



TO: Budget Committee

CC: City Department Directors

FROM: Robert Strobe, City/District Manager/Budget Officer

DATE: May 10, 2024

RE: Budget Questions and Answers

Thanks again to the members of the Budget Committee who provided questions thus far. Below are questions submitted with our answers. Some of the questions may have been edited, if I have missed any important elements of your inquiry resulting in an incomplete answer, please let me know and we will gather additional information.

Urban Renewal Agency/Economic Development

1. **QUESTION:** Can we have more details on the Jefferson Ave Redevelopment Plan?
 - a. **Answer:** This project was funded through an EPA Grant to Baker Technical Institute (BTI) and started as an effort to identify potential brownfield sites and the opportunity for BTI and EOU students to work on Phase 1 and Phase 2 analysis. During that process we identified multiple buildings along Jefferson Avenue that were likely to change ownership (4 have sold during this process) and the light industrial nature of many of these properties seem to present an opportunity for redevelopment and adaptive reuse that aligns with our efforts to support and grow the small scale manufacturing businesses that have emerged post COVID. This planning process has focused on how the corridor can transition to support that use in a way that enhances and expands the revitalization that has occurred on Adams Avenue. We just received the DRAFT plan from the consultant May 8th. Next step is to review with the steering committee and then gather additional public input.

2. **QUESTION:** Are there any savings to be had for prepaying the Adams Ave and Big H bonds now?
 - a. **Answer:** Early repayment would be a cash flow issue that would adversely impact the ability to under levy URA. While there would be a savings in interest, as noted it would not be significant. Additionally, the reduction to the URA Maximum Indebtedness (MI) was made at the time the debt was incurred and the repayment, including interest, does not make any difference in the MI figures.

3. **QUESTION:** What are administrative fees 201-001-621500?
 - a. **Answer:** These are administrative fees paid by Urban Renewal to the General fund similar to admin fees paid by all other enterprise and non-General Fund departments

4. **QUESTION:** What are professional service and fees M & S/C 628803? Why are they up substantially?

- a. **Answer:** This reflects the cost to the Urban Renewal Agency for the expenses listed in the City General Fund Economic Development Department Budget, Materials and Supplies lines. The total excludes \$30,000 from the City's General Fund for Marketing and includes the amount shown for equipment and improvements. Details regarding increases are contained in the narrative. Note that the 2022 and 2023 actuals reflect the amount transferred from the Urban Renewal Agency to the City's General Fund to pay for actual expenditures. The Consultants, Advertising, and Training/Travel lines reflect most of the difference because in the prior years the amount expended was significantly less than budgeted.
5. **QUESTION:** What are professional svc & fees psnl? Why are they up over \$40K since 2022?
- a. **Answer:** This is Urban Renewal Agency's portion of staff salaries and benefits for the Economic Development Director (70%) and shared Planning Technician I (33%). The increase from 2022 reflects the position being vacant for the 1st quarter of Fiscal 22 and annual COLA and merit adjustments since then, including the citywide pay equity adjustment in fiscal 2024.
6. **QUESTION:** Why so much more \$\$ for the facade program?
- a. **Answer:** The Façade Grant program has been funded at \$75,000 since the 2021-2022 fiscal year. The 2025 request is for continued funding at \$75,000 level (new money). The requested budget of \$117,171 includes \$24,925 carried over from projects that have been approved but not completed. The remaining \$17,246 is FY 2023-2024 funds that are anticipated to be awarded. We have had multiple inquires for façade projects that could be approved this fiscal year but might need to be carried over and be spent upon project completion in the new fiscal year.
7. **QUESTION:** What are we spending on consultants 001-172-621100? \$30K goes to RARE, but what about the other \$35K?
- a. **Answer:** This line item includes cost for URA training, preparation of the Urban Renewal Annual Report, UR Forestry services, Golden Shovel website services, the ReCast City small manufacturing cohort, potential miscellaneous consulting services that may be needed based on specific project implementation, such brownfields or, Jefferson Avenue redevelopment.
8. **QUESTION a:** What is the time period established for previous receipts to have their projects completed? **QUESTION b:** It looks like a lot of funds for Call For Projects (CFP) haven't been expended. Any idea what's behind the delay because it is impacting this year's budget? Is money not used in the 2023-24 Call for Projects transferred to the 2024-25 Call for Projects or just placed back in the URA fund?
- a. **Answer:** Those timelines are outlined in the current Call For Projects Policy. Section F item 2 addresses this issue specifically: "Approved projects should be ready to begin within six (6) months of funding award notification and shall be completed within twenty-four (24) months of application, unless an extension is granted."
- b. **Answer:** Call For Projects carried over from FY 23-24 are allocated to specific projects but not yet spent. They are carried over to the new fiscal year but still allocated to be spent on the original project as those projects are completed. Historically most projects were completed in a shorter time frame. With ongoing contractor scheduling challenges and the added complexities of some projects, we are seeing more projects taking closer to the full timeline to complete projects. Any funds not allocated are typically used to reduce the new money allocation for the program in the next fiscal year.

9. **QUESTION:** It has to do with COVID money provided to local business. I read that \$192,305 amount has been paid back. Was this money from a special COVID government fund given to the city to help businesses through their struggles or was it one developed and taken from our General Fund?

a. **Answer:** This program used City General Funds and was intended to provide immediate relief prior to funding that businesses would be able to access through the State or Federal Programs. The status is included in the Monthly Report provided to the City Council. All are in repayment or have been repaid in full with one written off as the recipient passed away. Here is the update from the March Report:

The City Council approved financial assistance for La Grande businesses adversely impacted by the COVID-19 pandemic at their December 2, 2020, meeting, using City General Fund dollars. A total of 30 loans were approved totaling \$219,020. All funds have been dispersed. As of February 21, 2024, \$192,305 has been repaid, including 9 loans that have been repaid in full. One loan for \$7,840 has been written off as uncollectible. The current total remaining principle balance is \$18,875.

City Council, Manager, Personnel

10. **QUESTION:** Why is legal up 001-110-621200? We have completed all union negotiations, so I would expect it to be less than this year and the year before.

a. **Answer:** This amount is the same we have budgeted for the past three or four fiscal years and is unpredictable and therefore left unchanged.

11. **QUESTION:** What is included in tourism promotion/facilities 001-110-628900? Is this pass through for the TRT allocations?

a. **Answer:** This is reflected in the narrative as TRT allocations and includes \$75,000 for Riverside Park Playground, \$23,398 for the Chamber for Tourism Promotion Services, and \$119,231 for the Fairgrounds water and sewer infrastructure as approved by the City Council two years ago.

12. **QUESTION:** Opioid funds 001-110-639706? What are our plans for this?

a. **Answer:** Currently there is no specific use proposed for these funds. We have a working group of key stakeholders discussing potential uses which would be brought forward to the City Council for approval (or in the case of the County funds, the Council Commissioners). Last year the City Council approved using some of these funds for a study but there was a comprehensive study completed by a larger County which the work group felt could be used instead, saving those funds.

Police

13. **QUESTION:** Why is overtime up? 001-130-610900 I thought we were fully staffed?

a. **Answer:** The requested budget allocation for overtime has increased by \$3,317, reflecting a 3% increase. This increase is directly linked to salary adjustments resulting from collective bargaining negotiations in 2023. It's important to note that this uptick does not stem from an expectation of additional overtime hours. We are currently not fully staffed, and unfortunately, we have not been for some time. At present, we are short one dispatcher and one police officer.

14. **QUESTION:** How much do we pay the County for public safety building rental? Where can I find this in the budget?

a. **Answer:** Our annual lease payment totals \$66,800. Of this sum, \$61,500 is allocated from the Police budget, while \$5,300 is drawn from the 9-1-1 fund. We are in the process of extending the lease for the next five years through an optional amendment. Consequently,

the annual lease amount will remain unchanged from July 1, 2024, through June 2029. This information can be located under the "Other Rentals" line, with account number 001-130-625900 in the Police budget and 013-272-625900 in the 9-1-1 fund.

Fire/EMS

15. **QUESTION:** We still have a lot of overtime, even with additional staffing. Is it more cost-effective to use casuals to cover rather than have FT staff go into overtime? The salaries + OT is still \$108K higher than last year. OT is slightly less, but not much.

- a. **Answer:** The overtime budget, as well as our emergency response capabilities, has been positively impacted by the addition of the three firefighter positions. We will see approximately a 10% reduction of the overtime budget this year. The full benefit of the additional positions on the overtime budget has not been realized for a few key reasons. This year we had extra expenses to cover shifts with FF/EMT's while the seven new hires completed the required Field Training Program and were able to be released to full-duty. Two other things that have affected the overtime are the lack of paramedics and acting officers. Currently, the department has seven paramedics on shift. To maintain two paramedics on shift, overtime is used to hire back anytime one of them is on vacation, sick leave or training. The department has three captains and one firefighter able to act in the officer capacity. On the two shifts that do not have a qualified acting captain overtime is used to hire back when the captain is off duty.

The department is in a period of rebuilding. We have three firefighters that are in the process of completing their paramedic program and three others that will start in September. The department is providing training to have more acting captain qualified firefighters. These steps will help to continue to reduce the amount of overtime hours we expend. We will maintain a minimum number of responders on shift to answer the increasing number of calls safely and effectively.

Although a valuable part of our department, our EMT casuals are not a viable option to cover shifts on a regular basis. Most have other employment and they are not firefighters. They are used to cover the ambulance for transfers, stand-by, fires and very occasionally on shift.

16. **QUESTION:** Why has telephone/fax 001-140-622200 increased so much? Up over \$4K since 2022 and \$2.5K since 2023.

- a. **Answer:** The departments current vendor for phone service increased rates more that 100% this budget year. We are in the process finding a new service provider and anticipate a large reduction in this line item.

17. **QUESTION:** Why the big jump in training, travel & meeting expense 001-140-628100?

- a. **Answer:** With the difficulty that we have experienced in hiring paramedic firefighters, the City committed to "build our own." To accomplish this the City has agreed to pay the expenses to have employees become paramedics and in turn they sign an agreement to work for our department for a minimum of four years after completion of the course. If they choose to leave prior to that time, they must reimburse the cost of the training at a prorated rate. We currently have three firefighters in the program and three others scheduled to start in September. The cost of the entire process per student is approximately \$17,500.

Parks/Aquatics/Rec

18. **QUESTION:** Why so much for computer system 001-181-623800?
- a. **Answer:** This line reflects the parks portion of the City's IT consulting fee as managed by the Finance Department.
19. **QUESTION:** I am trying to work the numbers for a pool/parks maintenance person. There is some savings for janitorial, but not a huge amount. What is this position going to do for the parks/pool/rec programs/facilities?
- a. **Answer:** There is approximately \$15,000 annual savings from a janitorial contract that will be discontinued and other contracted maintenance related expenses and another \$22,525 savings from replacing an 8-month part-time seasonal employee and rolling that into the cost of this requested position. During the summer, this position will do janitorial at the pool and irrigation in the parks. During the winter months, they will continue janitorial tasks at the pool and the rest of their time will be spent on pool maintenance including work on HVAC, plumbing, and electrical tasks. We also anticipate this position will assist the existing building maintenance position for larger tasks throughout City facilities that require more than the one person.
20. **QUESTION:** Expenses are up in aquatics (and other service areas) due to increased number of credit card or online transactions. Why are we not passing this on to the consumer? Can we add a \$3 or \$5 transaction fee or just increase the prices to cover the cost?
- a. **Answer:** This is a dilemma for staff. Online sales account for most of our program revenue and all of those are credit card transactions, however, revenues have steadily increased achieving an average of 135% of estimated aquatics revenue and 167% of estimated recreation revenues over the last two years. The City Manager is concerned that passing along these costs under this concept could adversely affect revenue performance.
21. **QUESTION:** Why are departmental supplies up 001-182-631700? Looks like the estimated exceeded the budgeted by 50% this year.
- a. **Answer:** This is directly related to an increase in concession sales and event supplies at the pool. Concession sales have increased requiring increased expenditures. Pool event frequency has been increased from quarterly to monthly due to their popularity and revenue generation. Pool revenue as of April 30 has already exceeded estimated revenue for the year by 108% and this is part of the reason why.
22. **QUESTION:** Is the boiler replacement in the facilities repair line 001-182-633500?
- a. **Answer:** No, it is in the Equipment & Improvement line number 001-182-640000 as detailed in the Aquatics Narrative.
23. **QUESTION:** What are the roles of the Aquatics/recreation Superintendent vs Aquatics Coordinator vs Recreation Coordinator? Salaries are up substantially. I assume some in recreation is due to the after school program. Are there increased services with these salaries? Personally, I think money spent on youth (pool, rec, library) are well spent and reduce the amount of money we spend on jailing people in the future. But I want to know how we are doing this.
- a. **Answer:** A 5% increase was budgeted in Part-time salaries, but no additional hours were requested. The job titles mentioned in this question are all full-time positions so they are not directly tied to program delivery, although they directly supervise part-time program delivery staff. There are increased services being offered. Last year, we have added adult soccer and basketball leagues and increased enrollment and capacity at the after school and summer camp programs. Enrollment through youth sports continues to set new record highs. This summer, specialty camps were added, new events were added such as

“Touch a Truck” and the Morgan Lake Regatta Race. There are two factors in salary increases: 1) collective bargaining and management agreements, and 2) the implementation of the pay equity study the City completed last year.

- Aquatics & Recreation Superintendent – Supervise Aquatics & Recreation Divisions including all operations of the aquatic facility and supervision of recreation programs. May serve as the Parks & Recreation Director in their absence.
- Aquatics Activities Coordinator – Responsible for the implementation of aquatic programs and activities. Provides on-site supervision of programs and activities.
 - Aquatics Full Time Budget
 - 2024 \$97,541
 - 2025 \$112,794
- Recreation Coordinator – Supervises the Recreation Division and plans, organizes, staffs, and coordinates a wide variety of recreational programs. May serve as Aquatic & Recreation Superintendent in their absence.
 - Recreation Full Time Budget
 - 2024 \$112,952
 - 2025 \$116,345