$100,000; Local Improvement District (LID), \$150,000.

STREET MAINTENANCE (USER FEE): Objectives: Overlay minor and major roads as recommended by the Parking, Traffic Safety and Street Maintenance Advisory Commission, \$150,000.

- Professional Services & Fees: \$150,000 for paving Second Street (Adams to Spring) Reconstruction Project.

STORM UTILITY FEE: Objective: Snow removal and Storm Events, \$200,000; Storm Sewer System improvements, \$110,000; Storm Sewer System improvements (transfer to Storm Utility Reserve Fund), \$150,000; Letter of Map Revision (LOMR) submittal and revision of tax map public notification process (Consultants) = \$75,000.

- Consultants: \$75,000 for Letter of Map Revision submittal and revision of tax map public notification process.
- Legal: Increased in anticipation of new flood map adoption process.
- Transfer to Storm Utility Reserve: Increased to prepare for 18th Street culvert replacement project.

STORM UTILITY RESERVE FUND: Objective: Complete engineering design for replacement structure at Gekeler Slough (18th Street).

- 18th Street Culvert Replacement: Added line for engineering and permitting for culvert replacement project.

WASTEWATER TREATMENT: Objective: Continue to complete Toxicity Reduction Evaluation (TRE) Toxicity Identification Evaluation Phase III; and preparatory work in anticipation of developing a new NPDES permit.

- Consultants: Increased for possible new NPDES permit from DEQ.
- Motor Pool Rental: Decreased to reflect historical spending.
- Facilities Repair: Decreased due to completion of roof repair.

SEWER COLLECTION: Objective: Continue ongoing rehabilitation work to the Sanitary Sewer Collection System to reduce inflow and infiltration. Remain on a five-year schedule of cleaning and inspecting every sewer main in the service area.

- Facilities Repair: Increased for anticipated projects at the Public Works shops.
- System Rehabilitation: Increased for CIPP project and manhole rehab project.
- Transfer to Street & Road Fund: Increased to provide funds for additional trench maintenance.
- Transfer to Sewer Reserves 008: Increased for saving for future rehab project and new lift stations.

SEWER RESERVE FUND: Objective: Improvements to wastewater treatment facilities (blower header pipe replacement; screen, grinder, move headworks; replace SCADA system; replace secondary pumps at headworks); and Improvements to wastewater collection facilities (rehabilitation of U Avenue lift station).

- Equipment and Improvements (Collection): \$150,000 for improvements to the collection system, specifically for rehabilitation of the U Avenue lift station.

GRANTS AND DONATIONS: Objective: This fund allows departments to budget for special projects that are not considered as normal operational type expenditures. All expenditures in this fund must be offset by grants, donations or reimbursements from other organizations.

The funds could fluctuate a great amount year to year depending on grants applied for or anticipated donations and the timing of the revenues received and the expenditures.

- Economic Development Improvements: The City is sponsoring a \$1,500,000 grant request to the EDA for funds to be used for the Ignite Center for Entrepreneurship which includes updates to the City's historic firehouse.

GENERAL RESERVE: These funds can only be used for the acquisition, construction, reconstruction, and furnishing of municipal buildings; and, purchase and repair of equipment and fixtures in municipal buildings.

Expenditures from the General Reserve Fund are for capital expenditures that would be determined each year through the budget process and the needs that arise.

- **Capital - Building Maintenance:** HVAC project is estimated to be completed in FY 2021-22 with a 10 +/- year payback in energy savings. The total project costs are estimated at \$100,000 or less, with \$60,000 budgeted in General Reserves and the remaining \$40,000 budgeted in Building Maintenance - Facilities Repair. As part of the fund balance policy, \$57,800 of unanticipated increase in General Fund Cash is distributed to reserves for capital expenses and will be used towards the HVAC project.
- **Capital - General CIP:** \$300,000 for potential capital improvements may be required.
- **All General Fund transfer amounts** are shown in the City Manager budget. For the Fiscal Year 2021-22 transfers total \$113,800 which includes \$8,000 for future projects in Building Maintenance, \$8,000 for Police Department tactical vests & future fleet replacement in parking, \$15,000 in Parks for Riverside Greenway trail extension, \$10,000 in Aquatics for Pool boiler, \$10,000 for future fleet replacement in Recreation and \$5,000 Library future purchase of HVAC units.

DEBT FUND: The Debt Fund represents the City's long-term obligations to repay borrowed money for improvements to our buildings, water and sewer systems, streets or large equipment.

- **Principal and Interest:** This loan was paid in full in FY 2019-20.

BUDGET REVIEW

STROPE reminded the Budget Committee that he would take a look at the revenue projections in the General Fund for the ROW license fees and franchise fees and would provide that information to the committee the following day.

STROPE stated that he would continue his presentation to the Budget Committee at the Budget Committee Hearing scheduled for May 11, 2021, and that Public Testimony on the General Fund, would be shared at that time, then the Budget Committee would vote on the General Fund Budget and would move on to the Enterprise and Other Funds.

Having completed overview of the General Fund Budgets, the Hearing was adjourned at 8:32 p.m., to be continued the following evening.

CITY OF LA GRANDE

Budget Committee Meeting

6:00 PM

The meeting was available for viewing via the City's scheduled Charter Communications channel 180, on the La Grande Alive website at <https://eoalive.tv/city-events/> and on the Eastern Oregon Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

Tuesday, May 11, 2021

MINUTES

MEMBERS PRESENT

Stephen E. Clements, Mayor
Gary Lillard, Mayor Pro Tem
David Glabe, Councilor
Nicole Howard, Councilor
Mary Ann Miesner, Councilor
Justin Rock, Councilor

Greg Ammer
Mat Barber
Corrine Dutto
Scott McConnell
Ashley O'Toole

ABSENT/EXCUSED

John Bozarth, Councilor
Ed Henninger
Max Koltuv

STAFF PRESENT

Gary Bell, Police Chief
Michael Boquist, Community Development Director
Kyle Carpenter, Public Works Director
Jake Dixon, Water Superintendent
Jennifer Fox, Fire Department Admin. Assistant
Ronda Griffin, Communications Manager
Jason Hays, Police Lieutenant
Sandra Patterson, City Recorder
Heather Rajkovich, Finance Director
Teresa Roberts, Aquatics Superintendent
Stu Spence, Parks and Recreation Director
Robert Strope, City Manager/District Manager
Anita Zink, Human Resource Specialist

Lyle Bridge, WWTP/Sewer Superintendent
Josie Boyk, Public Works Admin. Assistant
Emmitt Cornford, Fire Chief
Joe Fisher, Building Official
Carla Greenough, Police Admin. Assistant
Rob Harnack, Senior Accountant
Christine Jarski, Economic Development Director
Kip Roberson, Library Director
McKayla Rollins, Recreation Supervisor
Stacey Stockhoff, Assistant to the City Manager

Per ORS 192.670(1), the Budget Committee and Staff participated in this Regular Session by electronic communication.

ROLL CALL

DISCUSSION/DISPOSITION

Chair O'TOOLE called the meeting of the City of La Grande Budget Committee back to order at 6:00 p.m. Roll Call was taken and a quorum was determined to be present.

AGENDA APPROVAL

STROPE stated there were no changes to the Agenda.

Chair O'TOOLE announced at 6:02 p.m. that the Public Hearings on Proposed Budgets and State Revenue Sharing were still open and shall remain open until the close of the hearings.

Chair O'TOOLE noted that members of the Budget Committee submitted questions to the Budget Officer prior to the Budget Hearing meetings, which were then compiled in a question/answer format and emailed to each of the Budget Committee members, for their reference. O'TOOLE stressed that the detailed materials provided in advance, along with the questions and answers provided to the Committee in advance of the meeting significantly reduced the questions that were asked during the hearing itself.

Chair O'TOOLE asked the City Manager /Budget Officer for a recap of the General Fund Review from the previous night.

STROPE recapped the progress of the Hearing that was held the night before on Monday, May 10, 2021. He stated that there was no Public Testimony related to the Urban Renewal District Budget and that the Budget Committee had Approved the Urban Renewal Budget and recommended that it be forwarded to the Agency for Adoption at the June 2, 2021, Urban Renewal District Regular Meeting.

STROPE stated that the General Fund, Enterprise, and Other Funds were also reviewed the night before on Monday, May 10, 2021, with a question-and-answer segment between the Budget Committee members and the City's staff.

STROPE noted that during the Budget Committee Hearing on the City's General Fund, a member of the Budget Committee suggested the amount of revenues for Right of Way (ROW) License Fees was lower than it should be. After reviewing the most recent collection data, the estimated revenues amount of \$237,000 would actually be just over \$263,000. Increasing the ROW License Fee Revenue amount to \$262,000 was warranted and the change would be made in the Approved Budget. This change would not have any impact on the budget appropriation/expenditure amounts, but would increase the General Fund Unappropriated Ending Fund Balance by \$19,000 from \$1,928,125 to \$1,947,125.

PUBLIC TESTIMONY

STROPE shared the Public Testimony that was received regarding the General Reserve Fund, one

(1) letter was received from the Blue Mountain Humane Association regarding funding for the shelter, and thirteen (13) letters of support were received from the following community members regarding the library's budget, hours of operation, and staffing levels:

- Linda Birnbaum
- Cheryl Simpson
- Anne Morrison
- Dorene McCarthy
- Ellen Krieger
- Jennie Tucker
- Anna Maria Dill
- Kristine Alf Rippee
- Aaron Thornburg
- Olivia Thornburg
- Jack Dittmann
- Sophia Thornburg
- Angela D'Antonio

COMMITTEE DELIBERATION

Chair O'Toole announced that discussion in connection with the General Fund Budget only would be taken at this time.

Mayor CLEMENTS asked for extra funding to be set aside for the Blue Mountain Humane Association (BMHA) for an additional \$5,000 to go directly to the shelter, alongside the \$50,000 received between the County and the City.

MOTION

The following Motion was introduced by CLEMENTS; MIESNER providing the Second:

MOTION: I move to increase line item 001-110-628750 to \$14,500 with the understanding that the increase of \$5,000 be paid to the Blue Mountain Humane Association by the County without reducing any County contributions.

COMMITTEE DISCUSSION

A committee discussion was held regarding the backstory of how the funds were provided by the County and the City and the evolution of the agreement between the County and BMHA. It was suggested that when the current agreement is renewed in 2022, that it reflects the City's contribution separately from the County's funding to clarify the source and amounts provided. Mayor CLEMENTS and O'TOOLE spoke in favor of the additional funding and GLABE spoke in opposition citing more pressing needs within the City as higher priorities for funding.

STROPE reminded the Budget Committee that DUTTO would abstain from the discussion and

voting due to declaring a conflict of interest from the City's General Fund Budget.

VOTE

MSC. EIGHT (8) of the members present voted in the affirmative; GLABE and AMMER voted against; DUTTO abstained from voting due to conflicts of interest; and BOZARTH, HENNINGER, and KOLTUV were absent excused.

COMMITTEE DELIBERATION

AMMER voiced his concern on why the Budget Committee members do not discuss ways to lower operating expenses or ways to contain them during Budget Hearing deliberations, to which a committee discussion was held regarding how many conversations were already had between Councilors and/or City staff during prior Work Sessions; setting expectations for controlling any discrepancies in the budget; and keeping transparency by providing the public with all questions and answers from the Budget Committee that were submitted prior the Budget Hearings. STROPE indicated he would add to the City's website a summary of the Budget Committee's questions submitted in advance of the Budget Hearings and the Staff's responses.

With no further discussion regarding the General Fund Budget, Chair O'TOOLE invited a Motion to close the Public Hearing and approve the General Fund Budget at 6:53 p.m.

MOTION

The following Motion was introduced by CLEMENTS; HOWARD providing the Second:

MOTION: I move that the Public Hearing for the City's General Fund Budget for Fiscal Year 2021-2022 be closed and that the ad valorem property tax rate of 7.4392 per \$1,000 of assessed value be imposed for the General Fund and that the General Fund Budget be approved as amended and forwarded in its entirety to the City Council for adoption during the Regular Session of the City Council on June 2, 2021.

COMMITTEE DISCUSSION

STROPE provided a quick recap of the amended changes that were proposed during the Public Hearing.

VOTE

MSC. NINE (9) of the members present voted in the affirmative; AMMER voted against; DUTTO abstained from voting due to conflicts of interest; and BOZARTH, HENNINGER, and KOLTUV were absent excused.

PUBLIC TESTIMONY

Chair O'TOOLE stated that no written Public Testimony was received regarding the Enterprise and Other Funds.

COMMITTEE DELIBERATIONS

The Hearings for the Fiscal Year 2021-2022 Budgets and State Revenue Sharing were closed at 6:58 p.m.

The following Motion was introduced by MIESNER; CLEMENTS providing the Second:

MOTION: I move that the Enterprise and Other Funds Budgets for Fiscal Year 2021 – 2022, be approved as presented and forwarded in their entirety to the City Council for adoption during a Regular Session of the Council on June 2, 2021.

VOTE


MSC. TEN (10) of the members present voted in the affirmative; AMMER voted against; and BOZARTH, HENNINGER, and KOLTUV were absent excused.

ADJOURNMENT

Chair O'TOOLE adjourned the Budget Committee at 7:01 p.m. to reconvene during a Regular Session on June 2, 2021, to consider Approval of the Budget Committee Minutes.




Stephen E. Clements
Mayor



Ashley O'Toole
Chair

ATTEST:



Stacey M. Stockhoff
Assistant to the City Manager

APPROVED: June 2, 2021