

Dundee Budget Committee Meeting Minutes

April 30, 2015

Chair Nelson called the meeting to order at 7:00 P.M. Present: Ted Crawford, Storr Nelson, David Russ, Kristen Svicarovich, Tim Weaver, Lee Borgaes, Patrick Kelly, Art Matheny, Dawn Nelson, Robert Negele, and Shannon Stueckle. Staff members: Rob Daykin, City Administrator, John Stock, Fire Chief, Charles Eaton, City Engineer, Brian Casey, Police Chief, and Debra Manning, Assistant City Recorder. Excused Absence: Doug Pugsley and Jody Salsberry. Absent: Jeannette Adlong.

Approval of Minutes:

The motion was made and seconded approve the April 23, 2015 Budget minutes. **The motion** passed unanimously.

Governmental Funds:

General Fund: (page 3 & 4)

City Administrator Daykin reviewed the General Fund summary and revenues, including the property tax levy (calculated on the permanent tax rate applied against the values that the City estimates for next year), transient room tax, franchise fees, intergovernmental revenues from the state, business license and building permits. He noted the \$15,000 Green4Growth grant included in line item 28 Yamhill County Economic Development Grants (page 4) may be moved to a private line item if we receive the funds directly from Waste Management.

Mayor Russ questioned the increase in line item 36 Fire Conflagration from the Adopted Budget of \$3,000 to the Estimated Forecast of \$10,400. Chief Stock relayed it was a busy year for wildfires; they were called out to three wildfires.

Chair Nelson inquired about the Astound Franchise. Daykin updated that the franchise agreement with Astound is before the Council next Tuesday. Once the agreement is in place, Astound plans to place their fiber optic line this summer. The city will receive a prorated fee payment of approximately \$2,700 next fiscal year, which is not reflected in the proposed budget.

Ted Crawford asked if the increases to the franchise fees were reflected in the proposed budget. Daykin confirmed the proposed budget reflects the increase from 3.5% to 5% for PGE and 3% to 5% for Northwest Natural Gas. The revenue from those increases are in the Street CIP Fund.

Dawn Nelson questioned line item 6 Transient Room Tax. Daykin replied the Transient Room Tax requires anyone who rents a room (hotels, B&B, and vacation rentals) for under thirty days to register with the city and pay the tax. 30% of the tax is placed in the General Fund and is unrestricted. Crawford added that vacation rentals were requested to register with the city this year.

Crawford questioned future revenue from the medical marijuana tax. Daykin noted it would be received as a tax to a new line item in the General Fund.

General Government: (page 5)

This reflects general administrative and financial activities, including legal, auditing, liability insurance and city hall maintenance. The Assistant City Recorder has requested a new lap top, as

the current one is old and the case is damaged and will not hold up to continued transfer between operations at the Community Room, City Hall and staff travel.

Crawford questioned the increase in Professional Services (page 6). Daykin advised the increase in line item 25 Accounting/Audit covers one-time additional audit work required due to the USDA Rural Development loan the city received and line item 29 Consultant at \$500 would pay Molly Bailey to help with updating the city's website. She currently maintains the tourism website.

Municipal Court: (page 8)

The fund pays for the Assistant City Recorder/Court Clerk, Judge, and Interpreter to hold court once a month.

Community Development: (page 10)

This funds encompasses the building and planning activities which are contracted with the City of Newberg. The personnel services also includes part of the Administrative Assistant's salary. Line item 45 Rehab Loans/Grants is the Yamhill County Economic Development Grant to be used to assist façade and other exterior improvements to businesses. Building permits cover the city's costs for permit review and inspections; while land use fees do not cover all of the city incurred planning costs since many larger projects (TSP update/commercial design standards) are initiated by the City.

Police: (page 12)

The City has a contract for law enforcement services and emergency services with the City of Newberg.

Chief Casey, Newberg/Dundee Police Department, stated that the department has been providing services to the residents of Dundee since the Dundee Police Department was disbanded in 2004. Dundee contracted for services with the City of Newberg in 2005. The police department provides 24 hour service to Dundee and Newberg; including computer forensics and a domestic violence response team. They are accredited through the State of Oregon. He cautioned that the department does not expect to see much revenue from the State of Oregon's tax on marijuana.

Casey informed the Council of the dispatch services for police and fire for Yamhill County and for Washington County. Newberg's 800 MHz radio system dispatch works through Washington County's WCCCA dispatch. The WCCCA also covers part of Multnomah and Clackamas counties. Currently Yamhill County and the City of McMinnville uses YCOM, a 450 MHz system which cannot communicate with other law enforcement agencies. Newberg can communicate with them through separate radios in their vehicles. Washington County's system is a good system which works well. The federal government is mandating a transition to digital radio systems. Newberg will automatically migrate when the WCCCA does. Costs will increase in the future with the change to digital, a system expansion, the addition of towers and encryption to keep the general public from responding to call scenes before police and fire personnel can respond. Mayor Russ asked if the digital system will have analog capability. Casey replied it should have. Russ inquired if fines in construction areas are being enforced. Casey advised that ODOT is funding the overtime for traffic enforcement in the Bypass construction areas during certain times of the day. Casey added that most people slow down when they see a law enforcement vehicle.

Fire: (page 14)

The department consists of a Fire Chief, one full-time and two part-time fire fighters, and twenty volunteers. The department has experienced increased cost with the new station; which is reflected by the larger budget. Funds are being requested to allow replacement of turnout equipment.

Chief Stock advised the department serves an area of fifteen square miles; which includes the Rural Fire District. They responded to 641 calls last year and as of now they are 50 calls above last year's numbers. The number of volunteers continues to decline. Currently there are five volunteers who sleep over, one student from Portland Community College, and ten resident volunteers. Three of the resident volunteers are leaving; one retiring and two moving away. The department gave up funds dedicated to replacement of turnouts last year to help fund the second part-time person. Chief advised that they are applying for a grant, through the Rural Fire District, to fund replacement of the pagers.

Robert Negele suggested adding a line item at \$1,000 to fund recruiting activities such as paid advertising.

The Mayor questioned if the stipends were included in the salaries and wages line item 5 (page 15). Daykin responded that the volunteers receive \$18,000 of which 75% is allocated as their stipend based on a point system. The remaining 25% is expended for their equipment. The funds are split between line item 6 Reservists at \$13,000 and line item 37 Dundee Volunteer Fire Department at \$5,000. The volunteers also initiate their own fundraising. Russ asked if additional training opportunities would help attract volunteers. Stock replied the problem is that Dundee is a bedroom community where housing is an issue. There are no rentals available in the city. He shared in the past the city has offered volunteers incentives through the city water. Russ suggested a committee to address recruiting. Stock advised that they are currently exploring a federal grant to recruit military personnel and the possibility of finding volunteers from George Fox University.

Negele suggested increasing the full-time firefighters to three.

Kristen Svicarovich suggesting advertising for volunteers on the city's website and including the commitment requirements. She also suggested that the Grande Ronde Wildland Firefighters could be a recruiting pool as they use kids over the summer only. Stock expressed concern that this takes the Dundee resident out of volunteering and is a step toward a paid firefighter force unless we get affordable housing in the city. Dawn Nelson asked if it was the demographics of the population. Stock confirmed noting that more than 50% of their calls occur Monday through Friday during regular work hours. He shared his problem in being relieved from duty to take vacation time as there is only one volunteer available during the daytime. The City of Amity is paying five of their firefighters \$20 an hour for five days to allow their chief to take vacation; but they have fifty volunteers. Stock shared that the average response time for the firefighters during the day is one minute and a three minute turnout time in the evening. This is excellent service. Mayor Russ asked if it would help to have additional funds to make additional training more inviting. Stock replied the time commitment is the challenge with volunteers to complete the required training.

Chief Stock updated that the construction on the station was now addressing warranty issues of the rain damage to half of the building slab. The contractor's insurance has approved the claim and it is a matter of timing to repair the damage. The work will include a grind and reseat of about 1/8 of an inch of the slab floor.

Chair Nelson asked if the Volunteer's Pancake Feed was successful. Stock replied they served 750; but they had hoped for a larger turnout.

General Fund: (handout)

C.A. Daykin reviewed the handout of the analysis of the General Fund balances. He noted the projected decline in Ending Fund Balances. He cautioned to be aware of the trend and of options. Future property tax revenue from the riverside build out could help as well as the option of temporarily augmenting the General Fund with State Revenue Sharing funds or other sources.

Street Fund: (page 17)

The fund provides for street maintenance activities including crack sealing, street sweeping, pothole repairs, street signs and street lighting. The city has incurred savings from the switch to LED streetlights, line item 63 (page 19), but will see increases in the future as city owned poles are replaced reclassifying them under option A, PGE owned. Option A rates are higher since they cover the pole replacement cost. It will be about a \$150 annual increase per pole changed over to Option A. LEDs use about 40% less energy, but the main savings is seen under maintenance.

Next spring the City Engineer will update the Street Capital Maintenance Program. City Engineer Eaton noted that we are now mandated to replace signs for reflectivity issues. This will require city staff to review all city signs, at night, each year to determine if they pass reflectivity. Equipment to check the signs during daylight was considered but is too expensive. Svicarovich suggested a replacement schedule addressing a certain number each year. Eaton stated that the city needs a sign inventory. We should have had a program in place by now. Daykin advised that we have more signs in the field than we need. The Mayor inquired the average price per sign. Eaton estimated \$200. Svicarovich asked if the reflectivity standard applies to street name signage. Eaton replied it is not mandated at this point; but new and replacement street name signs must use the new lowercase lettering format. He supported that we have too many stop signs. Svicarovich suggested the use of a summer intern to complete a sign inventory. Nelson offered it would be a great senior project for a Newberg High School student.

Street CIP Fund: (page 21)

The funds are used for street construction, reconstruction, overlays, and new sidewalk construction. Daykin noted line item 10 ODOT IGA Local Street Use Payment (page 22) of \$268,000 is to reimburse the city for damage incurred to local streets from the Bypass construction traffic.

A summary of revenue sources was included for the Sidewalk/Streetscape project along Highway 99W. The cost of the project increased as unanticipated waterline and storm line work increased the project's scope.

City Engineer Eaton advised it is expected to take 1.5 years to complete both phases. 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 new curbs. ODOT is having to meet new water quality regulations

which has also increased the project's cost. Decorative lighting will be directed over the sidewalks, with additional enhanced lighting at marked crosswalks at First, Fifth, Seventh, Ninth, Eleventh, and Thirteenth streets. The city will own and be responsible for the lights. There will be pedestrian activated rectangular rapid flashing beacons (RRFB) installed at the crosswalks at First and Thirteenth streets. The First Street changes will include: the addition of a dedicated turn and merge lanes, loss of the right hand turn lane, and the addition of a pedestrian island.

Svicarovich suggested including spare parts in the lighting bid. Eaton suggested purchasing ninety lights, installing seventy; with the remainder for the areas not addressed in this project.

Franchise Fee revenue (page 22) is restricted for street improvements and undergrounding of utility lines. These funds could be used to pay for the installation of conduit for the future undergrounding of the Comcast and Frontier utilities. The right-of-way (ROW) is not wide enough for conduit; which has to be placed underneath the new sidewalk in Phase 1. An additional \$100,000 has been added for conduit undergrounding in the Phase 2 work area.

Street Reserve Fund: (page 24)

This holds funds dedicated for future improvements on Third Street, when the reconfiguration of the street to the highway can be completed as a total project.

State Shared Revenue: (page 26)

The proposed budget includes \$14,000 for the feasibility study on an Urban Renewal District with the Mid-Willamette Valley Council of Governments; line item 21 Consultant (page 27). If Council initiates the process; half out of the expenditure will be paid from this fiscal year and half out of next fiscal year's budget. The initiative would be placed on the November 2016 ballot. Funding requests on non-city activities will be presented at the next meeting.

Equipment Reserve: (page 29)

Fire Engine 31 is scheduled for replacement. The department is looking for a used vehicle with about fifteen years of life left. A new engine would run an estimated \$290,000 to \$300,000. Stock has observed a 10% increase to the fire apparatus market this year. Mayor Russ inquired if leasing would be a better option. Stock responded that they would like to investigate that option.

Mayor Russ asked for the exhibits contained in the Budget manual to be numbered in the future.

Parks: (page 31)

The main project is the completion of the Viewmont Greenway. The project has experienced higher than anticipated costs and is on a tight budget. Daykin shared that State Parks will observe what we have done with this grant, after completion, in consideration of future grant application submissions.

Patrick Kelly questioned the plantings in the phases. Daykin advised that the remaining planting involves trees, hydro seeding and a few shrubs.

Tourism: (page 34)

The Tourism tax was increased from 7% to 10% this year. The revenue represents 70% of the local hotel transient tax. Tourism Committee Chair Crawford informed the group that the committee is looking at applying for a \$10,000 grant from Travel Oregon. They are also considering partnering with the Dundee Wine Growers Association to apply for a \$40,000 grant for wine country license plates. Recommendation from the Tourism Committee for the use of the funds:

- Line item 24 Identity Enhancements - banners along Highway 99W and improving landscaping near signs
- Line item 25 Tourism Website/Kiosk - upgrade of the Tourism website and the Travel Dundee Facebook page
- Line item 26 Grant Expense-Tourism – Dundee Woman’s Club has requested funds to advertise their Centennial celebration with banners along Highway 99 W and this would provide funds for the Dundee Block Party
- Line item 27 Agencies Expense- contribution for Chehalem Valley Chamber of Commerce
- Line item 28 Marketing- match for the expected Travel Oregon grant and an update of brochures

Crawford stated the Tourism Committee would like to carry over funds at the end of the fiscal year to be used for a larger project, such as a Dundee welcome sign at the south end, parking or public restroom facilities.

Fire Station: (page 36)

There are funds available from a Ford Family Foundation grant to be used to purchase a reader board sign for the Fire Station. The purchase is on hold pending changes to the current sign regulation which will allow the reader board to be in compliance with city code. The proposed budget also includes \$5,000 for additional testing requirements that may be imposed by DEQ for closing out the contaminated soil site; which we might not have to complete.

Bonded Debt: (page 39)

This reflects new incoming revenue from property taxes to pay the future debt; first payment of principal will be due in February of 2016. The City levied 20% of the annual rate needed for the principal payment estimated for November 2015. The loan closure has been pushed out further and the funds collected will help offset the first annual payment.

Water, Sewer, Storm Water and State Revenue Sharing will be reviewed at the May 7th Budget Committee Meeting. The Committee meeting was adjourned at 9:28 P.M.



Storr Nelson, Budget Committee Chair



Debra Manning, Assistant City Recorder