

**CITY OF COTTAGE GROVE
BUDGET COMMITTEE MEETING MINUTES
May 11, 2021**

Chair Gary Manly called the meeting to order at 6:07 p.m. in the Council Chambers at City Hall which was held virtually and in person.

ROLL CALL

City Recorder Trudy Borrevik called the roll. The following were

Present:	Council:	Mayor Jeff Gowing, City Councilors Mike Fleck, Candace Solesbee, Kenneth Michael Roberts, Greg Ervin, Chalice Savage and Jon Stinnett
	Members:	Gary Manly, Mike Grover, Amanda Gilbert, Gary Williams, Dana Merryday and Armando Garza, Sr.
Absent:	Council:	
	Members:	Donn Rust
Staff Present:		City Manager Richard Meyers, Assistant to the City Manager Jake Boone, City Recorder Trudy Borrevik, Finance Director Roberta Likens, Public Works & Development Director Faye Stewart and Police Chief Scott Shepherd
Media:		Damien Sherwood, The Sentinel

**WORKSESSION (CONTINUED)
PROPOSED BUDGET DOCUMENT REVIEW AND DISCUSSION**

City Manager Richard Meyers said staff prepared a Memorandum addressing some of the concerns about personnel allocations from the last Budget Meeting which is attached hereto and marked Exhibit "A".

Richard said the City had received a request from Huerto De La Familia, attached hereto and marked Exhibit "B", for a \$5,000 donation toward the costs of developing the new Cottage Grove Community Garden. He introduced Marissa Elena Zarate, Executive Director, who provided more information about their agency and request.

Marissa Zarate, Executive Director, said their goal for their gardens was to offer to families a place to grow their own organic food and to teach their children about growing food and taking care of the earth and being environmental stewards. She said they had six garden locations and partnerships included churches in Eugene and Springfield, School Districts, Park and Recreation and City of Eugene. She said they were in the final stages of a Memorandum of Understanding with South Lane School District for a location at the wetlands at Bohemia Elementary School. She said they anticipated the garden would serve around 50 families to start with the potential to expand in the future. She said they were looking forward to creating a community space where events and workshops could be held. She said a lot of the cost had been contributed by the School District for the installation of an irrigation system and by in-kind support from the City's Planning Department. She said they hoped to break ground this year with gardening to begin in 2022.

Richard asked what they were going to do for water. He said the City could do an in-kind donation for water in lieu of the \$5,000 donation.

Marissa said the water was going to be a contribution from the School District which was the case at most of their gardens, the agency provided an in-kind donation. She said the \$5,000 they were requesting was to be used specifically for supplies to get the garden set up.

Councilor Solesbee asked how many volunteers it took to take care of their gardens. She said if the City was willing to donate the water ongoing, it may be a better donation than the \$5,000.

Marissa said in regards to the volunteers, the gardens were maintained by staff that oversaw all of their locations and supported the families as they grew their food. She said they made sure the garden plots were attended to and that the contracts with everyone who had a garden plot were followed. She said they maintained a wait list for the gardens in spite of tripling in size over the last several years. She said they would volunteers to help build the fencing, etc.

Armando Garza asked what the exact location at Bohemia School. He said the wetlands could be pretty soggy in the spring and asked how they planned to work the dirt to get things to grow.

Marissa said they were using the wetlands behind the school which were soggy but they did have experience in converting them into very successful food growing soil. She said the largest garden in Eugene was by Churchill High School which was traditionally wetlands but had been turned into a garden with the best soil. She said it was the reason why they wouldn't be planting until next summer to get the land ready.

Discussion was held on the exact location was at Bohemia School.

Councilor Ervin asked if there was a selection process for people on the waiting list or was it on a first come first serve basis.

Marissa said there wasn't a wait list for Cottage Grove however they anticipated by the time they

started the garden, they might have one. She said they did a first come first served basis and tried to do outreach through the schools to get families with children in the school first but it wouldn't be limited to families with children in the school district.

Councilor Fleck said he supported the one-time contribution to get up and running and also supported the City providing the water for the garden in the future. He said Community Sharing had a small garden and were open to have them either take over or help them. He thought it would be great for the community. He asked if the contingency would be reduced by the same amount.

Richard said yes and it would be added to the Community Promotion budget as a one-time line.

Member Grover asked why the City couldn't give them the \$5,000 and the water donation.

Marissa said she would be available for questions later or if anyone wanted to tour the gardens, she would be more than happy to give tours in August and September.

Richard said the City could do the donation and water but thought it would be a decision for the Council to make separate from the Budget Committee as it wouldn't affect the budget.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY MEMBER GILBERT THAT A \$5,000 DONATION TO HUERTO DE LA FAMILIA BE ADDED AS A LINE ITEM IN COMMUNITY PROMOTIONS AND THE CONTINGENCY BE REDUCED BY THE SAME AMOUNT.

Motion passed 13-0.

Richard said if anyone had questions about the Memorandum provided to the Budget Committee addressing concerns about personnel costs. He said the Secretary of Treasury introduced interim rules and facts sheets and information about the American Rescue Plan. He said the City was a Non-Entitlement Unit (NEU) so any money that came through the plan would go to the State, they would have to apply for it, receive it and then disburse to cities within thirty days. He said the Treasury Department hadn't set all the rules and descriptions for the NEUs so there were questions on what that meant. He said the City was not going to do anything or address it in the budget but would handle as a supplemental budget after adoption. He said the City knew what the total amount we would receive, however we didn't know if it would be disbursed in two payments, one this fiscal year and one next fiscal year or if it would come in one payment.

Member Williams asked if the State received any of the American Rescue Plan funds.

Richard said they weren't supposed to take a cut from the cities funds. He said cities with a population of 50,000 or more received their payment directly from the Federal Government, it didn't go through the State. He said they could benefit by receiving the money and then holding it for a period of time earning interest on those funds. He said some Governors and Oregon's had done it, adopted some goals and things that the State would like to see done with the money. He

said he was of the opinion that the Federal Department of Treasury and the rules that came from the legislation were the ones that would override anything and the City would still have discretion on how the City wanted to use the funds. He said the City was estimated to receive \$2.1M.

Councilor Fleck thanked staff for the Memorandum. He said he hoped the City was at the staffing levels that were needed and weren't intending to add more staffing. He said personnel costs were at \$2.2M across all the Enterprise Funds four years ago and in the proposed budget those costs were almost \$3.1M, \$900,000 more than four years ago. He said his hope was that the City was saving money and were not hoping to add more staffing.

Richard said the City wasn't planning to add additional staffing however it wasn't in the City's control and depended on DEQ or Water Resources told the City what it needed to do.

Richard said in the Wastewater Revenues was where rates increase would be. He said there wasn't any rate increase in stormwater or water but there was a 12% increase in wastewater. He said the Council reviewed and discussed increases which was a tough decision. He said there were proposals to do the increase over ten years but it stretched out the projects and increased financing costs. He said the City was desperately in need of repairing one of the clarifiers. He said there was a proposal to move forward with emergency repairs to get the City through fall while the engineers designed the full improvements. He said construction could begin late spring 2022.

Richard said the City was seeing surging revenues at Middlefield Golf Course. He said it was one of the few things that people could do outside during the pandemic. He said there were pictures in the budget document showing the new golf cart storage which more than doubled the capacity that could be rented. He said there was also a Golf Simulator which people could pay to use. He said the Golf Superintendent was spectacular and had grown up on golf courses and was amazing and one reason why the course was doing so well was due to what he had done with the grounds. He said the City continually received comments about how great the course was. He said he was getting closer to retirement so the City had added an Assistant Golf Course Superintendent to the budget to get the knowledge and skill learned to continue the tradition and skills.

Public Works & Development Director Faye Stewart said there were forty golf carts to rent and they were purchasing batteries for fourteen of the carts. He said that was the reason for the increase in the Equipment Maintenance and Repair line item. He said because here had been a full-time mechanic doing more maintenance than work on equipment, the miscellaneous equipment items were up to reflect that in the budget.

Richard said 72 million gallons of effluent were applied to the golf course during the summer months and the reason why the City purchased the course. He said it was also why the City was doing the I-5 interchange to apply effluent to. He said the effluent storage pond was built to store effluent during the times when it couldn't be applied to the golf course and interchange.

Councilor Savage said the Equipment Maintenance and Repair line item it increased from \$20,000 to \$40,000 and asked Faye if it had to do with the full-time maintenance person.

Faye said it reflected the battery replacement for golf carts. He said when the City purchased electric carts, they were three years old and near the end of the battery life so the City had been working on replacing batteries and there were fourteen that needed to be replaced which were around \$1,000 each. He said the City was also doing more preventative maintenance that hadn't been done in the past.

Councilor Savage asked about the Credit Card Processing Fee line item and said last year it was zero and the proposed was \$7,600.

Finance Director Roberta Likens said it was in the budget but under a miscellaneous expense and was being broken out to track better.

Richard asked about the mowing of the interchange and where those expenses were charged.

Faye said it was going to be split between golf course staff and utility staff.

Councilor Ervin asked if the battery replacements were lithium ion or lead acid. He said if they were lithium they could last ten times longer.

Faye said he wasn't sure what kind of batteries they were using but could find out that information.

Richard said the Wastewater Internal Support Department used to be Non-Departmental which included the entire department but didn't fit into one of the categories.

Richard went over Storm Drain Utility and said there weren't any rate increases. He said there was a \$1.7M project planned for in the five year period and that rates had successfully been storing up reserve funds so there would be no need to go out for a bond to finance the project. He said the City had built a bio swale behind Lincoln Middle School and if anyone was interested in taking a tour to let staff know.

Richard talked about the Industrial Park Operations and said there was property that would be for sale when R Street was completed through the Park. He said staff was in the process of designing that. He said the wetlands were being delineated so a mitigation plan could be adopted and have lots ready for development.

Councilor Fleck asked if the \$75,000 contractual services was for the street.

Richard said the street would be in SDC and Streets and the \$75,000 was for the design and engineering work.

Faye said it also included a wetland specialist.

Roberta said it was also a placeholder so there was money available to spend if needed and money could be moved by resolution.

Richard said the entire remaining balance was in contingency so if improvements needed to be made it could be done through a supplemental budget.

Councilor Fleck asked what fund the Industrial Park Operations was in, as it seemed like the contingency was more than ten percent.

Roberta said ten percent of the fund could be spent at one time, it wasn't collectively.

Richard said the City had enough money to pay debt for a while because of the sale of some of the property. He said there were other sales under contract and the City was waiting for those to go through.

Richard talked about the Capital Projects Funds and said they were where all System Development Charges were collected. He said they were charges made to developers when they connected to the City's system. He said the premise for budgeting all of the funds was to budget the entire SDC amount for each SDC item. He said the funds were restricted under State law on what they could be spent for. He said if they were misspent the City could be sued and the money had to be paid back into the fund so the City was careful the funds were spent on projects that met the requirements.

Richard talked about the Reserve Funds and explained what each fund was for. He talked about projects that were planned for City Hall and the Community Center in the General Reserve Fund. He said the Water, Wastewater and Storm Drain Reserve Funds were funds that a portion of the revenues that came in were specifically reserved for major purchases for equipment, vehicles, or property or buildings or to make major repairs or capital improvements.

Faye talked about the proposed projects in each of the funds. He said in the Street Capital Fund the City funded the street restriping once a year by Lane County, were proposing to chip seal Gateway from Harvey to Main Street and possibly River Road and \$100,000 to do spot patching where streets were failing. He said \$50,000 was budgeted for 400 lineal feet of crack sealing in the summer.

Faye said all the funds included a portion for the purchase of a Caterpillar Track Skid Steer Loader.

Faye said in the Bike Path Fund the City was looking at \$50,000 for repaving bad spots starting at the East Regional Park.

Faye said the Water Reserve Fund the City paid for the cost of water rights transfer and were working on perfecting the water rights at the treatment plant. He said it included building improvements to waterline upgrades and improvements on Sixteenth Street in preparation of

resurfacing the road. He said it also included any pump station upgrades for Holly and contributions to reservoir enhancements.

Faye said the Wastewater Fund would fund the new clarifier design and pay for the National Pollutant Discharge Permit renewal with DEQ. He said it also included improvements to bring the effluent from the new pond to Trailhead Park and four backlot sewer improvement projects.

Faye said in the Stormwater Fund there were several stormwater upgrade projects included.

Councilor Ervin asked if the Caterpillar Track Skid Steer Loader was a replacement and what the intended use was.

Faye said it was a new addition to the equipment fleet and was smaller and versatile and explained some of the areas where it would be used.

Richard said the last section of the budget was Debt Service/Trust Funds. He said the Auditors would prefer the City put it in the individual funds that it came from but it was in one place where you could see all the debt service payments.

Roberta said on Page 223 at the bottom under Special Payments the LOCAP Admin Fee should be \$460.00 and the Series 2017 Admin Fee should be \$370.00.

Councilor Fleck said if he remembered right, it made the overall budget look bigger because the funds were being accounted for twice.

Richard said that was correct.

Richard said the next Trust Fund was the Housing Development Cost Assistance Program which the Council established to help with non-profit or government groups doing housing developments. He said no one had used the funding in the current fiscal year and under the rules set up, the City would accumulate funds for two years and then nothing would be added until it was below the two year amount. He said if no one used it this year, it would be fully funded.

Councilor Ervin asked on Page 225 under Bond Interest Payments, who received the bond interest.

Richard said it was the interest payment the City paid the bank or debt service for the principal the City owed.

Richard talked about and explained the Special Trust Fund and the numerous small trusts, etc.

Richard said the last trust fund was the Armory Trust Fund which was separated out several years ago to handle grants and donations. He said the fundraising revenue from events was considerably less due to not knowing if the Mayors Ball and other events would be held. He said

the revenue was also down as the Armory had been closed and anticipated opening in June.

Richard said that included the budget.

IT WAS MOVED BY COUNCILOR FLECK AND SECONDED BY COUNCILOR ERVIN THAT THE BUDGET COMMITTEE ADOPT RESOLUTION NO. BC7 AS AMENDED.

Motion passed 13-0.

Chair Manly adjourned the meeting at 7:06 pm.

Chair

City Recorder

DRAFT