

# Dundee Budget Committee Meeting Minutes

April 21, 2016

Mayor David Russ called the meeting to order at 7:09 PM. Present: David Russ, Lee Borgaes, Scott Salsberry, Dawn Nelson, Ted Crawford, Storr Nelson, Shannon Stueckle, Tim Weaver, and Jeannette Adlong. Absent: Kristen Svicarovich, Doug Pugsley, Art Matheny, Robert Negele, and Patrick Kelly. Staff members: City Administrator Rob Daykin.

**Election of Chair:** Storr Nelson was elected Chair of the Budget Committee for the 2016-2017 fiscal year.

## **Budget Message:**

City Administrator Daykin presented the budget manuals to the members and noted that the document is similar to last year in which the budget information is presented in a summary format at the beginning of each section, followed by line-item detail pages. He noted the summary of funds at the end of the Budget Message. Government funds are those which are primarily supported by taxes used to support typical governmental activities. The largest is the General Fund, which accounts for fire, police, building and planning, court and administration. The enterprise funds are those that are self-supported by user fees, including water, sewer and storm water utilities. The first page of the Budget Message includes a summary of all funds by category, with total appropriations proposed for FY 2016-17 at \$10.5 million, compared to \$9.8 million in total appropriations for the current fiscal year. The following table represents a comparison of the total appropriations for the major operating funds only.

Daykin stated detailed personnel cost is provided in the budget binders as background information to the Budget Committee; however, employee compensation issues are matters of Council policy. There are several changes from the current budget; 1) the firefighter position is provided Duty Officer pay and additional overtime when responding to emergency calls after hours, and 2) elimination of the seasonal, part-time workers assisting various public works departments. Daykin noted that the City will contract with Chehalem Park and Recreation District for landscape services. It is expected that as the Bypass and Sidewalk/Streetscape projects are completed, there will be more public areas along Highway 99W that will be landscaped.

A new revenue source in the General Fund is a local marijuana tax of 5% on dispensary sales and 10% on recreational sales. The proposed budget anticipates this will change to 3% for recreational sales starting in 2017. All administrative and financial services are accounted in the General Fund, with transfers-in from Street, Water, Sewer and Storm Water representing their share of administrative and financial services. The community development department is anticipating about the same level of building permit activity next year. A new item introduced in the current budget is the business façade improvement program. This program was funded with grants from Waste Management and Yamhill County Economic Development, and it is likely that the unexpended grant funds will carry over to the next fiscal year. The police services contract with the City of Newberg will increase 2%, representing the minimum cost of living increase allowed in

the collective bargaining agreement with the police union. Currently, the fire department receives emergency dispatch services from the City of Newberg. Tualatin Valley Fire & Rescue (TVFR) will be providing fire and medical emergency response services to the City of Newberg via an intergovernmental agreement. TVFR would like to use the same dispatch center, Washington County, provide dispatch services to the Dundee Fire Department for optimum interoperability between the two agencies. Chief Stock is investigating the merits of the proposed change, including whether there would be any budget implications. A new capital outlay item in the fire department is the replacement of half of the 30 self-contained breathing apparatus masks next year at a cost of \$15,000. The remaining masks are proposed to be replaced in FY 2017-18. One of the more significant appropriations in the General Fund is the transfer to the Fire Station Construction Fund. These resources are needed for the ongoing investigation costs and resolution of the construction defects in the new fire station building.

In addition to a share of the State Highway Fund, Dundee enacted a local gas tax at two cents per gallon. Excess revenues not expended on Street operations and maintenance, such as street lighting, cleaning, patching and traffic control, are transferred to the Street CIP Fund for overlays and other major improvements. Daykin noted that conversion to LED street lights for the cobra style fixtures brought the City into near compliance with the dark sky regulation. PGE is looking at trying to get a grant from the Energy Trust of Oregon to offer a LED conversion program next year for the early American style light fixture. The acorn style lights have an LED option, but the performance is suspect for dark sky compliance. Another acorn conversion option is using a LED fixture similar to the fire station parking lights. In either case, there would be a significant cost to complete the conversion to meet dark sky compliance. Daykin stated he hopes that cost from PGE will decrease as more communities invest in those conversions.

Daykin reviewed the history of the Transportation Enhancement Sidewalk/Streetscape project and its coordination with ODOT. Last summer it was determined that the best solution to resolving the ADA crosswalk slopes issue was to elevate the height of the curbs throughout the project. The City recently completed a small portion of the project at Tenth Street. Prior to starting the next phase, the City Engineer and ODOT project manager met today to sort through the funding responsibilities for the various elements in the project. The next step is for ODOT to modify the funding agreements to ensure the City has sufficient resources to start the next construction phase. One concern that will be brought back to the Council is the updated estimate (\$234,700) to install conduit to accommodate the future undergrounding of overhead franchise utilities is much higher than the original estimate of \$90,000. Other projects in the Street CIP Fund include the final phase of street overlays financed with \$ 76,000 in state loans and improvements to Dogwood Drive using a \$50,000 state grant.

Daykin stated the State Revenue Sharing Fund includes an appropriation for the development of an urban renewal plan in the amount of \$26,000. Since this one project exceeds the amount of new revenue and there is a desire to consider other community projects supported by non-profits, he proposed that half of the urban renewal plan be funded with a transfer from the General Fund. The intent would be that the \$13,000 would be repaid to the General Fund from the State Revenue Sharing Fund in the following fiscal year. Ted Crawford noted the Parkway Committee wants to increase its lobbying efforts to bring more resources to the Bypass project and suggested that the increase could be funded out of the Tourism Fund since the viability of Highway 99W is vital to accommodating visitors.

The fire department is looking at replacement of Engine 31 in the Equipment Reserve Fund. The public works department proposes to not replace the bucket truck and instead use its accumulated replacement funds for acquisition of a mini-track hoe.

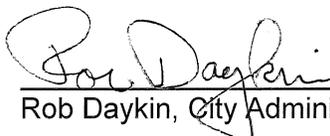
The Parks Fund shows the final phase of work on the Viewmont Greenway Park using a State Parks grant, to be completed October 2016.

The refunding of the IFA loan in the Water CIP Fund with a bank loan at a lower interest rate includes additional principal for use in the Sewer CIP Fund (\$75,000) for sewer main repairs and Storm Sewer CIP Fund (\$150,000) for storm system improvements. During the December 2015 floods, high levels of ground water entering the sewer system caused the levels in the processing basins to increase to very high levels. As a result, sewerage found its way in an unsealed conduit which led directly to the control panel and caused significant damage. The unsealed conduit was a previously undetected construction defect. The insurance recovery amount of \$120,000 in the current fiscal year is in response to the emergency repairs and related exceptional costs in the emergency impoundment and processing of sewerage. The proposed budget includes the planned replacement of the control panel and related electrical systems damaged by the flood event at an estimated cost of \$700,000. It is expected that this expense would be covered by the City's insurance provider.

Daykin advised that the April 28 Budget Committee meeting will concentrate on the governmental funds, with the exception that the requests for funding through the State Revenue Sharing Fund will be considered at the May 5 meeting.

The Committee meeting was adjourned at 8:10 P.M.

  
Storr Nelson, Budget Committee Chair

  
Rob Daykin, City Administrator/Recorder