

**CITY OF COTTAGE GROVE
BUDGET COMMITTEE MEETING
MINUTES
May 5, 2020**

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, Candace Solesbee, Kenneth Michael Roberts and Greg Ervin

Members: Gary Manly, Mike Grover, Amanda Gilbert, Bernard Donner, Donn Rust and Gary Williams

Absent: Council: Bob Ehler

Members: Tom Munroe

Staff Present: City Manager Richard Meyers, City Recorder Trudy Borrevik, Finance Director Bert Likens, Public Works & Development Director Faye Stewart, Police Chief Scott Shepherd

Media: None

ELECTION OF BUDGET COMMITTEE OFFICERS

Mayor Gowing said last year Candace Solesbee was the Vice-Chair.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR BOONE THAT COUNCILOR CANDACE SOLESBEE BE ELECTED CHAIR, GARY WILLIAMS VICE-CHAIR AND MIKE GROVER SECRETARY.

Gary Williams said he had been the Budget Committee Chair twice in the past and if someone else was interested he would be more than happy to let them serve instead.

Councilor Solesbee suggested Gary Manly be elected as the Vice-Chair in place of Gary Williams.

COUNCILOR FLECK AMENDED HIS MOTION SECONDED BY COUNCILOR BOONE THAT COUNCILOR CANDACE SOLESBEE BE ELECTED CHAIR, GARY MANLY VICE-CHAIR AND MIKE GROVER SECRETARY.

Motion passed 12-0.

Mayor Gowing turned the meeting over to the Chair, Candace Solesbee.

APPROVE MINUTES - May 7, 2019

Gary Manly said his last name was spelled wrong, it didn't have an e.

IT WAS MOVED BY MAYOR GOWING AND SECONDED BY COUNCILOR FLECK TO APPROVE THE MINUTES OF MAY 7, 2019 AS AMENDED.

The motion passed 12-0.

BUDGET COMMITTEE MEMBER DECLARATIONS

Councilor Fleck declared he was the Executive Director for Community Sharing which received funding from the City which was in the budget and said he would abstain from voting on any discussion having to do with Community Sharing. He also declared that his sister-in-law was retired from the Library but worked when needed.

Member Amanda Gilbert declared she was the Executive Director for the Coast Fork Willamette Watershed Council which received funding from the City which was in the budget. She stated she would abstain from voting on any discussions having to do with the Watershed Council.

Mayor Gowing declared he was on the Coast Fork Willamette Watershed Council Board.

BUDGET MESSAGE AND BUDGET PRESENTATION

City Manager, Richard Meyers, advised the Budget Committee Members that the City had received numerous emails regarding the Library Budget and that all the emails had been downloaded on the City's website on the Budget Committee Agenda.

City Manager, Richard Meyers, read the Budget Message for the 20120-21 Fiscal Year.
(Attached as Exhibit A)

**PUBLIC HEARING FOR PUBLIC INPUT ON POSSIBLE USES OF
STATE REVENUE SHARING MONIES
PUBLIC HEARING FOR PUBLIC COMMENT/REQUESTS FOR APPROPRIATIONS**

Chair Solesbee opened the public hearing.

Matthew Jensen, Business Representative for the General and Laborer's Union, questioned why the City Manager laid off full-time employees in the Library when there were tasks that could be performed and social distancing could be observed. He also questioned why the proposed budget gave the City Manager a 4.7% increase in his salary and why the City Manager's Budget Travel Expense line item had doubled.

Member Rust commented about the budget cuts for the Library and said the City didn't know when the Library would be open. He said the budget cuts may not be as drastic as people thought. He said he read the emails and understood the concerns however if the Library wasn't open the City wasn't spending any funds.

Chair Solesbee closed the public hearing.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR ERVIN TO MOVE FORWARD WITH THE WORKSESSION AND SET A DEADLINE OF 9:00 PM.

Motion passed 12-0.

WORKSESSION PROPOSED BUDGET DOCUMENT REVIEW AND DISCUSSION

Richard went over the budget beginning with the General Fund. He pointed out Page 17 which was a summary of individual funds. He also pointed out Page 36 that the salary for the City Engineer was incorrect, the salary was actually \$93,635 not \$112,835.

Richard went over the proposed Revenue for the General Fund. He said the Room Tax was being reduced by \$42,000 due to COVID-19 and the loss in hotel/motel revenue. He also pointed out several line items where the revenue had been reduced.

Richard went over each of the departments in the General Fund starting with the City Council and talked about any changes in the departments.

Councilor Boone addressed the comment about the City Manager's salary and said the salary was set by the City Council. He said if someone disagreed with the salary they could contact him.

Richard explained that the Finance Department was responsible for all financial matters within the City. He said there was an increase in the Payroll/HR Specialist salary due to the employee in that position receiving her certification.

Richard talked about the Community Services Department and projects that they were working on. He said the City was working with Lane Council of Governments on leasing space at the Community Center for their Senior and Disability Services. He said the therapy pool had been removed which should reduce the electricity and natural gas line items in the budget.

Richard went over the Community Promotion budget and what was included. He talked about

the amount budgeted for the Chamber of Commerce and how it was figured. He said if the City didn't receive the \$90,000 projected revenue from Room Tax, the contribution to the Chamber of Commerce might have to be reduced.

Councilor Fleck said he had concerns about the contribution to the Chamber of Commerce if it was reduced due to a decrease in Room Tax revenue. He said he would like to see them come to Council in the future to request additional funding if the contribution had to be reduced due to reduced revenue from Room Tax.

Richard said the Rural Tourism Grant Money from the County was down, but if the Room Tax Revenue was lower than budgeted, the City would use more of the Rural Tourism Grant Money for the Chamber as much as possible. He continued with the Community Promotion budget and said it also included \$15,000 which was requested by Looking Glass for assisting them with their fundraising to remodel the Whiteaker property building. He said a letter from Looking Glass was included in the budget packet. He said \$75,000 was included for supporting the Warren H. Daugherty Pool.

Richard went over the Police Operations Budget. He said the budget included the purchase of three vehicles that would replace older vehicles which were being kept two years longer than the previous replacement schedule.

Richard next went over the Municipal Court Budget. He said the Court was being held virtually and it had been working well.

Member Rust asked if the Municipal Court handled truancies. He said he was a constable in Texas and would be willing to volunteer to assist the Court if needed.

Richard replied that they did and it was one of the line items in their budget under materials and services.

Councilor Ervin said Council had approved the purchase of new firearms for the Police Department but the line item was only \$2,000, the same as previous years. He asked if the Police Department was able to sell the older firearms so it was a wash.

Chief Scott Shepherd said they were able to sell the older firearms to the dealer and received a discounted rate for the new firearms and purchased enough to outfit patrol. He said the reason the budget was kept the same was to purchase ammunition and extra firearms to have in case of malfunctions or a firearm having to be taken out of service.

Richard went over the Municipal Court and Municipal Court Support Services Budgets. He said the Municipal Court Budget covered the Court Clerk and Judge's salaries and materials and services. He said the Municipal Court Support Services Budget covered the prosecuting attorney contractual services, court appointed attorney fees and other fees associated with Municipal Court.

Richard talked about Peer Court and said there had been some issues with the Department of

Youth Services in returning cases to the Peer Court and explained. He said the Peer Court Judge was retiring and there were several others interested in stepping into that role.

Richard went over the Public Works & Development Maintenance Budget. He said the budget covered the parks and buildings and some temporary worker positions had been eliminated.

Councilor Ervin asked what the possibility was and if there was an avenue to use volunteers to assist with mowing parks, etc.

Richard said the challenge was that it wasn't consistent but if someone was interested they could contact Teresa Cowan at the Community Center as she coordinated volunteers.

Richard went over the Public Works & Development Engineering Budget and said the department would be very busy in the upcoming fiscal year. He directed the committee to the General Fund Revenue list at the beginning of the budget and the \$410,080 in engineering fees that were charged for operations from other funds. He said the City was looking to hire a full-time Engineering Tech instead of part-time position to help with all the projects.

Councilor Fleck asked about the reduction in the budget line item for personnel services for the Engineering Technicians position from \$49,620 to \$38,200.

Richard explained that it was probably due to the person currently in the position was at a higher step and the proposed wage is the starting step for that position.

Richard and Bert said a lot of the projects were funded by grants and bonds which had time restraints on them and had to be completed by a certain date.

Richard talked about the Broadband Services Budget which included IT coverage. He said the City had a contract with Lane Council of Governments for full-time coverage which was working out well. He said it also included the operations of the fiber and Wi-Fi system. He said the Wi-Fi system was open free to the School District for families who didn't have internet service. He said the current Wi-Fi system was over ten years old but still functioning. He said there was new fiber going in at the schools and the City would be getting fiber to the Water and Wastewater Treatment Plants.

Richard next covered the Public Works & Development, Development Budget was planning and emergency management. He said the Emergency MGMT/EOC line item had been increased from \$7,000 to \$22,500 for the City to put on another Emergency Preparedness Contest in September. He said there were also plans to have a Community Earthquake Training for employers and the general public. He said the budget also included several transportation related grants included in the Development Budget.

Richard talked about the Library Services Department Budget. He said the one issue that everyone seemed concerned about was the reduction in personnel services. He said the Library was currently closed and staff had been laid off until the Library was reopened. He said the reduction in FTEs for full-time personnel services was for the month of July. He said depending

on the State's restrictions, there could be a partial opening with limited staff in July. He said concerns about libraries opening are the reading of publications and the inability to clean them properly between users. He said the computer area would need to be redone to allow for the social distancing and the front counter would need sneeze guards, etc. to protect employees and patrons. He said once restrictions were lifted and the library was open fully, employees would be back to full-time status. He said for the part-time employees, if revenues were high enough, they could be brought back on using contingencies to backfill the positions.

Councilor Ervin asked if there were any concerns about laid off employees not returning and losing their knowledge and having to replace them.

Richard said it was always a possibility and risk. However with COVID-19, those laid off would be getting additional benefits and the City would be continuing to pay for their medical insurance.

Councilor Fleck suggested to change the FTE for Library Aides to 0.92 and add the amount for the salaries to avoid having to come back to Council in the future, if needed, to move money from the contingency.

Councilor Boone said he was okay with leaving the Library Services Budget as proposed. He commented about the emails received regarding the Library Budget. He said while he recognized some names, there were a number of names that seemed to correspond with demographic groups that weren't in Cottage Grove. He said the emails all had similar word choices and it seemed that someone had sent out information to a group asking them to send emails.

Member Rust said he had read all of the emails and agreed with Councilor Boone.

Councilor Fleck said he was okay either way, but thought it might alleviate some of the concerns from community members if the line items were there.

Member Gilbert said in the Budget Message, Richard commented that he would be closely watching the budget and asked how closely he would be watching the Library Services Budget and the line item in question.

Richard said revenues were watched on a regular basis, some monthly and some quarterly depending on when they were received. He envisioned that the City wouldn't see a good idea of revenues until midway through the next quarter.

Richard commented about zeroing out some line items in the budget for temporary and seasonal workers. He said staff would need to determine which positions had priority.

Bert said it would also depend on the carryover at the end of June which she wouldn't know until the later part of August.

Councilor Ervin asked what revenues supported the Library Services Budget.

Richard said the Library was funded by the General Fund and generated very little revenue.

Richard said the last department in the General Fund was Non-Departmental which included items that benefitted the entire General Fund such as insurance, labor negotiations and contractual services. He said it also included transfers to various funds.

Richard went over the Special Revenue Funds and said they were revenues that were specifically set aside for specific functions and explained. He went over each of the funds: Street Fund, Assessment Fund, Police Communications Fund, Narcotics Forfeiture Fund, Bicycle & Footpath Fund, Building Inspection Program Fund and Housing Rehabilitation Fund.

Faye commented on the Building Inspection Program Fund. He explained that the City provided building inspection services to the cities of Creswell and Veneta and would be adding Coburg on July 1st if approved by the City Council. He said with the addition of Coburg, they had budgeted for an additional building inspector if needed for additional building inspections.

Councilor Ervin asked if building services decreased during the winter months.

Faye said there usually was an increase of construction projects in late Spring/early Summer to October when it dropped off. He said over the last year, building services had been consistently busy and the revenue to date had exceeded the projections.

Richard said in the building inspection program fund, money was being put into the reserve fund. He said the reserve fund was different than other reserve funds in that it wasn't just for capital but also for the operation of the building inspection program. He said there was also \$25,000 budgeted for the housing assistance program. He commented that the building inspection program created by the City was becoming a model in the State.

Richard said the last special revenue fund was the Housing Rehabilitation Loan Fund and there was one loan the City possessed.

Councilor Fleck asked if it could be rolled into the Rural Rehabilitation Fund, funds which St. Vincent DePaul was managing for CDBG dollars.

Bert said it was Federal Community Development Block Grant money and there was existing outstanding loan on one home in Cottage Grove with a loan balance of \$18,900.00 plus interest. She said it was money that accumulated over time and when the property was sold and the loan was recouped, it could be de-federalized and spent or given to St. Vincent DePaul.

Richard said the City may want to use the money for a project in Cottage Grove rather than sending to St. Vincent DePaul.

Richard went over and talked about each of the Enterprise Funds: Water Fund, Wastewater Fund, Storm Drain Utility Fund and the Industrial Park Operations Fund. He said enterprise funds were funds that operated like a business.

Faye talked about Middlefield Golf Course which was included in the Wastewater Fund. He said

the City has purchased 40 slightly used golf carts in the current fiscal year and cart rentals were way up for the year. He said before COVID-19 hit, the City was on the way to having its best year yet for revenue and the City was hoping to at least meet the projected income.

Faye talked about the Wastewater Collection Fund and said the City had been having manholes around town repaired and sealed to keep storm water from entering the sewer collection system and were planning to repair more manholes in FY 20/21. He said the City had seen a big reduction in storm watering entering the sewer collection system with the repair of the manholes.

Richard talked about the Industrial Park Operations. He said the City was moving forward with improvements on the property purchased from Workmans and the trade had been made with King Estates. He said the City was hoping to start on R Street in FY 20/21 and to make some sales on available lots in the industrial park.

Richard said the Capital Projects Fund were the SDC funds. He said some of the current projects were coming out of the funds. He explained that the City did budget everything being spent in the Capital Projects Fund.

Councilor Fleck commended Richard and Faye regarding the water reservoir on Sunrise Ridge and said it was an awesome project.

Faye said in the Parks SDC Fund, the City was planning to move forward with a Dog Park off River Road in front of the high school. He said there was also plans to complete the purchase of a future reservoir site on the East side of the freeway and complete a feasibility study on a reservoir south in the Lamontai District.

Richard talked about Reserve Funds and said they were set up to collect revenue from various other funds which contributed to them. He said projects included in the General Reserve Fund were a new roof at City Hall, a review of heating systems in the buildings, floor drains at City Hall and work at the Community Center.

Richard went over the Water Reserve Fund and said revenue from the water fund and fees from the water improvement fees went into the Water Reserve Fund. He said some of the funds would go to upgrade pump stations and water lines and valve replacement.

Faye said the City would be working on master planning for Water, Wastewater and Storm Drain which were funded through the reserve funds. He said there was an act passed in congress that required a plan to be done and the City also had to prepare a resiliency plan by June, 2021 for the water system.

Richard said the Building Inspection Reserve Fund was different from the others as it allowed to pay for operations, vehicles and equipment.

Richard talked about the Debt Service and Special Trust Funds Budget. He said the Debt Service Fund included all the debt of the City which was separated into principal payments and interest payments for Bonds and Loans. He said the Special Trusts Fund included the Housing

Development Cost Assistance Program adopted by the Council in the last year. He said the Special Trusts Fund included revenue carryover and materials and services expenses from various trusts, donations, etc. He said the last Fund was the Armory Trust Fund which included revenue and expenses for the Armory.

Councilor Ervin asked about the Eugene Symphony and if they donated the concert or if the City had to pay.

Richard said it wasn't a donation, they had to pay the musicians as they were union. He said there were also costs for the sound system, bleachers, food, etc. and the cost to the City was approximately \$25,000. He said due to COVID-19, we wouldn't be having the Eugene Symphony perform this year. He said the US Air Force Band was different and the City didn't have to pay anything except for bleaches for additional seating, however that was cancelled as well.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR ROBERTS TO ADOPT RESOLUTION NO. BC6 APPROVING THE BUDGET FOR FISCAL YEAR 2020-21, AUTHORIZING THE CITY'S PERMANENT TAX RATE AND RECOMMENDING ADOPTION TO THE CITY COUNCIL.

Motion passed 12-0.

Chair Solesbee adjourned the meeting at 8:02 pm.

Chair

City Recorder