

# Dundee Budget Committee Meeting Minutes

**May 5, 2016**

In the absence of Chair Nelson, Councilor Svicarovich called the meeting to order at 7:02 P.M. Present: Scott Salsberry, Kristen Svicarovich, Dawn Nelson, Patrick Kelly, Tim Weaver, Art Matheny, Lee Borgaes, Shannon Stueckle, and David Russ (7:09). Absent: Ted Crawford, Jeannette Adlong, Storr Nelson, Robert Negele, and Doug Pugsley. Staff members: Rob Daykin, City Administrator; Alan Mustain, Public Works Supervisor, and Denise Van Dyke, Recording Secretary.

## **Public Attendance:**

Dawn Witt, Homeward Bound Pets; Crista Eberle, Newberg Shelter; Steve Waddle, Promise Pantry; Ivon Miller, Dundee Community Committee; Beth Karecki, Your Community Mediators of Yamhill Co.; Joyce Colling, Dundee Women's Club.

## **Approval of Minutes:**

**The motion** was made and seconded approve the April 28, 2016 Budget minutes. **The motion** passed unanimously.

## **Governmental Funds: State Revenue Sharing: (page 24)**

Supplemental Information provided. City Administrator Daykin reviewed the process and gave background regarding the State Revenue Sharing fund. The city has a large project that would utilize the entire fund, however, in lieu of that a transfer from the General Fund will be "loaned" to the project with the intent that it will be paid back the following year from State Revenue Sharing. In addition, there is the cost of the lobbyist for the Bypass project. A balance of \$6,700 is available in the fund for sharing with community groups, if so desired. The groups will be presenting in the order their requests were received.

Beth Karecki, Your Community Mediators of Yamhill County (YCMYC), introduced herself and gave some information regarding YCMYC and their services. She thanked the city for the past approximately 20 years of support. This year's request of \$570 is lower than previously, due to a decrease in requests for services from residents of Dundee. The newest program is a truancy program that has been quite active. Judge Easterday of Yamhill County has referred a number of juveniles to the program. The program works with the child, family and school to help assist the child to attend school. There is a potential fine of \$350 if a child in the program misses 30 or more days of school. Solutions vary depending on the reasons for the child to be truant. Other programs include family programs (child custody/divorce negotiations, etc.), community (neighbor dispute) mediation, juvenile victim/offender programs, small claims court, training in the juvenile detention center, and facilitations between communities and government. Art Matheny asked about the reduced number of calls. Karecki replied there were fewer cases in the last year from Dundee. There were three cases with ten people. Tim Weaver asked about the number of cases in the juvenile truancy program and is it productive? Karecki said that the numbers may not be shown in the information provided, as this is a new program. It is definitely productive and has helped several children already. Some cases only require a small change to fix the situation, such as a bullying situation.

Krista Eberle, Board President for the Newberg Animal Shelter (NAS), introduced herself. In July 2014, the Newberg Animal Shelter took over operations for the Newberg Shelter, which covered Dundee and the rest of Yamhill County, because the City of Newberg withdrew support. Of the animals that are adopted out, 76 percent require spay/neuter services along with vaccination and microchipping, which are services provided by NAS. Currently, there is a waiting list for spaces for dogs and for cats. Adoption rates have doubled each year. More than 207 animals have been adopted out, and more than 157 spays and neuters have been done. Yamhill County and Newberg police officers have access to the shelter, where they can bring animals involved in emergency situations (car accidents, etc.) or picked up as strays at any time of day or night. This helps people know that, in their time of emergency, their pets are in safe hands. All food is donated, and some organizations are sufficiently generous that a partnership with FISH has started to provide dog or cat food to needy households. The last big push for the new building is to install the HVAC system. This is necessary both for the comfort of the animals and staff, but also for health and hygiene reasons. Proper isolation rooms are possible once the HVAC system is up and running. Donations for the HVAC are about halfway there, and Ken Austin has offered to match any donations received towards the HVAC. The cost of the HVAC system is \$30,000, so NAS is trying to raise \$15,000. About \$8,000 has been raised so far. Weaver asked about Newberg's contribution. Eberle replied that Newberg has not donated to this, as yet, however they allow NAS to occupy the building for no rent. Dawn Nelson asked if there was a time limit on the matching funds. Eberle said that there isn't, but it would be great to get the HVAC system up and running before the really hot weather starts.

Dawn Witt, Executive Director of Homeward Bound Pet Adoption Shelter (HBPAS), introduced herself. HBPAS operates a low cost spay/neuter clinic that serves the entire county. The clinic is funded by PetCo and local cities, and is only for the community. The shelter does not use this clinic. In 2015, 31 cats came to the clinic from Dundee, which adds up to \$1,550 worth of services for the community of Dundee. About 800 – 1,000 cats per year go through the clinic. Currently, the clinic is based in Wilsonville, because that vet office can handle 40 – 50 cats in one day, and the cats must be transported to the clinic. Efforts are underway to bring the clinic into the County, which would keep the approximately \$40,000 of funding inside the County, as well. A building has been donated and is undergoing renovations. Hopefully, it will be operational by next year. The request for this year is \$1,000. No cat is turned away. A goal of the clinic and HBPAS is to minimize the number of kittens born each year. HBPAS currently has 18 litters of kittens. Dawn Nelson asked about a time limit on the new building. Witt clarified that this request is to keep the spay/neuter clinic going, not related to the new building.

Joyce Colling, Dundee Women's Club (DWC), introduced herself and talked about the Community Suppers. The DWC took over the Community Suppers from two churches last January. The churches had been doing the Suppers for a couple of years, and it seemed like too good a program to have gone by the wayside, because it was quite popular with the community in Dundee. Now that 10<sup>th</sup> Street is paved, access should be much easier than over the last while. There have been issues with disabled access during the construction period. In the first quarter, six Suppers were held and about 177 meals were served. There are 35 volunteers helping with the Suppers, providing 150 volunteer hours in the first quarter. Additional volunteers are being recruited and are always welcome. Since taking over the Suppers, equipment has been purchased and added to the Community Center kitchen. A stove, refrigerator, and other equipment have been added. The kitchen has been certified by the County and all volunteers have food handlers' permits. The Community Suppers are held on the second and fourth Tuesdays of each month. The request is for \$650 per quarter,

which is \$2,600 for the year. The Suppers are open to anyone in the community. Kristen Svcarovich asked if most of the participants are from Dundee. Colling replied that it seems that the vast majority are from Dundee, many are repeat attendees and many are needy. She added that last winter the Community Center furnaces went out and had to be replaced. A small grant was obtained, some funds were made available from the Dundee Women's Club, and the City donated \$1,500. Daykin clarified that the donation is being processed at the moment. Colling reported that two EnergyStar furnaces were purchased and installed, and they are much more energy efficient and clean than the old ones.

Ivon Miller, Dundee Community Committee (DCC), introduced herself and thanked the city for the funding from last year. There are four programs put on each year for the residents of the city, including Party in the Park, Movie in the Park, Cookies & Cocoa with Santa, and Easter Egg Hunt. A handout was provided. Much of the funding for the DCC comes from collecting bottles and cans. Svcarovich asked about attendance for the events. Miller said that there are very good turnouts for the events, but attendance has not been tracked. She reported that the Chehalem Park and Recreation District (CPRD) helps, but not financially. They allow free use of the park and provides staff assistance.

Steve Waddle, from Promise Church and Promise Pantry, introduced himself and brought greetings from the Pastor and the administrator. He is a lay member of the financial committee and administrative volunteer for the Church. The request this year is for \$1000 - \$1,500 for Promise Pantry. In the past, the city has been willing to provide some funding for the Pantry and an additional amount for the community garden that helped provide fresh produce for the Pantry. This year, the garden is being discontinued due to a lack of community participation, in addition to the stepping down of the project leader, so the request for the Pantry has been increased. The effort will be made to find fresh produce from another source in a cost efficient way. The funds will be used to purchase food from YCAP food bank and other sources to augment donations of food items. He shared some stories of surprise donations from past users of the Pantry and from anonymous strangers. Daykin asked if the changes in the Bypass have created any problems with access to the Pantry location. Waddle replied that it has not, and it is hoped that, since the Pantry is visible from the Bypass, more people will learn about it and either use or help out. Daykin asked if FISH expanding services to Dundee is having any impact on Promise Pantry. Promise Pantry is open from 1:00 pm – 3:00 pm on Sundays for Dundee residents, with a limit of one visit per month; and FISH is open more days, so some people are probably using both sources.

Discussion of the various requests ensued. David Russ asked for a clarification of the total of \$6,700 that is available. Daykin referred to page 26 of the budget and explained that the business license software item is in a different part of the budget. The information provided about the software is being brought back to the Budget Committee to clarify earlier discussion. The Urban Renewal Plan Development, which is shown under "consultant" on page 25, is a major project that is being funded out of this fund. This project is sizable enough that it would take the entire amount of this fund for one year, so he proposed to take half from this fund and the other half as a transfer from the General Fund, with the intent of repaying the General Fund the following fiscal year. Past funding levels were discussed. Svcarovich asked about the lobbyist line item. Russ responded that there will be more lobbying at the federal level this year, so it has been requested that be funded at twice the amount of last year. It is possible that the Tourism Committee may be able to help with funding the lobbyist. When asked about the YCAP Utility Assistance program, Daykin stated that it is hard to forecast, but it seems that there is a lower response. The budget amount is less this year than last year because of the apparent lower activity level. Dawn Nelson asked

why there is nothing budgeted for the Dundee Women's Club when there was an active line item previously. The previous line item was for the renovation/restoration of the building. There was no request for funds for that project this year. Joyce Colling added that the renovation/restoration is ongoing, but the new (to DWC) Community Supper program is the focus for this year. Fundraising and work on the renovation/restoration is ongoing, though. Consensus was that this is a hard decision and all the groups are doing good and important work. A couple of Budget Committee members mentioned that they have or have had connections with one or more of the groups requesting funding. The possibility of reducing or eliminating the funding for the YCAP Utility Assistance program was discussed. YCAP serves as a disinterested third party to screen applicants to the program as to need. The program is specifically for the city's water/sewer bills, to avoid shutting off the water in hardship situations. Daykin mentioned that it could be eliminated as a line item, with the YCAP screening still happening and the funding for any program usage coming directly out of the water/sewer revenues. He also mentioned that the State Revenue Sharing Fund revenues are received quarterly and program funding will be contingent on actual revenue received. After discussing many options, consensus was to assume that the YCAP Utility Assistance line item will be zeroed out, adding that \$900 to the \$6,700 available for allocation and bringing the total available to \$7,600. **The motion** was made and seconded to allocate the funds between the organization requests as follows:

• Your Community Mediators of Yamhill County	\$ 570
• Newberg Animal Shelter Friends	1,000
• Homeward Bound Pets Adoption Shelter	1,000
• Community Suppers	2,600
• Dundee Community Committee	1,180
• Promise Pantry Food Bank	1,250
<b>TOTAL</b>	<b>\$7,600</b>

**The motion** passed unanimously.

C. Weaver requested a note be made to review the YCAP situation for next year.

**General Government:** (page 5)

C.A. Daykin referred to the supplemental information that was requested by the Committee at the prior meeting regarding the business license software. The price of the business license module is \$4,175. This includes license fees, training and set up. There is no conversion fee as there is no system to convert. The annual software assurance (maintenance and support) will be \$946. The Utility Billing System will not accommodate License fees, as it is designed specifically for utility services. This fiscal year to date, fees have been collected for 73 Business Licenses (\$45 each per year) and 30 OLCC Licenses. Staff would like to get a package for Court management, but we are not at the point of being ready for that. Also, it is a somewhat more expensive program. The main issue is that staffing hours are not increasing, but the time spent doing the processing of the license renewals each year is increasing. Initial set up may be more time intensive, but the long term work should be handled more quickly and easily. The city is using utility billing, cash receipting and on-line bill paying with software from this company. It is anticipated that this module will be a good addition. The possibility of the income from licenses to cover the cost of the software was discussed. C.A. Daykin stated that it is hard to say if that would happen in the first year, as you also have to factor in staff time and related costs.

**Water Fund:** (page 39)

C.A. Daykin summarized the information on pages 39-40. The recently completed Water Master Plan noted there are several water lines that have been identified as problematic or potential problems, including some that are restricting fire flow. Discussion of the potential and eventual need to utilize the river as a water source was discussed. If water treatment was required, the current rates would not be sufficient. There are riverbank filtration methods that could be utilized, and Newberg will be looking at a similar need. It might be that a joint treatment system could be a possibility. The riverbank filtration method eliminates the need for an expensive intake structure in the river and may require less expensive treatment. Daykin went over page 42. The transfer to the general fund is five percent of customer revenue and is similar to a franchise fee on water services to support governmental activities. The transfer to the equipment reserve fund is for water related equipment and vehicles, as well as paying for the vehicle storage facility. The transfer to the CIP fund is for large improvement projects. The software purchase shown is to update the meter reading software to be able to read radio based meters. The plan is to start with 50 meters, to be placed in trouble spots (where it is difficult to get to them), and to phase these meters in to new development. Public Works Supervisor Mustain added that the current technology requires the reader to touch the base unit to read it. Also, the newest meters have an automatic shut off mechanism that can be remotely activated and also have 30 days of usage memory. Eventually the goal is to have all the meters totally remote and read via a central antenna at city hall. The phase in process was discussed. Mustain and Daykin reassured the Committee that the city is buying a quality product in its meters.

**Water CIP Fund:** (page 43)

This fund is for significant water projects. A water system map identifying the improvement projects is included in the budget notebook. The needed projects include installing a ten-inch line on 99W, replacing and upgrading a four-inch steel line as part of the Dogwood/Viewmont project, and a replacement of a failing line on Locust. The waterline along the highway will be installed as part of the streetscape project and the Dogwood water line will be installed as part of a street paving project. Line items 33 and 34 refer to paying off the State IFA loan with a bank loan at a lesser interest rate. Line items 31 and 32 show the new loan also has a shorter term and higher annual payments. The water line projects will be done by contractors as there are only three PW employees that are available for that work. They will assist the contractors wherever possible, however.

**Sewer Fund:** (page 46)

C.A. Daykin reported that service fee revenues were set at the minimum amount to meet operational and annual debt service requirements. There has been a significant increase in repairs and maintenance due to exceptional repairs due to flood damage to the control panel. The plan is to replace as much as possible of the flood damaged equipment, which would fall under the CIP fund. Line item 79 is new for removal of stored bio-solids. This was formerly classified as CIP work, but has been recognized as really being maintenance. The consultant engineer will be coming to the May 17<sup>th</sup> City Council meeting to discuss this project, and will hopefully bring better information regarding costs and how to save money doing this project. Line item 76 is larger than previously, because of the possible need to rent a crane to investigate the membrane system. The permeability of the membranes is not fully recovering following their clean cycle. Other planned repairs include inspecting and maintaining the UV system, which requires flying in a technician. There is minimal staffing at the treatment facility. Several issues, including I&I and high water events, were discussed. Weaver praised and thanked the treatment facility operator and other PW staff for their work and dedication.

**Sewer CIP Fund:** (page 50)

The funds are used mainly to pay down the annual debt service on the \$9.7 million loan, which was used for the construction of the new facilities. When the Water Reservoir loan was refunded, an additional \$75,000 to put into the Sewer CIP fund was included and is earmarked for repairs to sewer mains that have been identified. This includes the damage caused by a franchise utility. Additional repairs will be the responsibility of private owners that need to be addressed. The budget was prepared as though the city would repair sewer line damage and be reimbursed by Frontier, but now it appears there is a possibility that Frontier will actually be doing that work – under the approval of the city. The budget includes the planned replacement of equipment damaged by the flood event. There should be recovery of most these costs through insurance reimbursement, and possibly some FEMA assistance. FEMA will only cover up to 75 percent of the amount not covered by insurance.

**Storm Water Fund:** (page 52)

C.A. Daykin mentioned that as of August 1, the monthly storm water fee paid by residents will increase from \$5.50 to \$6.00. The Storm Water Fund accounts for the maintenance of the storm water facilities, including minor repairs. Carry-over funds each year are applied to the Storm Water CIP fund.

**Storm Water CIP:** (page 55)

There are a few projects under the Storm Water CIP fund. \$150,000 loan funds are earmarked for a storm water system upgrade to the piping on 99W, and a repair/extension at Charles Street to remedy a repeated flooding situation that has caused damage to at least one property so far. The city has committed to solving the Charles Street issue. We are also looking at updating the Storm Water Master Plan; probably in the fall.

Shannon Stueckle expressed her appreciation for the expertise and effort that goes into creating the budget each year. Daykin praised the city's staff, especially those who need to maintain certifications/training in addition to their regular work. Mustain mentioned the increasing and always changing regulations that staff must keep up to date on.

C.A. Daykin gave some background on the permanent tax levy and the bonded tax levy. The permanent levy is anticipated to increase about three percent due to property values, and approval is requested at the rate of \$2.3115 per \$1,000 of property value. The bonded levy is to repay the loan for the construction of the fire station. Approval is requested for \$160,870. The amount is factoring in the likelihood that many people will pay their taxes early (receiving a discount) and some will not pay their taxes at all. Net income on the bonded tax levy is anticipated to be closer to \$148,000.

**The motion** was made and seconded approve and recommend to Council the proposed FY 2016-2017 Budget for the City of Dundee, as amended. **The motion** passed unanimously.

**The motion** was made and seconded approve the FY 2016-2017 tax levy, providing a permanent tax levy of \$2.3115 per \$1,000 of assessed value and a bonded tax levy of \$160,870. **The motion** passed unanimously.

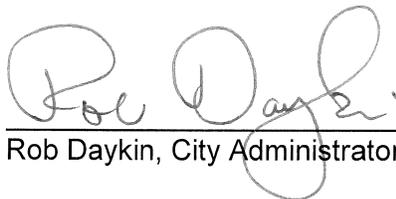
C.A. Daykin mentioned that a supplemental budget is being advertised and will be brought to a hearing with the City Council at their next meeting. This supplemental budget will create appropriations for refinancing of the State IFA loan with the new bank loan, the initial emergency repairs from the flooding event at the wastewater treatment plan that should be

paid back by insurance reimbursement, and the carry-over funds from the prior fiscal year in the Fire Station Construction Fund. The carry-over funds are being spent this fiscal year to address the construction defects that have been discovered. The supplemental budget is being presented to keep us in compliance with state budgeting laws.

The Budget Hearing will be at the first City Council meeting in June. The City Council can make changes, but if the changes are more than \$5,000 in any one fund, then the newly amended budget must be re-advertised and a new Budget Hearing scheduled. The limit and requirements are based on State law.

The Committee meeting was adjourned at 9:07 P.M.

  
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Storr Nelson, Budget Committee Chair

  
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Rob Daykin, City Administrator