

**CITY of LA GRANDE
Budget Committee Regular Session
Wednesday, June 7, 2023**

[Immediately Following Urban Renewal District Budget Committee Regular Session](#)

**Council Chambers
La Grande City Hall
1000 Adams Avenue**

AGENDA

The meeting will be available for viewing via the City's scheduled Charter Communications channel 180 immediately following the Urban Renewal District Budget Committee Regular Session which begins at 6:00 p.m. on June 7, 2023, on the EO Alive website at <https://eoa.tv> or on the EO Alive.TV Facebook page at <https://www.facebook.com/EOAliveTV>.

1. WELCOME to the CITY OF LA GRANDE BUDGET COMMITTEE REGULAR SESSION

- a. Call to Order
- c. Roll Call

2. AGENDA APPROVAL

Announce that this meeting of the City of La Grande Budget Committee is for the sole purpose of approving the Minutes from the May 15 and 16, 2023, City General, Enterprise and Other Funds Budget Hearing.

3. CONSENT AGENDA

The Consent Agenda includes routine items of business which may be approved by one Motion of the Committee.

- a. Consider: Approving City General, Enterprise and Other Funds Budget Hearing Minutes; May 15 and May 16, 2023

4. ADJOURN TO URBAN RENEWAL AGENCY REGULAR SESSION

Stacey M. Stockhoff
City Recorder

CITY of LA GRANDE

BUDGET COMMITTEE ACTION FORM

Council Meeting Date: **June 7, 2023**

PRESENTER: **Robert A. Strobe, City Manager**

COUNCIL ACTION: **CONSIDER CONSENT AGENDA**

- 1. MAYOR: Request Staff Report
- 2. MAYOR: Entertain Motion

Suggested Motion: I move we accept the Consent Agenda as presented.

OR

Suggested Motion: I move we accept the Consent Agenda as amended.

- 3. MAYOR: Invite Council Discussion
- 4. MAYOR: Ask for the Vote

EXPLANATION: A Consent Agenda includes routine items of business with limited public interest, which may be approved by one Motion of the Council. Any Councilor may, by request, remove any item of business from the Consent Agenda.

- a. **Consider:** **Approving City General, Enterprise and Other Funds Budget Hearing Minutes; May 15 and May 16, 2023**

Reviewed By: (Initial)

City Manager _____

City Recorder _____

Aquatics Division _____

Building Department _____

ED Department _____

Finance _____

Fire Department _____

Human Resources Dept _____

Library _____

Parks Department _____

Planning Department _____

Police Department _____

Public Works Department _____

COUNCIL ACTION (Office Use Only)

- Motion Passed
- Motion Failed; _____
- Action Tabled; _____
Vote: _____
- Resolution Passed
Effective Date: _____
- Ordinance Adopted
First Reading: _____
Second Reading: _____
Effective Date: _____

CITY OF LA GRANDE

Budget Committee Meeting

May 15 & May 16, 2023

6:00 p.m.

Colleen F. Johnson Community Room
F. Maxine and Thomas W. Cook Memorial Library
2006 North Fourth Street

Monday, May 15, 2023

MINUTES

MEMBERS PRESENT

Justin Rock, Mayor (*Attended via electronic device*)
David Glabe, Mayor Pro Tem
Corrine Dutto, Councilor
Nicole Howard, Councilor
Molly King, Councilor
Mary Ann Miesner, Councilor
Denise Wheeler, Councilor

Cori Brewster
Steve Clements
Max Koltuv
Roxie Ogilvie

ABSENT/EXCUSED

Mat Barber
Jeannette Hulse
Joyah Wong

STAFF PRESENT

Gary Bell, Police Chief
Lyle Bridge, WWTP/Sewer Superintendent
Carrie Bushman, Library Director
Emmitt Cornford, Fire Chief
Joe Fisher, Building Official
Carla Greenough, Police Dept. Admin. Assistant
Rob Harnack, Senior Accountant
Hannah Lehner, Assistant to the City Manager
Heather Rajkovich, Finance Director
Stu Spence, Parks and Recreation Director
Stacey Stockhoff, City Recorder

Timothy Bishop, Economic Development Director
Josie Boyk, Public Works Admin. Assistant
Kyle Carpenter, Public Works Director
Jake Dixon, Water Superintendent
Jennifer Fox, Fire Dept. Admin. Assistant
Ronda Griffin, Communications Manager
Jason Hays, Police Lieutenant
Cari Markham, Human Resource Specialist
McKayla Rollins, Aquatics & Recreation
Superintendent
Robert Strobe, City Manager/Budget Officer

Per ORS 192.670(1), some Committee Members participated in this Regular Session by electronic communication.

ROLL CALL

Mayor Pro Tem GLABE 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

There were no additions or changes to the agenda.

DECLARATIONS

Mayor ROCK declared a potential conflict of interest because the City of La Grande has competitively awarded contracts for towing services which may include a business in which Mayor ROCK has an interest that could receive payments from the City of

La Grande's General Fund Budget or other City Budgets. Mayor ROCK did 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 participate in the discussion and voting on the City's General Fund Budget.

Mayor ROCK declared a potential conflict of interest. Mayor ROCK has a potential conflict of interest for the City's Enterprise and Other Funds Budgets because Mayor ROCK owns a business that potentially could do business with the Public Works Department. Based on the potential for tire sales to Public Works in the future, he would not participate in the discussion or vote on any of the Enterprise and Other Funds Budgets.

CHALLENGES

None

**NOMINATION OF CHAIR
AND VICE CHAIR**

Steve CLEMENTS was nominated and voted to serve as Chair; Roxie OGILVIE as Vice Chair.

VOTE

MSC: 10-0-1 (Yes: BREWSTER, DUTTO, GLABE, HOWARD, KING, KOLTUV, MIESNER, OGILVIE, ROCK, and WHEELER; No: None; Abstain: CLEMENTS)

Chair CLEMENTS opened the Budget Hearings on the Proposed Budgets and State Revenue Sharing at 6:36 p.m.

Chair CLEMENTS announced that Public Testimony would be accepted on Tuesday, May 16, 2023, and asked the Budget Officer for the Budget Message.

BUDGET MESSAGE

Robert A. STROPE, Budget Officer

STROPE cited a corrected thirty-five-thousand-dollar (\$35,000) error related to the Economic Development Budget, allocated for promotional activities outside the Urban Renewal District which were funded by the City's General Fund, not Urban Renewal. The Proposed Budgets needed to be adjusted to reduce this \$35,000 from the transfers between the URA Debt and General Funds, and reduce the payment from URA to the City's General Fund for services. The correction increased the funding in the URA budgets by the \$35,000 and reduced revenues to the City's General Fund by the same amount. Prior to the start of the hearing, all members of the Budget Committee received corrected charts.

STROPE shared that thriving communities are places where people feel safe, have access to excellent services and amenities such as quality parks, diverse recreational programs, and outstanding library services; places with good roads and where people do not have to worry about the quality of their water. STROPE shared he believed in many respects, La Grande offered these attributes; however, noting with resource constraints they might not always meet the expectations of their citizens. STROPE firmly believed Staff did a great job with the resources they had and would continue to strive for excellence in their service delivery.

STROPE noted that the City of La Grande continued to employ a conservative yet realistic approach to budgeting. STROPE believed it resulted in a more accurate representation of the City's financial condition. In an effort to maximize resources, while remaining balanced in terms of services and economic development efforts, the Proposed General Fund Budget reflected an Urban Renewal under levy which provided an estimated \$422,964 of additional revenues without impacting the Urban Renewal Agency's core economic development programs. Thereby providing much needed revenues to the City's General Fund and to other taxing jurisdictions. The Under Levy revenues in the current budget were dedicated to streets. The Proposed Budgets for Fiscal Year 2023-2024 (hereinafter Proposed Budgets) retained those dollars in the General Fund in large part to help fund requested staffing increases in the Fire Department.

STROPE addressed that the Proposed Budgets generally maintained the staffing levels of the current fiscal year, except as noted under the Executive Summary. The Proposed Budgets included a total of 138.12 Full Time Equivalent (FTE) employees based on a 2080-hour year, of which 115 were full-time employees. In the General Fund, proposed expenditures exceed projected revenues, which has been the case for the past few years. STROPE added that cash on hand would bridge the gap between revenues and expenses to maintain services as well as continuing to purchase needed capital items.

STROPE stated the Proposed Budgets, as with the current year's Adopted Budgets, were developed using the priorities established by the City Council along with the best information available to the Staff when prepared. The estimated amounts shown for the current year reflected the best information available at the time and was used for forecasting

beginning cash balances. The City Council, during their annual Retreat, established the City's priorities and approved the summary of the Retreat and the Goals and Priorities, which were provided to the Budget Committee in advance. The Proposed Budgets reflect those priorities and the City Council's philosophy of funding City of La Grande specific programs first.

STROPE shared when the FY 2022-23 General Fund Budget was adopted, it included a beginning cash estimated balance of \$7,109,906 and a budgeted ending cash balance of \$3,594,541, including contingency and reserved for future expenditures. Through a combination of conservative revenue estimates, and a variety of factors which resulted in lower expenditures than budgeted the previous year, the beginning General Fund cash on hand for FY 2022-23 was \$8,146,627. The amount included carried forward funds which had been previously committed and the remainder were one-time funds that could be used to address budget requirements, but should not be considered for continuing money expenditures. STROPE called the amount an unanticipated increase in cash balance, which was \$620,425, after removing the carried forward and committed funds. The City Council passed Resolution 4824, Series 2022, establishing fiscal policy to include dedicating 50% of these unrestricted, unanticipated increases in cash to the General Reserve Fund for capital projects (\$310,213), 25% to other General Fund capital needs (\$155,106), and the remaining 25% to be transferred to the Street Reserve Fund where they would be used for Street and Road improvements (\$155,106). The 25% dedicated for other General Fund capital needs would be funding the majority of a new wildland fire engine.

STROPE shared in addition to the budget priorities and constraints related to available resources, the goal was to maintain sufficient ending cash balances in the City's Funds, the General Fund most notably, to enable the City could meet all operating expenses without the need for short-term borrowing from other Funds or financial institutions. For the General Fund, the amount remained between \$1.5 and \$1.7 million annually, given the operating expenses and the timing of the first receipt of property taxes each fall.

STROPE noted the City's Proposed General Fund Budget estimated revenues of \$12,974,309 including transfers in, compared to \$16,123,734 of estimated expenditures, for a net deficit of \$3,149,425.

STROPE discussed the plan to address the deficit by using available ending cash on hand (Fund Balance) to avoid cuts. Labor costs in the General Fund account for a significant portion of the total expenditures (66.52 % excluding the \$1,582,898 of ARPA funds), which would not change given the makeup of the organization. As of this writing, new, three-year Collective Bargaining Agreements with the Employees Association and Fire had been ratified, Tentative Agreement has been reached with Police.

The \$1,582,898 Federal funds remaining from the American Rescue Plan Act of 2021 (ARPA) were included in the Proposed General Fund Budget. The City Council passed Resolution 4827, Series 2022 electing the “standard allowance,” which allowed the City to consider the full amount of ARPA funds as “Revenue Loss” and funds could be used for any governmental purpose. The Council allocated \$2,773,872 to various street projects and the remaining \$250,000 was reserved for the Union County Fairgrounds Water and Sewer Project, contingent upon the outcome of the pending outside funding requests from the Union County Fair Board. This \$250,000 would be reduced by \$119,231 if the allocation of prior years’ Transient Room Tax funds to the Union County Fairgrounds shown in the Council, Manager, and Personnel proposed expenditures is approved, it would free up more funding for City Street projects per the Resolution.

In response to Chair CLEMENTS’ question, STROPE stated if a proposed project were not completed in the fiscal year, it would be carried forward into the following year.

EXECUTIVE SUMMARY—ALL FUNDS - (includes Urban Renewal) Compared Proposed FY 2023-24 Budget (PROPOSED) to the Adopted FY 2022-23 Budget (CURRENT):

- **SERVICE LEVELS** – Staffing levels remain essentially the same other than the addition of three new firefighters.
- **LABOR COSTS** – Proposed \$13,972,875 across all funds, as compared to \$13,013,676 CURRENT, an increase of 7.37%.
- **MATERIALS AND SERVICES** – Proposed \$11,896,377 as compared to \$12,424,553 CURRENT, a decrease of 4.25%.
- **CAPITAL OUTLAY** – Proposed \$12,790,271 as compared to \$10,901,066 Current, an increase of 17.33%.

- **PROPOSED General Fund Capital Outlay** including transfers to the General Reserve total \$1,011,235 and included police patrol vehicles, a battery-operated rescue tool, a Fire Department vehicle, wildland fire engine, and a cargo trailer for the Building Maintenance. This total is up from \$801,025 in the CURRENT Budget. (The \$1,011,235 includes \$134,000 of carried over funds for vehicle purchases)

Chair CLEMENTS sought clarification on fees and charges increased by forty-two percent (42%), to which STROPE stated it was a result of ambulance billing.

BUDGET REVIEW

STROPE briefly reviewed each fund, noting any major increases or decreases of either \$5,000 or ten percent (10%) which ever was greater, in each. The estimated amounts shown for the current fiscal year reflected 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 a recap of the three (3) separate Memorandums that captured questions from the Budget Committee Members and were answered by City Staff, which were provided to the Budget Committee Members prior to the hearing. These documents were available on the City's website to the public in advance of the hearing; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.

RECESS

Chair CLEMENTS recessed the Budget Committee Meeting at 7:28 p.m.

RECONVENE

Chair CLEMENTS reconvened the Budget Committee Meeting at 7:37 p.m.

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

(Editorial note: due to a scheduling issue, the Budget Committee reviewed the Building Inspections and Building Inspection Reserve Fund Proposed Budgets which are Enterprise Funds before continuing with the City's General Fund to accommodate the Building Official)

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 is committed to effective and efficient operation receiving 100% of its support from the collection of permit fees.

- **Salaries:** Increased due to new contract year and following pay equity study and market analysis.
- **Workers Comp:** Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- **Interest:** Interest rates have increased over the past year.
- **Computer Systems Maintenance Agreements:** Increased as a result of cost distribution formula, based on actual usage of services.
- **Equipment and Improvements:** New vehicle to replace aging vehicle.

BUILDING INSPECTION RESERVE FUND:

Objectives: 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.

Chair CLEMENTS appreciated the clarification provided in the memorandum from FISHER regarding the bolstered beginning cash amount as it related to fee collections obtained during the beginning phase of construction projects; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.

GENERAL FUND:

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

- **Interest:** Interest rates have increased over the year.
- **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:** Increased as there had been an increase in new short-term rentals.

- **Hotel-Motel Tax – Union County:** Increased as there had been an increase in new short-term rentals.
- **Ambulance Collections:** Increased due to rate increases, increased call volume and GEMT collections.
- **ARPA Funds:** Collected remaining funds in fiscal year 2022-23.

GENERAL FUND CONTINGENCY, RESERVE FOR FUTURE EXPENDITURE & UNAPPROPRIATED BALANCE: Objectives: The City targeted 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, the figure would also change.

The overall Proposed Budget for the General Fund Contingency, Reserved for Future Expenditure and Unappropriated Balance had not changed significantly. The City Manager and the Management Team prepared the City's 2023-24 Proposed Budget with \$750,000 in Operating Contingencies, \$750,000 Reserved for Future Expenditures with an Unappropriated Ending Fund Balance of \$4,419,224.

CITY COUNCIL/CITY MANAGER:

Council and City Manager Goals for 2023 – 2024:

- **Street and Road Infrastructure:** Act on recommendations of the Parking Traffic Safety Street Maintenance Advisory Commission (PTSSMAC) to address the condition of the infrastructure including potential funding options.
- **Housing:** Continue to implement the Comprehensive Housing Production Strategy (HPS) as adopted by the City Council.
- **Economic Development:** Continue to implement the Urban Renewal Plan and economic development strategy as approved by the City Council/Urban Renewal Agency.
- **Staffing:** Take necessary actions to address critical staffing issues including, but not limited to, hard to fill positions and succession planning for key positions.
- **Fiscal Management:** Continue to manage the City's finances within limited resources to provide highest possible level of services to the City of La Grande.

- **General Fund Capital Improvements:** Identify funding sources and strategy to address major capital needs.
- **Emergency Management Planning:** In concert with Union County and other agencies, take actions to assure La Grande is prepared in the event of an emergency, including but not limited to major incidents, flooding, wildfire, or other natural disaster. Update the City's Emergency Operations Plan.
- **FEMA Maps and Land Use Amendments:** Take all required actions regarding the FEMA Floodplain Map update submitted, including but not limited to responding to any requirements as needed throughout the process. Complete the revisions and adoption of the City's Land Use Codes as necessary.

Proposed changes City Council, City Manager, and Personnel:

- **Salaries:** Increased due to addition of an IT Support position (1 FTE).
- **Workers Comp:** Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- **Computer System Maintenance Agreements:** Increased as a result of cost distribution formula, based on actual usage of services.
- **Insurance Premium-Claims-Deductible:** Includes an increase of 20% in premiums and anticipated claims.
- **TRT allocations:** \$205,423 for Parks-Tourism Facilities and \$118,078 to Chamber for Tourism Promotion. A review of prior years' TRT revenues expended for tourism related facilities and/or tourism thru FY 2021-22 reflects the City must expend an additional \$119,231, which is allocated to the Union County Fairgrounds for water and sewer infrastructure.
- **Nuisance Abatement -** Increased to \$50,000 to reflect potential for demolition of nuisance properties, which may become necessary.
- **ARPA Funding -** \$1,582,898 to reflect the full amount of remaining funding. Specific uses have been determined by the City Council.
- **General Fund transfers to General Reserve for capital projects total \$444,213:** Building Maintenance \$8,000; Police \$5,000 for replacement of main server and \$6,000 for replacement console's in dispatch; Fire \$50,000 for future ambulance; Parks \$5,000 for turf replacement and \$15,000 for future playground replacements; Aquatics \$20,000 future pool boiler; Recreation \$20,000 for future fleet

replacement; Library \$5,000 for future HVAC units; and \$310,213 of unanticipated increase in General Fund cash capital.

In response to Chair CLEMENTS' question regarding feral cats, STROPE recommended that the City Council continue their discussions with the Union County Animal Control regarding resources needed to adequately manage the feral cat population.

In response to OGILVIE's question regarding the increase for nuisance and abatement, STROPE cited an ongoing abatement process and outlined the anticipated measures for resolution.

FINANCE AND MUNICIPAL COURT: Objectives: 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.

- Salaries: Increased due to new contract year and following pay equity study and market analysis.
- Workers Comp: Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- Computer Systems Maintenance Agreements: Increased as a result of cost distribution formula, based on actual usage of services.
- Computer System (s/h): \$15,000 carry over for Computer Switch Upgrade that was expected to happen in FY 2022-23.
- Equipment & Improvements: Decreased due to a required upgrade of the Municipal Court software completed.

POLICE DEPARTMENT: Objectives: Recruitment and retention of staff, as we have lost several police officers to retirement in the last several years and two long term dispatchers and our administrative assistant have announced their retirements in the coming fiscal year.

- Salaries: Increased due to new contract year and following internal pay equity study and market analysis.
- Workers Comp: Increased due to the required 0.4% employer contribution for Paid Leave Oregon.

- **Computer Systems Maintenance Agreements:** Increased as a result of cost distribution formula, based on actual usage of services.
- **Professional Services:** Increased for contractual services for new police facility comprehensive needs analysis, cost forecast, and funding options. Costs for these services are anticipated to be between \$35-50K.
- **Fleet Maintenance:** Increased to cover inflated costs of parts and labor.
- **Fuel:** Increased to cover inflated fuel costs.
- **Capital Outlay:** Supply shortages/delays prevented the acquisition of an approved new patrol vehicle for fleet rotation in FY 2022-23. This budget reflects a carryover of the \$59,832 (as the vehicle is still on order) and an additional \$69,190 for a new patrol vehicle for fleet rotation. The \$69,190 includes the price of the vehicle and upfitting with police equipment.

In response to Chair CLEMENTS' questions pertaining to facility planning, Chief BELL discussed the City's objective to complete a third-party comprehensive needs analysis to address department needs, estimated project cost and potential funding opportunities. BELL shared ongoing efforts included communication with the Union County Sheriff's Department, noting that a needs analysis needed to be completed for both the City and the County and there was potential opportunity to share portions of the analysis cost.

KOLTUV inquired on the ownership of the current location that housed both the City of La Grande Police Department and the Union County Sheriff's Department, to which BELL clarified that the building was owned by Union County.

In response to DUTTO's question, BELL stated increased staffing from the Union County Sheriff's patrol division and lack of ADA accessibility were some of the reasons for seeking an alternative location.

MIESNER questioned the increase from fifty-nine thousand dollars (\$59,000) to an estimated sixty-nine thousand dollars (\$69,000) for a new patrol vehicle, to which BELL stated it was a result of the supply chain upset, the estimated ten thousand dollars (\$10,000) was a result of inflationary cost.

In response to DUTTO's question pertaining to call volume, BELL stated dwell time and call complexity had increased. BELL added mental health and the decriminalization of drugs had attributed to those increases.

WHEELER questioned why computer maintenance and repairs had increased significantly, to which STROPE noted it was related to service charges with InterMountain Education Service District (IMESD).

FIRE AND EMS DEPARTMENT: Objectives: 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. Increase line staffing to allow for more efficient and effective emergency response. Implementation of occupancy inspection program. Improve recruitment and retention of staff.

- **Salaries:** Increased due to three new positions and new contract using pay equity study and market analysis.
- **Workers Comp:** Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- **Computer Systems Maintenance Agreements:** Increased as a result of cost distribution formula, based on actual usage of services.
- **Training, Travel and Meeting Expense:** Increased due to the cost of tuition/books/travel for three current and three potential firefighters attending a paramedic program.
- **Professional Services & Fees:** Increased for administrative and leverage monies for GEMT (Ground Emergency Medical Transportation) program.
- **Departmental Supplies:** Increased for the purchase of PPE (Personal Protective Equipment) and uniforms for three additional firefighters and replacement of some current PPE.
- **Capital Equipment:** Requested \$45,000 for purchase of battery-operated rescue tool; \$50,000 for a 1/2-ton pick-up to replace a 2000 1/2-ton pick-up and \$180,000 for the replacement of a 2003 wildland engine. Per Resolution 4781 Series 2019, \$155,106 of the \$180,000 for the wildland engine will come from 25% of

unanticipated increase in General Fund cash from FY 2022-23.

- Included with the budget but not show here is \$50,000 into General Reserves for the future purchase of an ambulance. This transfer was in the City Council/City Manager budget.

In response to KOLTUV's question, Chief CORNFORD explained that by adding three (3) additional staff members, each shift would increase by one (1) for a total of six (6) and maintain a minimum of five (5). CORNFORD cited additional staffing would reduce overtime costs due to the reduced need for third out callback. CORNFORD shared the Departments objectives for recruiting and maintaining qualified personnel.

In response to MIESNER's question regarding Life Flight paramedic support, CORNFORD stated a new contract permitted Life Flight to lease an ambulance for patient transport, therefore patient care was provided by Lift Flight and a driver was provided by the Fire Department.

GLABE questioned the industry standard for staffing volume in a population similar to La Grande, to which CORNFORD cited the criteria for comparison would need to consider department services, noting the City's services included patient transport. CORNFORD provided a comparison to the Pendleton Fire Department which Staff was estimated at eight (8) to nine (9) plus two (2) or three (3) students per shift to a call volume of five thousand (5000) per year, versus a three thousand five hundred and sixty (3560) calls per year for the City.

PARKS Objectives: Purchase a mid-size pick-up, snow plow attachment and 6-foot deck mower. Complete the Riverside Greenway Trail loop expansion project.

- Salaries: Increased due to new contract year and following pay equity study and market analysis.
- Workers Comp: Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- Computer System Maintenance & Repair: Increased as a result of cost distribution formula, based on actual usage of services.
- Equipment and Improvements: Increased to \$123,000 which includes \$58,000 carry forward from FY 2022-23 for new vehicle; \$40,000 requested for mid-size pickup; \$15,000 for 6' deck mower; \$10,000 for snow plow attachment.

- Included with the budget but not shown is \$20,000 into General Reserves; \$5,000 for future turf replacement and \$15,000 for future playground replacements as recommend by the Parks and Recreation Advisory Commission in support of the Parks Master Plan. This transfer was in the City Council/City Manager Budget.

In response to DUTTO's inquiry on the Greenway Project trail extension at Riverside Park, SPENCE cited grant funding and General Fund match dollars were dedicated for the project and the efforts were ongoing with Public Works and contractors, completion date was estimated for summer.

AQUATICS: Objectives: Develop teen aquatics programming (i.e., Jr. Lifeguard program, evening events) and expand pool event offerings.

- Salaries: Increased due to new contract year and following pay equity study and market analysis.
- Workers Comp: Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- Equip Maintenance/Repair: Decreased \$10,000 and moved to Facility Repair.
- Computer System Maintenance & Repair: Increased as a result of cost distribution formula, based on actual usage of services.
- Facilities Repair: Increased \$22,500 moved from Departmental Supplies and Equip Maintenance/Repair.
- Included with this budget but not shown here is \$20,000 into General Reserves for future pool boiler replacement. This transfer was in the City Council/City Manager Budget.

In response to Chair CLEMENTS' question on part-time staffing salary increases, SPENCE explained that the comparison with the last two years budgets would not be fair due to the fact that the Veterans Memorial Pool was closed as a result of the COVID-19 Pandemic. Another factor was due to the pay equity study and market analysis as reflected in the narrative.

DUTTO inquired on the number of pool users per year, to which McKayla ROLLINS, shared the number from June of 2022 to March of 2023, which was estimated to be fifteen thousand (15,000) users. As a follow up to DUTTO's request, STROPE stated Staff would provide participation numbers in full detail in a memorandum; a copy of which was provided on May 16th, and is now a permanent

document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.

In response to Chair CLEMENTS' question, SPENCE confirmed a fee increase had been scheduled to take effect in June, 2023. SPENCE believed the fee increase would not have a negative impact on pool users.

RECREATION: Objectives: Annual community outreach on how to improve or what programs to add. Utilize Morgan Lake and other outdoor amenities to offer outdoor education for youth. Explore partnerships with the Library, EOU, and/or other partners to create a teen hang out space and programs.

- Salaries: Increased due to new contract year and following pay equity study and market analysis.
- Workers Comp: Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- Computer System Maintenance & Repair: Increased as a result of cost distribution formula, based on actual usage of services.
- Included with this budget but not shown here is \$20,000 into General Reserves for future purchase of recreation van/bus as recommended by the Parks and Recreation Advisory Commission in support of the Parks Master Plan. This transfer was in the City Council/City Manager Budget.

KOLTUV inquired on the City's ownership of tennis courts, to which SPENCE confirmed that the City did not own tennis courts, nor did the City provide sponsorship for a Pickle Ball league. SPENCE recommended citizens organize a proposal to the Parks and Recreation Advisory Commission for future Pickle Ball activities.

In response to MIESNER's question, SPENCE confirmed that the Public Works Department had fixed the potholes in the parking lot at Riverside Park.

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.

- **Salaries:** Increased due to new contract year and following pay equity study and market analysis.
- **Workers Comp:** Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- **Computer System Maintenance & Repair:** Increased as a result of cost distribution formula, based on actual usage of services.
- **AG/Horticulture Supplies:** Increased due to using the remaining funds for the Ridge Tree Project. These dollars are in the Grants and Donations fund and will be transferred to the General Fund.
- **Revenue in support of the Urban Forestry Program includes:** Street and Roads, \$47,373; Urban Renewal Program, \$5,000; and other fees and charges.

LIBRARY: Objectives: Provide the latest in library services to the residents of La Grande.

- **Salaries:** Increased due to new contract year and following pay equity study and market analysis.
- **Workers Comp:** Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- **Computer Systems Maintenance Agreements:** Increased as a result of cost distribution formula, based on actual usage of services.
- **Facilities Repair:** Decrease from fiscal year 2022-23. Anticipate carpet replacement, light fixture updates, and general repairs as they arise. The library is nearing its 20-year anniversary and is beginning to show minor wear and tear.
- **Audio-visual Materials:** Increased due to patron usage and popularity. A budget cap has been put in place on these streaming services in order to eliminate any additional costs.
- **Included with this budget but not shown here is \$5,000 into General Reserves for the future replacement of the HVAC system. This transfer was in the City Council/City Manager Budget.**

WHEELER questioned the difference between office supplies and department supplies, to which **BUSHMAN** explained that program costs, such as book clubs and teen writing circles, were department supplies. Whereas office supplies

included xerox copies, ink and standard office materials.

In response to MIESNER's inquiry, BUSHMAN stated the opening year was 2006 for the Cook Memorial Library and nearing the twentieth (20th) year in operation.

In response to DUTTO's question, BUSHMAN stated the increase in some budget lines were related the library staying open compared to the last two years during the pandemic. There was also an increase for training opportunities which focused on rural library programs.

In response to GLABE's question related to periodicals, BUSHMAN stated periodical subscriptions had been reduced over the past several years, adding tracking of patron usage was difficult.

In response to GLABE's audio and visual materials, BUSHMAN stated streaming services were originally added during the pandemic and consequently not a part of the budget. Upon the Library reopening, budget caps were put into place to control service costs.

In response to Chair CLEMENTS' question, BUSHMAN confirmed non-resident patrons were required to obtain a paid membership to utilize streaming services.

In response to KOLTUV's question, BUSHMAN confirmed Libby was also known as "Library-To-Go," citing Libby was part of the Library Consortium and not part of the streaming services requiring a usage cap.

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; Continue proactive recruitment of priority industry sectors identified in the strategic plan; Retail recruitment and downtown redevelopment; Continue business assistance, retention, and expansion efforts; Develop and implement a targeted retail business attraction program; Work with other partner organizations to develop a culture of

entrepreneurialism; and Develop a tactic for developing/attracting small scale manufacturing.

- **Salaries:** Increased due to new contract year and following pay equity study and market analysis.
- **Workers Comp:** Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- **Consultants:** Includes \$7,500 carry over funds for the Goal 9 Economic Needs Analysis started in FY 2022-23 as part of the Economic Development Strategy. Total cost of the project is \$65,000. \$50,000 was from the Planning Department budget and \$15,000 from the Economic Development budget. A significant amount of the existing commercial space is in the District, and is part of the project and therefore warrants some level of participation by the Agency. The department is also budgeting to engage a consultant specifically to further development and initiate a small-scale manufacturing strategy. Consultant \$15,000, implementation \$5,000 and Golden Shovel \$4,200.
- **Advertising:** Of the \$59,000 budgeted, \$35,000 is General Fund carry forward for promotion and recruitment activities.

In response to DUTTO's question regarding consultants, BISHOP stated consultants were used in a variety of ways to support the department, some of which included trainings and an economic needs assessment.

In response to MIESNER's question regarding the budgeted fifty-nine thousand dollars (\$59,000) for advertising, BISHOP outlined the departments advertising objectives.

PLANNING: Objectives: Continue to work with the City Manager and other City Departments toward the accomplishment of the City Council Goals. In FY 2023-24, the Planning Department will continue pursuing the completion of floodplain map amendments and working towards adopting and implementing Housing Production Strategies as required in Oregon HB2003 which supports the City's recently adopted Housing Needs Analysis.

- **Salaries -** Increased due to new contract year and following pay equity study and market analysis.

- **Workers Comp** - Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- **Consultants** - There was little change in this category for the proposed budget as compared to FY 2022-23. However, there is an increase over prior years. This amount is to remain similar in the proposed budget to hire a consultant for the second phase of the Economic Opportunity Analysis Project, which is to expand the City's Urban Growth Boundary to add additional lands to meet our anticipated economic land need. (\$67,000 includes, GIS Mapping Services-\$12,000, Completion of Goal 9 Economic Needs Analysis-\$25,000, and follow up Urban Growth Boundary Expansion-\$30,000).

KOLTUV questioned the anticipated payback on the sixty-seven-thousand-dollar (\$67,000) investment on the City's Urban Growth Boundary, to which STROPE outlined the City's focus on commercial land development, citing return on investment numbers could not be provided at the current time. STROPE highlighted the ongoing needs analysis efforts and identification of potential willing sellers for any expansion.

In response to KING's question regarding Computer System Maintenance increase, RAJKOVICH shared the budgeted number was forecasted based on hours used in the previous calendar year.

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.

- **Salaries:** Increased due to new contract year and following pay equity study and market analysis.
- **Workers Comp:** Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- **Waste Removal/Janitorial:** Decreased by \$9,500 as contracted janitorial services are no longer needed.

- **Facilities Repair:** Increased by \$18,850 for maintenance projects at City Hall (\$1,500 window repair, \$1,250 painting main floor hallway, outside railings and sign, \$500 ceiling tiles in Building Department, \$1,600 water bottle/fountain combo unit, \$1,000 replace basement bathroom toilets, and \$22,000 LED lighting upgrades).
- **Equipment & Improvements:** Increased \$25,000; \$5,000 for the purchase of cargo trailer to replace a storage shed used at GRH property and \$20,000 for security camera upgrade at City Hall.
- Included with this budget but not shown here is \$8,000 into General Reserves for future projects. This transfer was in the City Council/City Manager Budget.

9-1-1 EMERGENCY FUND:

Objectives: Recruitment and retention of staff, as two long term dispatchers have announced their retirements in the coming fiscal year. Also, to maintain service levels within available 9-1-1 funds.

- **Salaries:** Increased due to new contract year and following pay equity study and market analysis.
- **Workers Comp:** Increased due to the required 0.4% employer contribution for Paid Leave Oregon.
- **Computer System Maintenance Agreements:** Increased as a result of cost distribution formula, based on actual usage of services.
- **Professional Services:** Increased for contractual services for new 9-1-1 dispatch facility comprehensive needs analysis, cost forecast, and funding options.
- Included with this budget is a \$6,500 transfer into General Reserves; \$2,500 for future replacement of main police department /9-1-1 center computer server and \$4,000 for future replacement of dispatch center's consoles.

In response to GLABE's question regarding qualifications for a Communications Tech, BELL provided an overview of the job qualifications and current recruitment efforts to fill the vacancies.

In response to OGILVIE's question, BELL outlined that console replacement was infrequent, current equipment was estimated at twenty (20) years of age, while citing hardware replacement occurred on a more frequent basis, outlining a three (3) to five (5) year timeline and server systems replacement was estimated between five (5) and ten (10) years.

STROPE stated that he would continue his presentation to the Budget Committee at the Budget Committee Hearing scheduled for the following evening, Tuesday, May 16, 2023.

ADJOURNMENT

Having completed overview of the General Fund Budgets, the Hearing was adjourned at 8:35 p.m., to be continued the following evening.

CITY OF LA GRANDE
Budget Committee Meeting

6:00 p.m.

**Colleen F. Johnson Community Room
F. Maxine and Thomas W. Cook Memorial Library
2006 North Fourth Street**

Tuesday, May 16, 2023

MINUTES

MEMBERS PRESENT

**Justin Rock, Mayor (*Attended via electronic device*)
David Glabe, Mayor Pro Tem
Corrine Dutto, Councilor
Nicole Howard, Councilor
Molly King, Councilor
Mary Ann Miesner, Councilor**

**Cori Brewster
Steve Clements
Max Koltuv
Roxie Ogilvie**

ABSENT/EXCUSED

**Mat Barber
Jeannette Hulse
Denise Wheeler, Councilor
Joyah Wong**

STAFF PRESENT

**Gary Bell, Police Chief
Lyle Bridge, WWTP/Sewer Superintendent
Carrie Bushman, Library Director
Emmitt Cornford, Fire Chief
Carla Greenough, Police Dept. Admin. Assistant
Rob Harnack, Senior Accountant
Hannah Lehner, Assistant to the City Manager
McKayla Rollins, Aquatics & Rec. Superintendent
Stacey Stockhoff, City Recorder**

**Timothy Bishop, Economic Development Director
Josie Boyk, Public Works Admin. Assistant
Kyle Carpenter, Public Works Director
Jennifer Fox, Fire Dept. Admin. Assistant
Ronda Griffin, Communications Manager
Jason Hays, Police Lieutenant
Heather Rajkovich, Finance Director
Stu Spence, Parks and Recreation Director
Robert Strope, City Manager/Budget Officer**

Per ORS 192.670(1), some Committee Members participated in this Regular Session by electronic communication.

ROLL CALL

Chair CLEMENTS 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

There were no additions or changes to the agenda.

Chair CLEMENTS announced 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 CLEMENTS 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 15, 2023. He stated that the Budget Committee had approved the Urban Renewal Budget and recommended that it be forwarded to the Agency for Adoption at the June 7, 2023, Urban Renewal District Regular Meeting.

STROPE provided the Budget Committee Members with a recap of the fourth (4) separate Memorandum which captured questions from the Budget Committee Members during the public hearing held on May 15, 2023, and answered by City Staff. The documents were available on the City's website to the public in advance of the hearing; a copy of which is now a permanent document in the master file for this Regular Session and by this reference incorporated herewith as if fully set forth.

Chair CLEMENTS invited Public Comments in connection with the General Fund Budget only.

PUBLIC COMMENT

Crystal THWREATT, inquired on sensitivity training for City employees, to which STROPE provided an overview of the recently administered City/County Insurance Services (CIS) trainings and encouraged the opportunity to discuss additional trainings in more depth upon the conclusion of the public hearing.

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

COMMITTEE DELIBERATION

DUTTO expressed concerns for a full time IT Technician, to which STROPE expressed the importance of having onsite support for at least four (4) days per week and seeking the most cost-effective solution. STROPE shared the concern for cyber hacking and highlighting that each of the different departments had varied needs.

A discussion was held regarding IT support needed for the City.

MOTION

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

MOTION: I move that the Public Hearing for the City's General Fund Budget for Fiscal Year 2023 – 2024 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 presented and forwarded in its entirety to the City Council for

adoption during the Regular Session of the City Council on June 7, 2023.

VOTE

MSC: 10-0 (Yes: BREWSTER, CLEMENTS, DUTTO, GLABE, HOWARD, KING, KOLTUV, MIESNER, OGILVIE, and ROCK; No: None)

STROPE provided the Budget Committee with an overview of the Enterprise and Other Funds Proposed Budget as follows:

PUBLIC WORKS PERSONNEL SERVICES:

Objectives: 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.

- Salaries: Increased due to new contract year and following internal pay equity study and market analysis.
- Workers Comp: Increased due to the required 0.4% employer contribution for Paid Leave Oregon.

In response to KOLTUV's question, CARPENTER confirmed the increase in salary was related to the pay equity study and market analysis.

A discussion was held regarding department labor.

MIESNER inquired on an unappropriated ending fund balance, to which STROPE clarified in the 2022-23 budget, the unappropriated ending balance was available in the event of such things as an unanticipated retirement, which could result in a payout of accrued balances.

WATER: Objectives: System Rehabilitation to upgrade large meters; sizes ranging from 1.5" to 8." Transfer to Water Reserve Fund: Continue with transfer of funds to be used for long-term capital improvement projects; these may consist of new alluvial well, a water treatment plant, or a yet to be determined project. Investigate and replace outdated/aged service lines in the footprint of planned paving projects.

- Interest - Interest rates have increased over the year.
- Salaries and Benefits - Increased due to new contract year and following internal pay equity study and market analysis.
- Other Professional Services - Decreased as we continue to better track testing costs.

- **Computer Systems Maintenance Agreements** - Increased as a result of cost distribution formula, based on actual usage of services.
- **Small Tools and Equipment** - Increased to replace many outdated and worn tools.
- **Water System Maintenance** - Increased for materials inflation and increased labor costs.
- **Service Taps** - Increased for expected projects.

A discussion was held regarding the timeline and process for future expenditures, such as putting in a new well.

WATER RESERVE FUND: Objectives: 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.

- **Interest**: Interest rates have increased over the year.

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

- **Fuel Sales**: Increased based on market trends.
- **Salaries & Benefits**: Increased due to new contract year and following internal pay equity study and market analysis.
- **Computer Systems Maintenance Agreements**: Increased as a result of cost distribution formula, based on actual usage of services.
- **Fleet Maintenance**: Decreased based on historical budget line spending.
- **Fuel**: Increased in anticipation of projected fuel costs.
- **Motor Vehicles & Equipment**: Amount carried forward from previous fiscal year. No additional purchases for FY 2023-24.

A discussion was held regarding electric vehicles as an option for additions to the motor pool fleet.

Chair CLEMENTS inquired on budgeted fuel sales, to which CARPENTER noted a buffer when fuel was purchased.

KOLTUV inquired on the recently stolen city vehicle from the Public Works location, to which CARPENTER confirmed the vehicle was covered by insurance.

STREET AND ROAD: Objectives: Maintain ongoing maintenance programs. Continue to increase efforts to install and bring existing sidewalk corner ramps up to current standards.

- Interest: Interest rates have increased over the year.
- State Highway Tax: Increased to reflect budget line performance.
- Salaries & Benefits: Increased due to new contract year and following internal pay equity study and market analysis.
- Street Lights: Increased due to rising energy costs.
- Fuel: Decreased due to historical budget line performance and anticipation of work in other budgets.
- Street Signs: Decreased to cover only sign maintenance, no new sign projects planned.
- Road Maintenance: Decreased with completion of previous year's roadway projects.

A discussion was held regarding the difference in Street and Road, Street Reserve Fund and Street Maintenance.

STREET RESERVE FUND: Objectives: Local Improvement District Improvements = \$150,000; Bike/Ped project from Community Pathways grant = \$10,000; Safe Routes to School Grant = \$59,603 staff; and STP Projects not completed in FY 2022-23: these projects include Penn Avenue (Pine to Willow), Jefferson Avenue (Second to Walnut), L Avenue (Second to First), D Avenue (First to Second and Fourth to Sixth), Pine Street (Jackson to X Avenue), and Z Avenue (Depot to Spruce), other roadways to be designated by the Parking, Traffic Safety, Street Maintenance Advisory Commission (PTSSMAC) based on remaining funds.

- Interest: Interest rates have increased over the year.

STREET MAINTENANCE (USER FEE): Objectives: Reconstruct Second Street from Penn Avenue to K Avenue.

- Interest: Interest rates have increased over the year.
- Professional Services & Fees: Decreased to accommodate any portion of the Second Street (Penn to K) Reconstruction Project that is completed during FY 2023-24.

A discussion was held regarding funding changes from Oregon Department of Transportation (ODOT).

In response to DUTTO's question, CARPENTER confirmed contractors would be leveraged to ensure projects were completed within the three-year time line.

STORM UTILITY FEE: Objectives: Snow removal and Storm Events, \$200,000; Storm Sewer System improvements, \$100,000; 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 (continuation from FY 2022-23) & System Development Charge (SDC) Study = \$75,000.

STORM UTILITY RESERVE FUND: Objectives: Complete engineering design, permits, and NEPA process for replacement structure at Gekeler Slough (18th Street).

- 18th Street Culvert Replacement: Increased in anticipation of construction project.

In response to Chair CLEMENTS' question, CARPENTER stated the department was saving for the future replacement of the bridge over 18th Street at Gekeler Slew.

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

- Insurance Premium-Claims-Deductible: Includes an increase of 20% in premiums and anticipated claims.
- Interest: Interest rates have increased over the past year.
- Salaries & Benefits: Increased due to new contract year and following internal pay equity study and market analysis. Also anticipating a retirement.
- Septic Tank Haulers Fee: Increased based on historical income.

A discussion was held regarding anticipated projects related to treatment facilities.

SEWER COLLECTION: Objectives: 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.

- **Salaries & Benefits:** Increased due to new contract year and following internal pay equity study and market analysis.
- **Insurance Premium-Claims-Deductible:** Includes an increase of 20% in premiums and anticipated claims.
- **Collection System Maintenance:** Increased due to material costs and increased labor costs.
- **Transfer to Sewer Reserve (008):** Increased for development and construction of future lift station.

SEWER RESERVE FUND: Objectives: Improvements to wastewater treatment facilities (screen, grinder, move headworks - \$1,200,000; back-up generator at headworks - \$250,000; replace SCADA system - \$600,000; disposal of sludge in the next two years - \$450,000). Improvements to wastewater collection facilities (rehabilitation of Airport #2 lift station - \$150,000; back-up generator for lift station with hookup - \$250,000; development of Gekeler lift station - \$200,000; construction of future lift station-\$800,000).

- **Interest:** Interest rates have increased over the past year.
- **Equipment & Improvements – Treatment:** Increased for back-up generator for screen and grinder at headworks and sludge disposal.
- **Equipment & Improvements - Collection -** Increased for anticipated project budgets.

Chair CLEMENTS asked if there was any significant maintenance coming up, to which CARPENTER explained that the City currently had an expired permit with DEQ, but was anticipating the permit process to start shortly after the new fiscal year and gave a quick recap of anticipated upgrades to the plant storm flows, lift station and installation. STROPE clarified the DEQ drives the permitting process.

HOWARD questioned where the sludge goes, to which CARPENTER stated there were designated sites, though he was unclear where exactly they were located.

GRANTS AND DONATIONS: Objectives: 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.

- **Grants/Gifts-Fire:** Includes \$665,000 for a grant applied for through the Oregon State Fire Marshal that will cover two new positions. This is a three-year grant that covers 90% of payroll costs the first year, 75% the second year and 50% the third year.
- **Economic Development Improvements:** This line reflects several anticipated grant opportunities to advance local economic development efforts. The budget anticipates that the City will continue to pursue several of those opportunities in the amount of \$2,000,000.
- **Park Improvements:** Included in this line is \$75,000 for Pump Track Project and \$75,000 for the Greenway Extension project.
- **Transfer to Gen Fund - Ridge Trees:** Increase for the use of the remaining funds for the Ridge Tree Project. These dollars will be transferred to the General Fund for the expenditure in the Urban Forestry budget.

A discussion was held regarding annual fluctuations of grants for Parks and Recreation Department and the Fire Department.

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 - General CIP - \$300,000** for potential capital improvements may be required.

STROPE noted the General Fund transfer amounts were shown in the City Manager budget. General Fund transfers to General Reserve for capital projects total \$444,213: Building Maintenance \$8,000; Police \$5,000 for replacement of main server; \$6,000 for future replacement of dispatch center's consoles; Fire \$50,000 for future ambulance; Parks

\$5,000 for turf replacement; and \$15,000 for future playground replacements; Aquatics \$20,000 future pool boiler; Recreation \$20,000 for future fleet replacement; Library \$5,000 for future HVAC units; and \$310,213 of unanticipated increase in General Fund cash capital. An additional \$6,500 will be transferred in the General Reserve from 911 Fund: \$4,000 for future replacement of dispatch center's consoles and \$2,500 for replacement of main server.

In response to KOLTUV's question, STROPE stated the City would continually save for funding capital projects.

Chair CLEMENTS invited Public Comments in connection with the Enterprise and Other Funds Budget only.

PUBLIC COMMENT

City of Union Chamber of Commerce President, Donna BEVERAGE, requested a \$2,000 contribution from the Economic Development Fund for the fireworks display at Thunder at the Peak, to which Chair CLEMENTS stated the City's General Fund Budget had already been approved. STROPE encouraged BEVERAGE to make the request during the City Council's Public Hearing when they consider adopting the budget in June.

Chair CLEMENTS announced that discussion in connection with the Enterprise and Other Funds Budget only would be taken at this time.

COMMITTEE DELIBERATIONS

None

Chair CLEMENTS closed the Public Hearings for the Fiscal Year 2023-2024 Budgets and State Revenue Sharing at 6:50 p.m.

MOTION

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

MOTION: I move that the *Enterprise and Other Funds Budgets* for Fiscal Year 2023 – 2024, be approved as presented and forwarded in their entirety to the City Council for adoption during a Regular Session of the Council on June 7, 2023.

VOTE

MSC: 9-0-1 (Yes: BREWSTER, CLEMENTS, DUTTO, GLABE, HOWARD, KING, KOLTUV, MIESNER, and OGILVIE; No: None; Abstained: ROCK)

ADJOURNMENT

At 6:51 p.m. Chair CLEMENTS adjourned the Budget Committee to reconvene during a Regular Session on June 7, 2023, to consider Approval of the Budget Committee Minutes.

Justin B. Rock
Mayor

Steve Clements
Chair

ATTEST:

Stacey M. Stockhoff
City Recorder

APPROVED: _____