



TO: Budget Committee

CC: City Department Directors

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

DATE: May 13, 2024

RE: Budget Questions and Answers Third Memo

The following additional questions were received from members of the Budget Committee:

1. **QUESTION:** In your first email answers to questions, the question about the COVID money provided to businesses, you didn't answer the question about happened to \$18,875 that is current balance of this account.
 - a. **Answer:** The \$18,875 was the remaining unpaid balance in the monthly report that I included for reference. It is not available funding for additional loans. We are still being repaid and I expect most, if not all of that to be repaid to the City. NEOEDD provides a quarterly update, and thru March 21, 2024, the balance owed is \$15,133.

2. **QUESTION:** Does the Parks, Pool, Library, Public Works all use the janitorial services? What about Fire and Police?
 - a. **Answer:** Parks does not, in fact, that's part of parks maintenance job description to clean and maintain all park facilities including janitorial.
 - b. **Answer:** The pool's janitorial service has been cancelled by the vendor as of April 30, 2024 and now lifeguards are performing these duties, but these can be limited because some of the chemicals we use are only rated for adults and the pool employs many juvenile guards. If the additional position split between parks and aquatics is not funded, we will be shopping for a janitorial contractor.
 - c. **Answer:** The Library utilizes the same in-house building maintenance and janitorial staff as City Hall, with outside contracted janitorial services utilized on an as needed basis for coverage when in-house staff is on leave (e.g. vacation, sick, etc.).
 - d. **Answer:** Public Works currently utilizes an outside janitorial serve once a week. The cleaning service empties the garbage and recycling, cleans the bathrooms, and sweeps and waxes the floors of the main building. The service is billed on a monthly rate (not paid hourly) which is spread between four (4) of the department budgets under the "Waste Removal & Janitorial" budget line.
 - e. **Answer:** The Fire Department personnel maintain the station and grounds.
 - f. **Answer:** Police utilizes an outside cleaning service. The monthly expense is shared 50/50 with the county. The police department portion of the cost is distributed between the police budget and the 9-1-1 fund.

3. **QUESTION:** Aquatics brings in about \$125,000 in revenue but costs the City \$549,000, is there thoughts on how to decrease the expenses and increase revenue.
- a. **Answer:** Providing the service of a year-round aquatic facility is expensive and one the Council has supported for many years. Each year, staff strives to increase revenue in a variety of ways. Recently we updated our concession pricing and increased pool event frequency from quarterly to monthly due to their popularity and revenue generation. Staff have also discussed increased swim lesson offerings and are currently trying to staff those lessons.

There are many cost saving measures we have used over the past couple of years and beyond. We have worked with Energy Trust of Oregon to study our facility and utilize their incentives for things like pool blankets that we use at night to save energy cost, we've brought our HVAC maintenance contract in house, and perform most of the repairs during our annual maintenance shutdown. If the requested HVAC boiler is funded as requested, we anticipate this will be a cost savings as well. Expenditures over the last couple of years have increased only 8%.

The reality is that with an increase in program offerings and attendance, there is an increase in cost. Revenues have steadily increased achieving an average of 135% of estimated aquatics revenue over the past couple of years and as of April 30th, pool revenue is already at 108% of estimated.

4. **QUESTION:** Under the City Manager/Council budget there is Unemployment figure; however, some of the other departments have unemployment benefit figures but not all of them. Who shows Unemployment Benefit figures in their individual budgets and why?
- a. **Answer:** The City of La Grande is what is called a "direct reimbursement employer." This means that we only pay unemployment on direct claims. We do not pay an unemployment insurance likes most businesses. If there are unemployment costs budgeted then there is an open unemployment claim that the City is currently paying. In Public Works unemployment costs are shown in the Public Works Services Fund for all departments.

5. **QUESTION:** Can you explain how we only are decreasing our General Fund Unappropriated Ending Balance by only \$90,111 from this year's budget when we only increased revenue by \$4,322,216 and didn't decrease our spending.
- a. **Answer:** Note the \$4,322,216 figure is for ALL FUNDS, the \$90,111 figure is for the General Fund (GF) only. These comparisons are budget to budget, so the difference of \$90,111 was based on what was budgeted in the current year and the proposed budget. The total difference for the General Fund requirements is \$459,015 higher than the current year's budget.
- b. **Answer:** Though not asked, our budgeted expenditures for the GF for FY 23-24 were \$16,123,734 compared to what we now estimate them to be: \$14,514,368. This is a difference of \$1,609,366. And we are estimating our revenues to come in \$78,789 higher than what was budgeted. Another piece to this is the beginning fund balance. It is estimated that the beginning fund balance will come in \$1,614,351 higher than what was budgeted in FY 2023-2024.