

**CITY OF COTTAGE GROVE  
BUDGET COMMITTEE MEETING  
MINUTES  
May 8, 2018**

Mayor Gowing called the meeting to order at 6:00 p.m. in the Council Chambers at City Hall.

**ROLL CALL**

City Recorder Trudy Borrevik called the roll. The following were

Present: Council: Mayor Jeff Gowing, City Councilors Jake Boone, Mike Fleck, Garland Burback, Bob Ehler, Kenneth Michael Roberts and Greg Ervin

Members: Gary Manley, Mike Grover, Amanda Gilbert, Duane Taddei, Tom Munroe and Donn Rust

Absent: Council: None

Members: Rhonda Worley

Staff Present: City Manager Richard Meyers, City Recorder Trudy Borrevik, Finance Director Bert Likens, Public Works & Development Director Faye Stewart, Police Chief Scott Shepherd, Police Captain Conrad Gagner, and Community Services Director Pete Barrell

Media: Cameron Reiten, KNND Radio

**ELECTION OF BUDGET COMMITTEE OFFICERS**

Mayor Gowing said Amy Slay was the Vice-Chair last year; however she was no longer on Council so the committee needed to elect a new Chair, Vice-Chair and Secretary. He said the Chair should be a City Councilor and the Vice-Chair a Budget Committee member.

**IT WAS MOVED BY MAYOR GOWING AND SECONDED BY COUNCILOR BURBACK THAT JAKE BOONE BE ELECTED CHAIR, DUANE TADDEI VICE-CHAIR AND DONN RUST SECRETARY.**

**Motion passed 13-0.**

Mayor Gowing turned the meeting over to the Chair, Jake Boone.

## APPROVE MINUTES - May 9, 2017

**IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR BURBACK TO APPROVE THE MINUTES OF MAY 9, 2017.**

**The motion passed 13-0.**

### BUDGET MESSAGE AND BUDGET PRESENTATION

City Manager, Richard Meyers, talked about the agenda and Resolution BC4. He pointed out letters from the Woodard Family Foundation, National Alliance on Mental Illness of Lane County and South Lane Wheels and the City's Bond Rating that were included in the budget binder. He talked about the City's Bond Rating of AA from Standard & Poor's which was the second from the top rating.

Richard read the Budget Message for the 2018-2019 Fiscal Year. (*Attached as Exhibit A*)

Richard talked about the Building Code Division and the new mandated changes and how it affected cities in Oregon. He said the City was already in the process of changing the building permit services when the State announced the changes to their program. He said the City has hired a Building Inspector and Electrical Inspector and entered into an agreement with Creswell to provide inspection services. He said the City was also in the process of entering into an agreement with Veneta to provide inspection services for the month of June and an IGA would go before Council in June for approval of a yearly agreement with Veneta. He said the League of Oregon Cities, Association of Counties, third party agencies and some of the Council of Governments were all working on the issue.

Richard talked about the Building Inspection Services budget and said it had been subsidized by the General Fund for a number of years. He said in the proposed budget, there was a carryover of \$65,000. He said there was no proposal to raise building inspection fees. He said with the hiring of building and electrical inspectors, the City would have to raise their fees, if we didn't have agreements with Creswell and Veneta.

Public Works & Development Director, Faye Stewart, spoke about the inspection fees for Creswell and said they were proposing to adopt the same fees as Cottage Grove. He said that Creswell and Veneta would pay a set amount to the City for their building and electrical permit services.

Richard said regardless of how many permits were issued or inspections were completed for Creswell and Veneta, each City would pay a set amount each month to Cottage Grove.

Member Munroe asked how much the State was charging the City for overseeing the City's permit program.

Richard said the State had a surcharge of 12% which wasn't included in the building permit fees. Richard continued with his budget message. He thanked staff for their willingness and

participation in the preparation of the budget. He also thanked the Budget Committee for being a part of the process and said it was the most important document the City prepared each year.

Councilor Fleck asked about the Community Coordinator position change and how it was going to work with the other agencies in the community and expressed some of his concerns.

Richard explained the position and what staff envisioned. He said it was a start to work together with community organizations and non-profits.

Councilor Fleck said he would like to see a report next year during the budget process of what was accomplished with the new position.

Discussion was held regarding the Community Coordinator position change.

### **PUBLIC HEARING FOR PUBLIC INPUT ON POSSIBLE USES OF STATE REVENUE SHARING MONIES**

Chair Boone opened the public hearing.

Member Munroe said he hadn't seen a definition of what the allowable expenditures were for shared monies.

Richard explained what State Revenue Sharing funds were and what they were used for.

Chair Boone closed the public hearing.

Richard discussed the meeting process.

The meeting was recessed at 7:00 pm.

Chair Boone called the Work Session to order at 7:01 pm.

**IT WAS MOVED BY MEMBER GROVER AND SECONDED BY COUNCILOR BURBACK THAT RESOLUTION NO. BC4 BE ADOPTED.**

**Motion failed 2-11 with Member Grover and Councilor Burbach voting in support.**

Richard went over the information, graphs and charts provided in the budget document and talked about each of the different funds.

Member Munroe asked about the backload of fines that hadn't been paid and the Municipal Court using a collection agency.

Finance Director, Roberta Likens, said all the old files had been turned over to the collection agency, but hadn't been collected yet.

Richard commented about marijuana tax and said beginning July 1, 2018, the City would be able to disclose how much the City received in marijuana taxes.

The committee briefly discussed the collection of marijuana tax.

Councilor Ervin asked about the increases in franchise fees and why one was not increased.

Richard said the garbage franchise was a fixed amount and the others were based on consumption amounts based on their services and sales. He said Charter was increasing due to increasing subscriptions. He said Northwest Natural Gas was a considerable increase due to an adjustment back in 2014 of an additional two percent that they hadn't increased their franchise fees and paid to the City.

Councilor Fleck disclosed that his son works for the Cottage Grove Garbage Service so he wouldn't be commenting on anything regarding the garbage service. He also disclosed that he was the Executive Director of Community Sharing which was a line item under Community Promotions and he wouldn't be speaking on anything to do with that item.

Member Gilbert disclosed that she was the Executive Director for the Coast Fork Willamette Watershed Council and they received funding from the City.

Richard said EPUD had a new customer that was a significant power user and it was anticipated they would have a significant increase in their franchise fees as a result of that business.

Councilor Ervin asked what franchise fees were.

Richard said franchise fees were for utility companies who used City property and the fees were a way for them to pay back the public for the use of public right-of-ways. He said a portion of the franchise fees were paid directly by the utility companies and a portion were passed onto the consumer. He said current franchise fees were 5% of the gross revenue with the exception of Charter and the phone company which were 7%.

Discussion was held on franchise fees and how fee increases were addressed.

Councilor Boone asked what the \$50,000 was from the South Lane School District.

Richard said it was for the School Resource Officer and South Lane School District paid for almost half of that position's wages and benefits.

Police Chief, Scott Shepherd commented about the School Resource Officer and explained the duties and the relationship between the Officer and the schools.

Councilor Fleck asked about the new 1.13 FTE positions in the Community Services Department and when they would be hired.

Richard said at least one of the positions would be hired within several months of the new fiscal year to assist Teresa in transitioning some of her duties to allow her to focus on her new duties.

Councilor Fleck commented on the funding request from Nami Lane County and said it was hard for him to suggest that it not be funded, however South Lane Mental Health was present in the community.

Member Gilbert said she did some research on Nami Lane County regarding their funding for the last five years. She said it had changed drastically between years three and four and wanted to know if their request was for one year to use as a buffer while they looked for grants and other funding. She said she was hoping someone from the agency would be at the meeting to ask questions.

Mayor Gowing said he felt that if someone was requesting funding of \$5,000, they should be present at the meeting. He was okay with not funding the request.

Councilor Boone said he wasn't against funding these types of requests, but would like to see more detail on what their agency did and what their programs were.

Richard suggested that Teresa contact the agency after July 1<sup>st</sup> to get more information about their programs, etc.

Councilor Roberts asked about the \$38,000 budgeted for the Chamber and asked if it was from the room tax.

Richard said the room tax in Cottage Grove was 10%. He said the State received 1%, Lane County received 5%, the City received 3% and the Chamber received 1%.

Richard talked about the \$50,000 budgeted for the Community Pool Support. He explained that because the school was going to be shut down for the FY 18/19 school year for remodeling, the \$50,000 would be used for an investment in the capital instead of pool operations. He said once the pool was back in operation for the FY 19/20 school year, the \$50,000 would be used for pool operations. He said part of the plan for the remodeling of the pool, included a warm pool. He said if that occurred, the City would consider closing the therapy pool at the Community Center.

Councilor Ervin asked what the cost savings would be if the City closed the therapy pool at the Community Center.

Richard said there were significant improvements that needed to be made to the therapy pool that could cost thousands of dollars. He said the Community Center wasn't an ideal place for a therapy pool.

Supporting the pool was discussed. One suggestion was made to financially assist the School District in completing the warming pool which would allow the City to close the therapy pool at the Community Center saving the City thousands of dollars in repairs and maintenance costs.

Richard provided some history and background for the reason the City became involved in helping to financially support the community use of the pool.

Councilor Fleck suggested that instead of reviewing the rest of the budget by fund, that if members had questions about specific items, that they be addressed.

Richard talked about Peer Court. He said the numbers had been declining each year and the Cottage Grove Peer Court was the last one in Lane County. He said the Department of Youth Services had changed their rules and process and talked about how it was affecting our Peer Court.

Chief Shepherd commented on the Peer Court and explained how it worked.

Peer Court was discussed and suggestions and comments received from the committee.

Richard explained what the Special Revenue Funds were.

Councilor Ervin asked about the Federal Aid – Urban line item in the Street Fund.

Richard said it was funding for highways and roads if you had federally designated urban streets. He said Main Street and some of the collectors were designated as urban streets. He said it was Federal Gas Tax money and went to communities who had certain quality and levels of roads. He said the City received Federal funds that went to ODOT into an account that the City could pull from as needed and explained how it worked.

Member Munroe asked about the 6<sup>th</sup> Street Railroad Crossing and said he thought the Railroad was going to be doing improvements.

Public Works & Development Director, Faye Stewart, explained and said he had a meeting scheduled tomorrow to discuss the issue with the Railroad.

Member Munroe asked about Harrison between R and River Road and if it was on the schedule to be fixed this year.

Faye said it wasn't on the schedule for FY18/19 and talked about some of the issues with the bridge and repairs that needed to be done.

Richard explained what Enterprise Funds were.

Councilor Ervin asked what percentage rates we were paying for loans and if it was different for different funds.

Bert and Richard said yes, it depended on when they were taken out. He said the latest was between two and four percent.

Councilor Ervin asked if cities could issue bonds to private citizens as investments.

Richard and Bert explained the process on how selling bonds worked.

Richard explained the Debt Service Funds.

Councilor Ervin asked if in twenty or thirty years and everything was going good with no major catastrophes, if the City would ever have enough money in reserves so the City wouldn't have to borrow funds.

Richard said there was a backlog of projects that needed to be completed and the City was always trying to catch up. He explained how the City borrowed funds to complete the projects. He said in twenty or thirty years we would be closer but wouldn't get there.

Member Munroe asked about the purchase of a right of way from South Lane School District.

Richard said it was on Taylor Street near the City's pump station and the City wanted to purchase it to connect properties in that area.

Councilor Roberts asked about the purchase of land for a new dog park and asked if the City was going to have two dog parks.

Richard said the Council just accepted the donation of property for Lulu's Dog on Main Street which was a smaller dog park. He said the other property purchased from the School District would be a dog park for larger dogs.

Discussion was held on park projects.

**IT WAS MOVED BY MAYOR GOWING AND SECONDED BY MEMBER MUNROE TO RECONSIDER THE MOTION TO ADOPT RESOLUTION BC4.**

**Motion passed 13-0.**

**IT WAS MOVED BY MAYOR GOWING AND SECONDED BY MEMBER MUNROE THAT RESOLUTION NO. BC4 BE ADOPTED.**

**Motion passed 13-0.**

Chair Boone adjourned the meeting at 8:23 pm.

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Chair

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City Recorder