

Dundee Budget Committee Meeting Minutes

April 23, 2015

Mayor Russ called the meeting to order at 7:00 PM. Present: David Russ, Jeannette Adlong, Ted Crawford, Storr Nelson, Doug Pugsley, Kristen Svicarovich, Lee Borgaes, Patrick Kelly, Dawn Nelson, and Shannon Stueckle. Excused Absence: Art Matheny, Robert Negele, Jody Salsberry, and Tim Weaver. Staff members: City Administrator Rob Daykin, Sheryl Hartman, Office Manager and Debra Manning, Assistant City Recorder.

Election of Chair: Storr Nelson was elected Chair of the Budget Committee for the 2015-2016 fiscal year.

Budget Message:

City Administrator Daykin presented the budget manuals to the members. The budget information is presented in a summary format at the beginning of each section, followed by line-item detail pages. He explained the intent is to review at the summary level, but have the line-item detail information available for reference or more in depth discussion of a particular issue. The upcoming fiscal year's budget has decreased, almost 25%, with the wrap up of the Fire Station Construction project. The overall budget increases approximately 2% removing the Fire Station Construction project from consideration.

Personnel (page 2):

There is no change to the number of city employees with ten full-time and two part-time. The city also employees two temporary workers (high school students) who perform maintenance activities as directed by Public Works staff. Staff would like to continue their employment occasionally during the non-seasonal months with an addition of 304 hours to their time to help with the extra landscaping work that has been added at City Hall, the "Welcome to Dundee" sign area, and the Viewmont Greenway.

The allocation of Public Works staff to the various departments in the budget is based on a three year rolling average. Office Manager Hartman has implemented a new timesheet format to help track their activities on a daily basis more accurately. She is heading up implementation of the new utility billing software and will be traveling to Utah for training on the system with Administrative Assistant Osborne.

Hartman advised the new utility billing system is Caselle. Staff uploaded test data last week followed by a mock conversion using our data to ensure it was an accurate transfer of data and a week with phone/internet training customizing the system to the city's needs. The city will be able to process online payments. Caselle also offers better account information tracking than the current system. Daykin stated the billings will change from a postcard to a full letter format; which will allow more dissemination of information to the customer.

Councilor Pugsley inquired if paperless billing would be an option. Hartman confirmed it would eventually.

General Fund includes Administration, Court, Community Development, Fire and Police. It is funded by property taxes, franchise fees, fees for services, intergovernmental revenues, and fines.

Street Fund is the operating fund to maintain city streets and receives revenue from state and local gas taxes. Left over net revenue, after payment of street operations, goes to the Street CIP Fund for major projects.

Street CIP Fund includes major projects:

- The sidewalk/streetscape project which has evolved from ODOT designing the project with the city paying its local match to one with multiple phases where the city's phase involves designing and bidding the phase funded with State dollars. Work is expected to start on the project this summer for the City's phase. ODOT's phase should go to bid late summer/early fall. Our phase will replace most of the sidewalks from Third to Twelfth streets in the city; with the exception of those built in last seven years (the Fifth Street intersection and in front of the ARCO station and the West End buildings). ODOT will complete the outer areas, other modifications for pedestrian crossings with islands and resurface the roadway through the city. The scope of the project increased to replace most of the existing sidewalk instead of just the worst sections and the need to bring existing driveways up to current ADA standards. The City Council formed a Local Improvement District (LID) to help fund the additional improvements. The property owners in the district will be assessed 50% of the costs for the sidewalks, 75% of the cost for the driveways, and 100% of the cost for curbs. Councilor Crawford questioned the \$1.7 million for the Highway 99W work. Daykin noted the original TE grant was for a \$1.7 million project, including \$1.5 TE grant and the city's match. The \$1.7 million in the proposed budget is a coincidence to that original number. Phase 1 represents costs directly expended by the City and Phase 2 represents only the match and other costs in excess of the grant that is either paid to ODOT or expended by the City. The City Engineer estimated both phases at \$2.9 million, including the water line and storm line work, but not the conduit.
- The Oregon Transportation Infrastructure Fund loan for the local match for the Bypass project payable from Dundee, McMinnville, Newberg, and Yamhill County and an additional loan for Dundee to complete improvements to local streets (page 9). The final phase of that work is reflected in the budget. It is likely that the Eighth Street improvements will be combined with the ODOT Bypass IGA funds to complete Eighth Street from Edwards Drive to Dundee Landing Road. Substandard waterlines have to be replaced before street overlay work can begin. The paving work could get delayed until the summer of 2016.

Street Reserve Fund contains funds from a developer dedicated for future improvements required but not completed on Third Street next to Namitz Court.

State Revenue Sharing Fund represents a portion of liquor excise tax distributed to the cities. This revenue is used to fund special or one time projects.

Equipment Reserve Fund receives contributions from the General, Street, Water, Sewer and Storm Water Funds for replacement of vehicles and equipment. It has funded construction of the new equipment storage building for Public Works.

Tourism Fund is supported by the city's tax on transient room rentals. The tax was increased this year from 7% to 10%. State law requires use of the funds to promote tourism.

Fire Station Construction Fund is a one-time fund for the project. There are grant funds to expend from the Ford Family Foundation for an electronic message board in the proposed budget. This will be completed after the city's sign code has been amended to ensure we are in compliance.

The Bonded Debt Fund represents the interest and principal payments for the bond for the Fire Station construction.

Enterprise Funds (page 13) includes Water, Sewer and Storm Water Funds. They are funded by user fees.

Water Fund will not see a rate increase this year. Projects include construction of a new well and water line replacements associated with the sidewalk/streetscape and street improvement projects.

Sewer Fund:

- The Waste Water Treatment Plant (WWTP) ran into unanticipated maintenance activities and high winter flows from sustained storms. The storms washed away the biology which had to be replaced with seed sludge from McMinnville's WWTP; incurring transportation and chemical costs. We now have a temporary solution bypassing the processing basins and taking the raw sewage from the head works to the Facultative Sludge Lagoon (FSL) for equalization until the storm's end at which time the raw sewage can be processed through the basins. The FSL stores sludge. Currently the first of two cells is being filled with about two to three years left on its five-year fill cycle before it is transferred to the other cell. The cost of removal of accumulated sludge from the FSL could be \$175,000.
- The Council authorized an inspection of the sewer system's lower basin and application for a DEQ loan to pay for sewer main repairs. The budget reflects the application although it is unlikely that most of the cost will be expended in the next budget year.
- A couple of unplanned major projects included the repair of a landslide event at the sewer outfall at an estimated cost of \$50,000 and the installation of an utility conduit casing that was installed with the Eighth Street waterline relocation for future development of a water re-use program.

The Sewer Fund is looking at a 3% increase with a better understanding of the plant's maintenance costs. The Sewer CIP fund balance at the end of the proposed fiscal year is estimated at \$157,000.

Storm Water Fund will see an increase of \$.50 to \$5.50 a month. This is the first increase to storm water rates since they were adopted in 1997.

Storm Water CIP Fund projects:

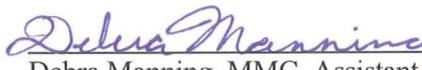
- A major storm water pipe improvement down Third Street and Namitz Court to the Highway in 2003. This was financed with a State loan that was paid off early in 2010.
- Funds for work on the storm water drainage for the Viewmont Greenway, part of the trail and park improvement project.
- Extending a storm water line from Seventh Street intersection down past Eighth Street across the highway towards the railroad ditch as part of the TE project.
- The Council authorized an additional loan with the Clean Water State Revolving Fund loan application for storm water projects to address flooding issues and a water treatment facility required by DEQ regulations for water runoff to the Willamette River. Combining this loan with the loan to address Inflow and Infiltration (I & I) issues affecting the WWTP will give the city a 1% combined preferred interest rate.

C. A. Daykin shared that the Riverside Master Plan, developed in 2011, was hindered without available water to allow development of the riverside properties. Now there will be water available to develop about 40 acres that is currently zoned residential, commercial, and industrial. The rest of the acreage is zoned agricultural and will require zone changes to accommodate development.

The next Budget Committee meeting will be on Thursday, April 29th and will address the governmental funds with the exception of Revenue Sharing. The committee is tasked with review and approval of a form of the budget and approval of the property tax levy for the next fiscal year. The approved budget and levy will be forwarded to the Council, via a public hearing, for final approval. The Budget Committee meeting was adjourned at 7:48 P.M.



Storr Nelson, Budget Committee Chair



Debra Manning, MMC, Assistant City Recorder