

Budget Committee Questions and Answers and Summary of Budget Hearings May 10 and 11, 2021

The City of La Grande Budget Committees for Urban Renewal and the City of La Grande met May 10th and 11th to review and approve the Proposed Budgets for the 2021-22 fiscal year. The meetings were held virtually due to the restrictions in place during the COVID-19 pandemic. The public was able to watch the meeting live and could provide written comments in advance, which were read into the record during the meeting.

The Urban Renewal Budget was approved as presented, and includes \$1,050,000 for capital project programs. Of this amount, \$525,000 is new funding for existing programs including the Façade Grants, \$75,000; non-Business Park Call for Projects, \$350,000; and \$100,000 for Agency identified, pro-actively targeted improvement project in the Central Business Zone.

The Urban Renewal and City General Fund budgets reflects an Urban Renewal under levy which will provide an estimated \$205,022 of additional revenues to the City without eliminating core economic development programs.

The City of La Grande's General Fund Proposed Budget was approved as amended, with the changes being an increase of \$5,000 in funding for the Blue Mountain Humane Association (BMHA), bringing the City's total contribution to \$14,500. BMHA had sent a letter to all the cities asking for funding, which was read during the public comments portion of the hearing. Also read were 13 letters of support for the Cook Memorial Library's budget. The Library's proposal included adding two part-time staff to reopen on Saturdays. The only other staffing increase was a new clerk/receptionist position at the Police Department. The Fire Department's request includes replacing a 12-year old ambulance with over 200,000 miles.

The City's approved FY 2021-22 General Fund budget has \$13,799,655 of estimated expenditures. The budget also includes \$2 million in anticipated Federal funding related to the American Rescue Plan Act of 2021. Estimates are La Grande will receive \$2.7 million over two years with the specific uses to be determined by the City Council once the Federal requirements are finalized.

The City's Enterprise Fund and Other Budgets were also approved as presented. These include Water, Sewer, Streets and Roads, and Building Inspections. The City is not considering any increases in Water or Sewer rates again this year.

The Approved Budgets will be considered for adoption by the Urban Renewal Agency and the City Council respectively on June 2nd. The Agency or the City Council may make changes to the budgets at that time, however, taxes may not be increased beyond the amount approved by the Budget Committee, nor may approved expenditures in any fund be increased by more than \$5,000 or 10 percent, whichever is greater, unless additional actions are taken, including publication of revised budget figures and an additional public hearing.

In advance of the meetings, questions were submitted to the City Manager by members of the Budget Committee. Below is a summarized list questions and answers.

1. Can the City use the ARPA (American Rescue Plan Act) money to cover HVAC systems?

- **Response:** We do not have the regulations regarding the uses of the ARPA funds yet, but I don't know that using the funds for what would actually be a routine maintenance items would be allowed. I do know that we used CARES funds to add Ionizing disinfecting systems to our HVAC systems.
2. How much is the proposed Urban Renewal Under Levy?
 - **Response:** The total estimated amount was \$499,438. Of those dollars, \$205,022 go to the City's General Fund.
 3. Why have Urban Renewal administrative fees general fund increased \$37K in 3 years?
 - **Response:** We have a formula that assigns costs based on a number of factors, including staff costs. I believe the biggest reason for the adjustment is the addition of a full-time HR position.
 4. Why has the Professional Services & Fees amount in the Urban Renewal General Fund Budget increased by \$71K in 3 years? I see a new RARE participant accounts for \$15K, but that leaves a \$55K increase.
 - **Response:** This line is tied to the Economic Development Budget in the City's General Fund and is a bit difficult to compare given the actual expenses shown in prior years reflect what was expended, and if we didn't spend the full budget, we didn't transfer the funds. Our 2019 Budget amount was actually \$183,745, even though the actual ended up being \$89,087. The RARE position is part of the increase as is advertising funds that were budgeted the past two years that were not spent which also makes it appear to be a much larger increase. Note we budgeted \$183,754 in 2019, \$160,915 in 2020, and \$165,446 in 2021. The advertising and the travel and training lines in the Economic Development budgets are where the majority of the budgeted dollars were not used, making it appear there is a significant increase when comparing past years' actual to proposed budget.
 5. Is the proposed Under Levy amount less to significantly increase the Urban Renewal budget?
 - **Response:** No, the Under Levy in 2020-21 was \$1,060,000 revenues compared to \$1,125,000 in 2021-22
 6. Where are we on the delinquent property taxes in the General Fund? Has the county been able to collect more? Will the City ever see that money?
 - **Response:** Our current year's collections are 93.53% of budget for current property taxes and 186% of delinquent. We received an additional \$121,656 over budget in the delinquent line. Some of this was payment of a disputed amount but we appear to be in good shape on collections.
 7. Are there Federal and/or State funding cover PPE supplies for the City?
 - **Response:** We can and have been reimbursed under the CARES Act for PPE supplies and these will likely also be eligible uses of funds for the ARP Act funding.
 8. Is the County Hotel/Motel tax revenue estimate realistic? \$200K is more than 2019 and we are still in a pandemic with some ongoing restrictions.

- **Response:** We are comfortable with the projections for TRT revenues. The County number is purposefully inflated to avoid a repeat of receiving a substantial late payment of County collections that required us to pay more than budgeted to the County one fiscal year.
9. Why are ambulance collections revenue amount increase? Did we increase our charges? If so, will insurance actually pay this? Did Medicare have an increase in ambulance reimbursement?
- **Response:** The City increased the ambulance fees effective July 1st and the increase reflects the estimated increases, taking into account the limits in place for Medicare/Medicaid.
10. In general are rate increases factored in to collections/receipts budgets (e.g., ambulance, recreation, building inspections, water, sewer ...)? If so, would any of these increases offset proposed expenditure increases?
- **Response:** Any rate increases that have been approved by the City Council are included in the revenue projections. IF we have a proposed rate increase that has not yet been approved by the City Council AND we are expecting to rely on those increased revenues to support expenditures, we include that information in the narrative for the department. An example from prior years would be a water or sewer rate increase that hasn't been finalized. No such increases are included in this year's Proposed Budget.
 - Collections for Building Inspections, Water, Sewer, and other Enterprise funds are always included in their budgets as they operate on a self-sustaining model. Recreation and Aquatics fees also are tied to some degree to their expenditures, though the Aquatics program is not self-sufficient and never will be. Some recreation programs are intended to be cost-recovery programs that do not occur unless sufficient individuals sign up.
11. 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 License Fees was lower than it should be. Specifically, that based on the estimated Franchise Fee Revenues projected for Gas and Electric, the \$243,000 amount should be \$262,000 to mirror the current year's budget figure. The estimated amount of \$243,000 was due in part to the estimated collections of \$237,000. After reviewing the most recent collection data, the estimated revenues amount of \$237,000 will actually be just over \$263,000. Increasing the ROW License Fee Revenue amount to \$262,000 is warranted and the change will be made in the Approved Budget. This change will not have any impact on the budget appropriation/expenditure amounts, but will increase the General Fund Unappropriated Ending Fund Balance by \$19,000 from \$1,928,125 to \$1,947,125.

12. Council/Manager/Personnel Budget

- Will the City need to go through a supplemental budgeting process for the ARPA funding? I don't see any specifics on how this is to be spent, just placeholders.
 - **Response:** No, not unless we receive the funds prior to July 1st AND expend more than we can cover with our budgeted contingency. I would not anticipate any major expenditures prior to the end of this fiscal year and we have \$500,000 of unused contingency at this time.
- Why is the City paying \$184K for retired employee/Cobra? This is almost \$100K over 3 years ago. That's a lot of dough.
 - **Response:** Retirement of eligible employees. We have a sunset on the benefit but have no control over who retires when.

- Why are insurance premiums higher? Have we had more worker's comp claims?
 - **Response:** A few years ago, we changed how we handle claims, which resulted in a substantial premium savings but also increased the amount the City has to pay before CIS does. We have had to pay things that would have been covered and have started budgeting increased amounts in the line to reflect our liability to those claims. Our worker's comp claims our paid out the personnel services line. There hasn't been an increase in this line.
- What is the City getting for the \$30K increase in computer system maintenance & repair services from IMESD?
 - **Response:** an additional day per week of tech support.
- What is the \$11,650 being spent for on training/travel/meeting expenses in the Council/City Manager/Personnel Budget? This is almost \$9K more than 3 years ago. Haven't we learned that we can do lots of training and meetings on zoom? That's over \$1,000 per FTE.
 - **Response:** COVID has impacted our participation in travel and training, so it is a bit distorted compared to actuals. This typically includes \$5,000 for two to three Councilors attending LOC annual conference, three conferences for the City Manager, as well as one for the City Recorder, and one for the HR Specialist. We also have a new City Recorder who may require additional training.

13. Finance/Court Budget

- With more participation in electronic payments we have increased processing fees. I understand that. Shouldn't we then need fewer people to manage the billing since more of it is automated?
 - **Response:** No, there is a gain in efficiency but most of those increased fees are not from on-line payments, but rather accepting over the phone payments which we had not done prior to COVID-19.
- Why \$10,196 for training/travel/meeting expenses? This is \$2,266 per FTE and double what we spent 3 years ago.
 - **Response:** We have a new Finance Director and have promoted from within so we have two people who will require more training. Also, we are expecting to be able to resume travel to conferences/training.

14. Police Budget

- Can we look at how we can cut back on overtime?
 - **Response:** Our overtime is primarily a result of court/grand jury on days off, to cover minimum staffing levels in response: to unanticipated absences (sick leave), and for major investigations. Some overtime is incurred for mandatory training.
- Why are we paying \$12,500, double what we paid 3 years ago, for waste removal/janitorial services?
 - **Response:** The condition of the building required an increase in maintenance which had been needed in the past but not addressed. Increase in cleaning for COVID-19 is also a contributor.
- Why have Personnel Costs increased 10% in 2 years. Is this because we added a grant-funded officer or the clerk?
 - **Response:** No, it is due to the new position and retirement payouts play a large role in the increase.

- Why do we pay out for retirements?
 - **Response:** No choice, we have to pay for accrued paid time off upon termination.
- What is the facilities repair money going toward?
 - **Response:** Improvements that have been needed in the past (but not addressed) and ongoing upkeep in agreement with the County as a component of our lease to ensure a safe and serviceable work space for our staff and visitors. Examples: Flooring, painting, electrical/light updates, HVAC upgrades, restroom/locker room updates - and ongoing maintenance at our range training facility (such as rock for the driveway/range surface).
- Have we looked into an electric car for a new patrol vehicle?
 - **Response:** Yes, and we continue to pay attention. There are currently no EV that is viable for our use. Our patrol vehicles are purpose designed, "Patrol package" vehicles. As EV's continue to evolve, this may become an option in the future. Upfront cost, lack of local maintenance options, and lack of aftermarket police equipment that fits - are contributors to why EV are not our best choice right now.

15. Fire/EMS

- Why \$55K for training/travel/meeting expenses? This is up \$41,000 from 3 years ago? That is \$2,789 per FTE.
 - **Response:** We have added funds for two necessary department improvements. One of these is \$16,000 for an online paramedic school for one individual per year until all firefighters are paramedics as well. The other is \$10,000 for training facility improvements making the area safer and more usable to do in-house training. Comparing the proposed budget to the 2019 or 2020 budget is difficult because in 2019 we were down six positions that were not using training funds. In 2020, COVID made it impossible for in-house or off-site training as most require a hands-on component. After our necessary department improvements there is \$29,000 remaining for 20.03 FTE which is approximately \$1,448 per person. Our department employs 17 full-time individuals and actually 25 "part-time" individuals. All 42 members require annual training.
- How has the City determined that out of county transports demand exists and how far out geographically? Could this extension support a rate differential that could be a greater source of collections to offsets the costs?
 - **Response:** The department has been involved in providing transfers from GRH to other hospitals out of the area for services not available for a number of years. The need for our department to provide more of these transfers came about earlier this year when the local private transfer ambulance advised GRH that they would no longer take transfers. These transfers typically are sent to Boise, Walla Walla and Tri cities. Base transfer rate is determined by whether the patient has a primary residence within La Grande or not. The rate differential that would be affected by how far the transfer is would be the loaded patient mile charge of \$20/mile.
- Overtime is very high, what can be done to control the costs?

- **Response:** The overtime line includes, FLSA (\$86,000)- We are required to pay overtime for any hours worked over 136 in an 18-day cycle in order to comply with our FLSA exemption for Firefighters. The number of hours they currently work over in this cycle is 8. The City has looked into other methods for avoiding this expense and what we are doing currently is the most effective. Using Casual EMT's to cover shifts is impracticable as they are not trained in fire suppression. They are not paramedics which is what we typically need coverage for to maintain our Advance Life Support staffing. Most of them also have "day" jobs so their availability is limited.

Callback (\$51,000)-This was an added cost years back, approved by the Council, to avoid a delay in response to any call while waiting for off-duty staff to respond to the station. We also refer to this as the "Third Ambulance Out" funding.

EMS/Fire Training (\$17,000)- This includes 24 hours for each member for discretionary training per the Firefighters contract and monthly fire and EMS continuing education.

Large Incidents and Shift coverage (\$59,000)

Out of County Transports (\$11,000)- We are attempting to increase our availability for out of County transports and this requires off-duty staff to come back in and participate. We receive payment for these transports and this revenue is reflected in our Ambulance Collection line.

In general, when our medical calls increase, we have an increase in expenses but there is also an increase in revenue to offset the overtime and material costs

- Why are medical supplies (\$110,000) almost double the 2019 figure? Is this due to COVID-19? Can we get reimbursed for this? Can we use ARPA money to cover COVID related medical supply expenses?
 - **Response:** This line includes \$20,000 for the purchase of five IV pumps, three scoop stretchers, and scheduled battery replacement for our EMS equipment. These costs are in addition to day-to-day medical supplies which increase every year. The impact medical supplies have on our budget is also affected when calls increase. Since March of 2020 the supplies needed for COVID PPE and disinfection requirements has increased drastically.

16. Parks

- I think it is sad that other budgets are ballooning and the parks is actually declining. Parks are what make living in a City enjoyable and are so important to the quality of life for young and old.
- Regarding new pickup:
 - Do we really need a ¾ ton or will a ½ ton do just as well?
 - **Response:** ¾ ton is necessary for towing larger mowers to parks.
 - What is the cost difference?

- **Response:** About \$5,000
 - Can they really a ¾ ton for \$28,000?
 - **Response:** That's what the bids have been in the last couple of years for the type of basic work truck we need.
 - How many pickups does Parks & Rec currently have and the ages?
 - **Response:** 1998 Dodge ¾ ton (to be replaced); 2001 Ford Ranger, 2002 GMC ½ ton, 2009 Dodge ½ ton, 2011 Ford ½ ton, 2017 Ford ¾ ton, 2019 Dodge ¾ ton, 2021 Chev ½ ton
- Do we have a detailed list of revenue amounts and from whom?
 - **Response:** Yes, we have a detailed list that the department maintains through our computer software and registration website that includes everything from pavilion rentals to recreation summer programs and sports.
- Where in the budget can I find that information?
 - **Response:** You can find parks revenue in 001-000-480500 that include things like pavilion and field rentals. 001-000-480501 includes all recreation program revenue such as the after school program, summer programs and sports.
- Artificial turf on the Optimist Field
 - Is the school district putting money into the removal of the old turf and installation of the new?
 - **Response:** Yes. The amount is not finalized, but the School District will be funding a large portion of the cost of the new turf.
 - If the Parks Department is maintaining this new turf, do they have all proper equipment to maintain?
 - **Response:** No, we don't, the purchase of the equipment is included in the budget request.
 - If Parks doesn't have the right equipment like a vacuum to clean it, is the school dist. paying for it?
 - **Response:** See above.

17. Aquatics

- With the restructuring, what will the role of the Rec/Aquatics superintendent be in the future? What will the job duties of the new Aquatic Coordinator be in the future?
 - **Response:** In short, the new structure is meant to build in succession planning for the department. The new Rec/Aquatic Sup will be the administrator of the pool and recreation programs. The Aquatics Coordinator will largely be in charge of pool scheduling and logistics.

18. Recreation

- What new services is recreation providing? I know they are doing an after school program. How many does the after school program serve?
 - **Response:** So far the after school program is limited by OHA guidelines and is averaging about 12 kids per week. Many other new programs are planned including hybrid in person/online experiences.
- What will the role of the new recreation coordinator be?

- **Response:** This is an upgrade to enhance retention and create more administrative responsibilities along with their general duties supervising recreation programs.

19. Library

- I am pleased to see that the library will be adding clerks and opening on Saturdays. I had a student visiting a few years ago and she thought the very limited hours of the library was absurd.
- Other than comments about “the lowest-staffed library in Eastern Oregon (.25 per 1,000 population)”, “low staffing levels” and hours open/week comments, did the library provide any other comparative metrics like traffic per time period (AM/PM), days of the week, checkouts per day/week/month, to put additional PT staffing and a Saturday shift request in more of a perspective or context?
 - **Response:** The library has had a flawed patron counting system in place for several years and can only provide questionable monthly totals of how many patrons passed thru the doors. With CARES Act funds, the Library acquired a new patron door counting sensor system that will be able to provide accurate data that can be broken down by month, day, and hour; there is not usable data at this point as the Library has only been open in a limited capacity to the public since April 1. Prior to COVID, the Library was open 6 days per week (Monday-Saturday) and, anecdotally speaking, Saturdays were always one of the busiest days of the week as the library’s open hours coincided with the Farmers’ Market and so families and many others would tie a visit to the market and the library; unfortunately, the staffing model that was in place (prior to the current administration) left the Library staffed with only 3 employees on Mondays and 2 on Saturdays. With only 2 employees scheduled on Saturdays, once rest and meal breaks are factored in, there would effectively only be one person working the desk and managing the 16000 sq ft building for 3 hours per day; this creates an unsafe work environment. This same scenario would often play out on Mondays as well if one of the 3 scheduled employees called out sick or took a day off. For safety reasons there needs to be a minimum of 2 employees on duty at all times; when this is not the case, the building cannot open to the public for service. The Library was unable to open on Friday, April 16, 2021 for lack of staff. Adding 2 additional part-time employees would allow the Library to adequately staff the library for restoration of Saturday hours and would provide buffer necessary to ensure that the library can open for business on the other days of the week.

20. Planning

- Why have salaries increased 17% in 3 years with the same number of FTE?
 - **Response:** Restructured the department to change from City Planner to Community Development Director with added responsibility for oversight of Building Inspections Department.

21. Economic Development

- How many people have used the Ignite Center each? I see there is money for a consultant and an expansion. Is this justified by numbers and need?

- of Ignite as part of the ROI grant for a couple of years and when the original expansion location was determined to be too small, the Historic Fire House was the ideal new location and this grant would allow for a much greater project. The City has a letter of support from EOU for the grant.
- Having been mostly closed since the pandemic, how will it reattract clients
 - **Response:** We are receiving more requests to use Ignite than we have capacity to honor already. We expect this trend to continue.
 - Are the Ignite Center operating hours still 9 a.m. to 5 p.m. Tuesdays and Thursdays for these services or by appointment? During the pandemic were not all services done virtually, what happened with the co-working spaces beyond the anecdotal comment about “one family story”?
 - **Response:** Ignite is currently conducting services virtually, with the exception of one facilitated webinar. There are currently 3 members using the Ignite space at varying hours. Ignite is not currently open to the public.
 - What will the RARE participant be assigned to do in FY 22?
 - **Response:** There is a suggested work plan for the RARE participant that was submitted with the application. The primary intent is around community capacity building, specifically regarding getting the many groups involved in economic development to be working toward the same goals including building out what is called the Entrepreneurial Ecosystem.
 - What is the reason to attend the International Council of Shopping Center Conference?
 - **Response:** This conference is a gathering of all national brands that are seeking locations. Many of the businesses that were on the Buxton lists attend this conference. In the past, it has yielded successful conversations with several businesses that are still considering La Grande but are on hold. The importance of participation in this conference is even more critical now, with the large vacancy left by Bealls. I included funding for two attendees, as many communities bring an elected official, which is a sign that they are actively engaged in retail development.
 - What is the advertising for URA going toward? Is this for recruiting businesses? How will this be spent?
 - **Response:** The Advertising Line Item is the primary source of funds for recruitment activities. It will pay for outbound recruitment trips through Team Oregon, attendance for two people to the International Council of Shopping Centers Conference, a small prize amount for the second Business Plan Competition and complete payment to Brent Clapp for two video projects. The line item also includes funding for activities outside the Urban Renewal District including two trade shows and a partnership with a consulting company, called Golden Shovel, which will help develop and promote a prospectus for development in La Grande's designated Opportunity Zone.

22. Building Inspection

- What is reserved for future expenditure (\$200,000)?
 - **Response:** Reserved for Future Expenditure is actually a budgetary term for the amount that can be accessed through a supplemental budget should the need

arise. For many years we did not reflect this amount but following budget training discovered it was more appropriate to budget this way. The unappropriated fund balance (which cannot be accessed using a supplemental budget process) are those amounts needed to be on-hand at the beginning of the next fiscal year to cover expenses until revenues catch up, and fund above that amount that are not appropriated for operations or as contingency are reflected as Reserved for Future Expenditures and may be accessed using the supplemental budget process. Note, we are limited in what percentage we can have in contingency which is why we need to use this method.

23. Public Works

- Personnel services budget suggests a possible increase in worker's comp costs "based on a past history claims," what is that past history and is it trending upward?
 - **Response:** In FY 2019-20 there was one workers comp claim that was paid. Each year we budget for a 5% increase in rates. It has been a trend that our rates increase 3%-5% each year.

24. Motor Pool

- What is \$60,000 being spent on in the miscellaneous column?
 - **Response:** The \$60,000 requested for Miscellaneous is actually an income account. We anticipate bringing in funds on the sale of vehicles to be replaced, as well as a \$50,000 reimbursement from the CMAQ program towards the purchase of the new street sweeper. The miscellaneous line in the expenditure side of the budget is set at the traditional \$500.
- Does City staff do repairs on the motor pool? If not, then why 2.0 FTE for motor pool?
 - **Response:** Yes, the two FTE's are the two mechanics that do the work on the Public Works equipment.