

CITY OF CANBY
BUDGET COMMITTEE MEETING
May 14, 2020

Committee Members Present: Andrea McCracken, Trygve Berge, Jason Padden, Bob Patterson, Melody Thompson, Tim Dale, Sarah Spoon, Jack Pendleton, Michelle Hensley, Shawn Varwig, Traci Hensley, and Mayor Hodson (non-voting member)

Committee Members Absent: Greg Parker.

Staff Present: Amanda Zeiber, Interim City Administrator, Julie Blums, Finance Director, and Melissa Bisset, City Recorder.

CALL TO ORDER: Chair Padden called the meeting to order at 6:02 p.m.

OLD BUSINESS:

Committee Member McCracken moved to approve the 1/8/20 meeting minutes. Motion was seconded by Committee Member Varwig and passed 11-0.

NEW BUSINESS:

REVIEW FY20-21 PROPOSED BUDGET

Interim City Administrator Amanda Zeiber Provided the Budget Message.

Julie Blums, Finance Director, stated that this is a status quo budget. There is nothing new. There is money to fund the PERS UAL side account that had been discussed with the City Council.

Questions were received from Jack and Councilor Dale.

When the budget process started in January things were looking strong and staff thought there would be room to add a couple of new items to provide more services to the citizens. Then we were hit with COVID-19. Staff had to go back and start making cuts to non-essential items. Each department worked hard to make cuts. All new budget requests were cut as well. Some revenue amounts were cut about 25%. Transit tax as many businesses are closed and staff are not working, Transient Lodging Tax since no one is traveling and staying in hotels and the County Fair is canceled. Citation revenue is down as officers are focusing on emergency response and not writing tickets. Gas taxes are also down as fewer people are driving.

The property values are set in January each year so we should be fine for FY20-21 but there may be a reduction next year; however, it may not be an issue as there is a gap between assessed value and real market value.

Jason Padden noted that for simplicity sake the Chair and Vice Chair would stay the same as last year. Finance Director Blums confirmed that the responses she received were in favor of this action.

Finance Director Blums began reviewing each department of the budget:

Administration – Cuts were made to training and for a facilitator for council goal setting. FTE and dollars are down as there currently is not a City Administrator.

HR/Risk Mngmt - There is a new HR Confidential Assistant to fill the vacant position. The staff holiday party was removed from the proposed budget.

Finance – Slight increase in audit costs, will be doing an RFP in FY20-21. Cut money for new chairs for staff.

Court - The revenue in Court is down. Municipal Court had not been held since the middle of March. It would be resuming in a virtual capacity in June.

Planning/Building - Bob Patterson asked about the high cost of traffic studies. Finance Director Blums explained that these are requires for some new projects in the industrial area and that the City is reimbursed by the developer.

New permitting software was cut from the FY20-21 budget. In FY19-20 we added an Associate Planner to the department. There was all new staff except for one in the department due to retirements and there is a lot of new construction that the department is handling.

Police - In the Police Department there were some grants coming in related to enforcement duties. Their budget is status quo. They had requested an additional officer and records clerk; however, it had been removed. There is no increase in OT this year and the paving of the lower parking lot will be put off to another year.

PERS – Every department's PERS item would be higher than it normally is due to the additional money that will be used to fund the UAL side account. It is all proportional as it is based on personnel. It was noted that the following year it would return to a lower rate.

Parks - Splash Pad would be completed. Play equipment would be replaced at Locust Park. No seasonal staff would be hired this year as physical distancing is still a requirement.

Cemetery – Some painting and repairs would be delayed a year.

Economic Development - Received a grant to do a Master Plan for the logging road trail. Expenses and revenues based on summer events were included in the budget but would not be spent or received.

Councilor Spoon asked why the grant was in the Economic Development Budget. The majority of the project will be conducted by Planning and Mayor Hodson stated that it was a joint effort between the Parks Committee and Bike and Pedestrian Committee.

A grant had been received to do more work at Zion Cemetery for repairs and cleaning in the old historic section.

Committee Member McCracken asked how not having the Independence Day Celebration would affect the revenue. Finance Director Blums explained that the revenues never cover the total expense so it will be a wash with not having the costs either.

Not-Allocated – Staff felt it was important that the Library stay funded at the level they are this year. The Library is Canby's Livingroom and provides many services to the community. The WIC program is run out of the library along with many other services. Lots of people use the Library for resources. To keep

the service level the same as FY19-20 the transfer from the General Fund would need to be \$143,000 versus the \$75,000 that had been done in the previous year. The \$143,000 is the same amount the library pays to the General Fund for administrative overhead.

Canby Utility in lieu of taxes – quasi government – exempt from paying property taxes. The amount they would be paying is the same as they would be paying in the current fiscal year.

Reviewed the goals. In the proposed budget the City would be dipping below a 30 – 40 percent reserve. This was as a result of the PERS UAL side account and there would be a 25% match from the State if there was a contribution. The reserve would drop to 27 percent. The drop would be approximately \$300,000.

Transient Room Tax fund – The fund was a year old. There was Motel 6 and the Fair Board and anything reported through online providers. The amount was reduced as the Fair would not be taking place and people were not staying in hotels due to the Pandemic. It was difficult to know what the numbers would look like. This is the fund used for Tourism. 70 percent must be used for tourism and promotion and the other 30 percent can be used for staff time for putting on events that attract tourism.

Chair Padden stated that the financial team and City Council Members have been conservative with budgets in previous years. Chair Padden felt that the City of Canby would be able to weather the storm. He noted that many other cities are in a more challenging situation.

Finance Director Blums stated that the reserves were still healthy and the City worked hard to not have to cut staff.

System Development Charges Fund (SDC) – SDC's will be transferred to parks for the Master Plan and Splash Pad; to streets for N Locust, N Knott, and N Pine realignment. SDC's will also be transferred to the Sewer Fund for the Ivy St Pump Station and the Ivy Sewer upsizing projects.

Cemetery Perpetual Care Fund – loan to the Library that the Library pays back in January when they receive their tax revenue. This fund will continue to grow and will be used for maintenance and operations once the cemetery is filled and no new revenue is received.

Forfeiture Fund - Money forfeited from different police activities. Revenue is never budgeted there because by law you are not allowed to.

Facilities – janitorial, HVAC repair, the revenue in this fund is received from other departments. It is based on square footage.

It was noted that cleaning was part of the facilities budget. The quote was just received. Any extra cleaning due to the COVID virus – charged to a project that will be submitted to FEMA. FEMA reimbursements would be at least two years out. COVID related expenses were being charged to a project.

City staff is required to wear masks in the building. Interim City Administrator Zeiber stated that most PPE was provided. Many employees were bringing their own masks; however, it was likely that some PPE would be provided.

Sneeze shields had been installed in all reception areas. The City did anticipate that some PPE would be provided in some capacity as the City opened.

Interim City Administrator Zeiber stated that the City is putting together a plan to open to the public. Most employees that can work from home are continuing to work from home.

Michelle – is there money set aside for PPE?

There were some funds available in risk management.

Fleet Department – Transit takes up a lot of time for the Fleet Department sometimes causing competing priorities. This position would be split between transit and fleet to move buses and vehicles to have work done, picking up parts, and non-technical mechanical work, to free up time for the mechanics to work on the vehicles. The cost for the position would be split between fleet and transit.

There was an increase for fuel costs in the proposed budget; however due to the pandemic it was anticipated that the fuel costs would be going down.

Internal services funds – revenue coincides with the expenditures.

Estimate is done based on the last twelve months of actuals, then they look at the actual work orders and true up the accounts.

Council President Dale stated that it was a remarkable increase.

Finance Director Blums explained that \$50,000 was from the new position. The other half was in materials.

Finance Director Blums explained that the position had been in the current year's budget; however, the position had not yet been hired.

Interim City Administrator expanded on the Fleet position. Succession planning – The Transit Director retired. The current person in the position has strong administrative skills as well as a CDL and a background as a bus driver. It is unlikely that the same combination of skills would be found in a replacement and staff had been planning on splitting the position into two. It is important that Transit, Public Works and the Police Department have their vehicles and equipment working and available.

Tech services – Personnel and contractor costs are allocated based on work orders. Materials and Capital will be based on the number of electronic devices in each department. Annual computer replacements are part of this budget along with money for a new website.

An RFP was conducted for the website project, staff was in the process of in person meetings when the pandemic hit and everything came to a stop. Staff was able to work virtually and has recently selected a firm. Some of the expenses would be in this year's budget and some would be in the following year's.

Chair Padden recessed the meeting at 7:17 p.m. until 6:00 p.m. on May 21st.