

**CITY OF SCAPPOOSE
BUDGET COMMITTEE
COUNCIL CHAMBERS
33568 E. COLUMBIA AVE
TUESDAY, MAY 21, 2019, 6:00 P.M.**

Call to Order

Mayor Burge called the Budget Meeting to order at 6:00 p.m.

Roll Call

Present: Mayor Scott Burge, Councilor Joel Haugen, Councilor Josh Poling, Councilor Brandon Lesowske, Budget Committee Member Sandie Wiggs, Budget Committee Member Michelle Brown, Councilor Megan Greisen, Budget Committee Member Chris Vitron, City Manager Michael Sykes, Assistant to City Manager Alexandra Rains, Finance Administrator Jill Herr, City Recorder Susan Reeves, Police Chief Norm Miller, Public Works Director Dave Sukau, Utility Supervisor Doug Nassimbene, Treatment Plant Supervisor Darryl Sykes, Treatment Plant Supervisor Kevin Turner, Building Official Don VanDomelen, City Planner Laurie Oliver. Council President Patrick Kessi arrived at 6:27 p.m.

Budget Message

2019-2020 Budget Message

It is my pleasure to submit the proposed 2019-2020 Budget for the City of Scappoose for your consideration. This year's budget targets City resources towards a continuation of high quality, essential city services vital to sustaining a healthy and vibrant community. Additionally, this budget includes the allocation of funds necessary to fulfil priority goals established by the City Council. On March 4, 2019, the City Council adopted eight primary goals and sixty-two objectives. Each of these goals and objectives are focused on addressing various issues that City Council believes are important and if addressed, would make Scappoose a better place to live. All of Council's goals are accompanied by action plans, prepared by City Staff, to assure that projects move forward and are eventually completed. These goals were created after gaining citizen input at the Annual Town Meeting along with input from all of our Boards and Committees. They truly are aligned with the needs of the community. We have found that a number of goals take more than one year to accomplish, but, with patience, discipline and focus, we eventually accomplish them. Rapid change and growth have encompassed our city and has required that the City place extra focus on preparing for our future. With the leadership of the City Council, we will continue to carefully devote City resources to make important investments that assure that we maintain and enhance Scappoose as a great place to live, both today and in the future.

In furtherance of a cohesive long term vision, this budget includes funding to allow the City to complete several masterplans that are fundamental to providing a clear roadmap for strategic investments in city infrastructure that will be needed over the next 20 years. The Wastewater

Master Plans and Water Master Plan are nearing completion and the Storm Water Master Plan will be a primary focus this upcoming year. Based on these master planning efforts, the City Budget Officer is proposing a budget that targets significant resources to continue efforts to build system capacity in order to accommodate significant residential and industrial growth projected for our community. These investments are proposed in virtually every public works department. Water, wastewater, streets, stormwater, parks and sidewalks all include projects and funding that will help assure that we have the capacity to meet the needs of our growing community. This budget also includes funding for many City projects that we expect to be completed in the short term. This past year the City has nearly completed the Charles T. Parker Way project which is critical for serving OMIC. These improvements were paid for by a loan backed by the State of Oregon, and from OIT who own the OMIC facility completion of a new well at Dutch Canyon, a new waterline along Manor Drive, upgrades to the wastewater treatment plant and a new sewer line near Wagner Drive are just some of the projects included in this budget.

The Port of Columbia County is making a major investment in new water and sewer lines that will connect their properties to the City. The City agreed to contribute \$101,000 that will upsize the sewer line so that the west side of the airport is shovel ready. This is critical because the existing system doesn't have the capacity to serve OMIC, or all of the parcels on the northwest side of the airport. Devinaire and Portland Community College will both be constructing facilities this year and will connect to this sewer line. OSG, a Japanese tool making company has purchased property adjoining the OMIC site and have plans to construct a new facility this year as well. Other affiliate members of OMIC may also be locating near the airport in the near future. Being shovel ready is really critical if we are going to compete effectively for new industries in our community.

Construction of Crown Zellerbach Road to the east side of the airport is estimated to be complete by the end of the year which will add another 300+ acres of industrial property to our inventory of available industrial lands. This affects our budget by requiring the City to contract for inspections of all of the infrastructure being constructed to serve the area. A new well, sewer pump station, roadway and distribution system for water and sewer all must be inspected to assure that they meet city standards.

This budget also includes funding to complete the 2nd well at Dutch Canyon. We anticipate this well will add 300 gallons a minute of capacity to the City water supply allowing us to stay ahead of community demand. As mentioned earlier, an additional well is also being constructed near the Miller Treatment Plant, at the expense of the property owner. Once completed, it will be transferred to the City for ownership and operation.

The City is moving forward with rehabilitating, expanding and modernizing our sewer treatment plant. The City was awarded a \$6 million loan from DEQ to help pay for these improvements. We will begin drawing down on these funds to complete an upgrade to the UV system and to begin the engineering and design for a new clarifier.

The Council has prioritized the need to address the deteriorating condition of local streets and sidewalks throughout the community and authorized staff to prepare a ballot measure to refer a 3-cent fuel tax to the voters this November. These funds would be targeted to maintaining existing streets, address the poor condition of sidewalks and help to fund new street projects throughout the community. If successful, this measure would generate approximately \$300,000 annually.

This budget also includes \$100,000 in funds dedicated to improving sidewalks. If authorized by the Budget Committee, staff will use information gathered by a team of PSU Engineering Students to develop a local sidewalk improvement program that will provide loan/grants to help address derelict sidewalks.

This budget also includes the lease-purchase of a large excavator that will be critical in giving staff the tools to replace our aging sewer and water lines and for maintaining our three dams in Dutch Canyon. Traditionally, the City has contracted much of this work out and has paid a premium. Over the past four years, the City has methodically added a number of crucial pieces of capital equipment and the training to operate them. This has given our staff the ability to perform significantly more work in-house, using existing staff and saving resources for other city needs. Under the leadership and mentoring of our Public Works Director, our crew has learned a wide range of new skills that have enhanced their value to the City. They are developing into a very talented and capable team.

Public works is also responsible for Parks and we continue to make major improvements to our community park system that are part of Parks Master Plan. This past April, the City acquired Chapman Landing from the County and we have included funding to begin turning this property into a community gem. Our public works crew has already made an incredible improvement to the site and I would encourage everyone to go out and see this beautiful property.

Completion of Chief Concomly Park and minor improvements to Vista Park are also proposed in this budget. The budget also includes some modest improvements to a couple of undeveloped neighborhood parks already in City ownership.

I am proposing that we add one new position to the Public Works Department. This entry level position will increase staff capacity for street sweeping, leaf pickup, maintenance of stormwater facilities, additional support in Parks and maintenance of city equipment. As the City grows and adds new parks and new capital equipment, it is important to have the staff capacity to protect and maintain our investments.

On the Public Safety front, we have proposed eliminating the Administrative Sergeant position and replacing it with a Lieutenant position in the Police Department. The Police Department has seen their work load increase with the continued growth in population and increased traffic through Scappoose. This new position will allow the other two Sergeants to be more involved with patrol and other community policing efforts. Scappoose is considered one of the top ten

safest cities in Oregon and maintaining an effective, reasonably staffed Department is an important part of keeping our community a safe place to live. Competition for good Police Officers is fierce amongst agencies. We have continued to struggle to keep good officers because of this competition and our proximity to Portland. This is an issue the Chief and I continue to discuss and hope to find ways we can retain our officers. The Police Department budget includes funding for a gator to give them the ability to access City properties like Chapman Landing and Vista Park for patrol and other emergencies. It also includes funding for the numerous community outreach events that are sponsored by the department annually. The budget also includes continued funding for a full time Student Resource Officer.

This upcoming year promises to be another exciting year for our City. I have highlighted just some of the major projects proposed in this year's budget and I look forward to the Budget Committee's review of each fund that makes up the proposed 2019-2020 Scappoose Budget. In summary, this past year has been a very productive year for the City and 2019-2020 promises to be an extraordinary year as well. Completion of improvements to the Crown Zellerbach Road extension, completion of Chief Concomly Park, development of a sidewalk program, development of Chapman Landing and Vista Park are just some of the projects that will have an important impact on the long-term livability of our community. It is also important to highlight that this budget will allow the City to maintain the high quality services that we provide every day that are essential to maintaining a safe and healthy community. Finally, this budget maintains funding for our outstanding staff. We have a very high-performance team that is dedicated to making a difference in our Community every day. With the guidance and leadership of our City Council and Mayor and with the support of our citizens, this budget will empower us to make Scappoose an even better place to live.

Michael Sykes
Budget Officer

Nominate a Budget Committee Chair

Mayor Burge asked for nominations for the Budget Committee Chair.

Sandie Wiggs moved, and Michelle Brown seconded the motion to nominate Chris Vitron as Budget Committee Chair.

Mayor Burge asked Chris if he would accept the nomination to be Chair?

Chris Vitron replied yes.

Mayor Burge asked if there were any other nominations? Seeing none he asked for a vote.

Motion passed 8-0. Scott Burge, aye; Joel Haugen, aye; Josh Poling, aye; Brandon Lesowski, aye; Sandie Wiggs, aye; Michelle Brown, aye; Megan Greisen, aye and Chris Vitron, aye,

Public Hearing/State Revenue Sharing

Motion to Accept State Revenue Sharing

Chair Vitron opened the public hearing and asked if there was anyone who would like to speak on this matter, seeing none, he closed the hearing. He asked for a motion to accept State Revenue Sharing.

Mayor Burge moved and Josh Poling seconded the motion to accept the State Revenue Sharing. Motion passed 8-0. Scott Burge, aye; Joel Haugen, aye; Josh Poling, aye; Brandon Lesowske, aye; Sandie Wiggs, aye; Michelle Brown, aye; Megan Greisen, aye and Chris Vitron, aye.

Budget Deliberations

(Tab #)

17. General Fund

Pages 48-55

Finance Administrator Jill Herr went over the General Fund. She explained the General Fund consists of revenue collected from property taxes, franchise fees, license and permit fees, intergovernmental revenue, charges for services, interest income, transfers, and other miscellaneous income sources. The General Fund for fiscal year 19-20 has a beginning cash position of \$3,120,561. This amount will provide the City with the working capital needed to meet General Fund expenditure requirements without interim borrowing prior to the receipt of property tax revenue in November. The proposed budget also provides for a \$635,301 contingency line item, provided that no unexpected expenditures occur. Staff has committed \$1,500,000 to an unappropriated ending fund balance. These funds cannot be utilized during the upcoming fiscal year and will provide the basis for fiscal year 20-21 beginning cash carryover. Property tax revenue is projected to be \$2,369,988. Columbia County collects all property taxes and distributes collections for the City's certified tax dollars back to the City. This amount is based on the City levying its tax rate of \$3.2268 per \$1,000 on the assessed value of the district. The City estimates a 94% collection rate for the fiscal year. The increase in the estimated property tax revenue is a result of increased assessed valuations in existing property and new development. Property Taxes account for 56% of the General Fund revenue. The City anticipates collecting \$20,000 in business license fees. Business license fees are collected from those who conduct business in the City and are not covered by a franchise agreement. Business license fees account for less than 1% of General Fund revenues. The total intergovernmental revenue is estimated to be \$337,200. The State of Oregon collects alcohol and cigarette taxes from all sales. These taxes are distributed to the City based on population, along with state revenue sharing funds. The City's share of special telephone tax revenue (911 communications) is deposited directly with the local jurisdiction providing emergency communication services. The City anticipates receiving \$133,632 for liquor, \$8,568 for cigarettes and \$140,000 for state shared revenue. We will continue to work with the Scappoose School District to help fund a School Resource Officer and expect to receive \$55,000 towards the costs of the position.

Intergovernmental revenues account for 8% of the General Fund revenues. She explained within the General Fund, the City expects to expend \$5,862,015. These expenditures are budgeted into the following departments: Administration 24% \$1,376,196, Police 41% \$2,373,157, Parks & Grounds 10%, \$606,983, Municipal Court 5% \$310,045, Planning 6% \$375,333, Transfers 3%

\$185,000 and Contingency 11% \$635,301.

City Manager Sykes explained the property taxes went up \$200,000 and part of that is because we annexed additional property into the City and new homes. He mentioned if you look under contingency in this line items, we are able to maintain a pretty good contingency, which is really important.

18. Administration Department

Pages 56-58

Finance Administrator Jill Herr went over the Administration Department fund. The Administration Department includes the City Manager and support staff. The responsibilities of the department include day-to-day management of the City, converting City Council goals into action plans, managing City contracts, franchise agreements and grant projects, responding to citizen inquiries and complaints, managing the City records, and working with state and federal elected officials and departments. The Administration Department is responsible for all City Recorder and Human Resources functions. The City Manager receives direction from the City Council, who set policy for the City through the passage of annual goals, ordinances and resolutions. The Mayor, Council members and City Manager are responsible for ensuring effective working relationships with citizens, community groups and other governmental agencies. The Administrative Department's proposed budget is \$1,376,196. The fund allocates \$86,801 for personnel services, \$1,229,395 for materials and services. Within materials and services, the largest expenditures are economic development at \$166,740 contractual professional at \$360,000 and CET School District at \$225,000. Capital outlay is budgeted at \$60,000 to be spent on equipment upgrades and maintenance of City Hall.

Mayor Burge talked about his work with the Columbia County Tourism initiative and they have asked him to see about getting \$5,000 from the City, which it is one of the Council Goals to support the effort for continued work for the next year. He wasn't sure where it would be taken out of because he wants the community contributions to go to the community groups.

City Manager Sykes feels that it could come out of the economic development fund. He explained there are a couple of pretty large State grant programs that are going to be coming available next year and we kind of identified one of them as a potential source for funding for Chapman Landing so being a part of this group that could have some influence in recommending funding could be useful.

Mayor Burge stated the work of the Columbia County Tourism Committee has already shown success.

Council President Kessi asked if the City is planning on adding any new employees?

City Manager Sykes replied one in Public Works, an entry level parks maintenance person.

19. Police Department

Pages 59-62

Police Chief Norm Miller went over the Police Department fund. He explained they are committed to maintaining a safe and livable community by working in partnership with the community to preserve peace, prevent crime, and protect property with professionalism and compassion. The vision of the Scappoose Police Department is to continue criminal investigations, traffic safety enforcement, emergency preparedness and update city ordinances. We will continue promoting our motto of community and compassion and will continue the current community events that help drive the relationship between the police and the community. Total operational costs for the department is budgeted at \$2,373,157. Personnel services are \$1,946,175. Material and services costs are budgeted at \$288,039. The largest expenditures within materials and services are contractual professional services at \$90,388, vehicle maintenance \$65,490 and utilities \$33,300. Capital outlay is budgeted at \$45,835. The department anticipates spending \$18,760 on debt service payments for the camera systems for both body and car. There will be a transfer of \$74,348 to the Administration Department.

Councilor Haugen asked, in regard to the Police Officer and Sergeant, are those competitive wages?

Chief Miller relied yes, to comparable cities.

20. Parks Department

Pages 63-66

Utility Supervisor Doug Nassimbene went over the Parks Department fund. He explained The Parks Department strives to maintain and enhance the City parks, public grounds, and public restrooms. The department is committed to ensuring the citizens of Scappoose have enjoyable recreational areas to visit for play and relaxation. The vision of the Parks Department is to further improve our City parks and grounds in a manner which is satisfactory to citizens of Scappoose. The Parks Department budget, which is part of the General Fund, maintains the existing City park grounds. The Parks Department has an operational budget of \$606,983. This figure represents personnel services costs of \$267,516, and material and service costs of \$95,685. The fund also has \$220,000 identified for capital outlay projects. These capital outlay projects include Miller Park improvements, development of Chapman Landing Park, Vista Park and Pocket Parks. There will be \$23,782 transferred to the Administration Department.

Public Works Director Dave Sukau explained as far as anything regarding Chapman Landing this year is basically going to be a big design year as far as getting the survey done, some consulting for different things we can do in-water, designing what the facility will look like, that will be our big push this year.

City Manager Sykes explained they have a pretty ambitious schedule.

Councilor Greisen stated thank you for what you have already done at Chapman Landing.

Public Works Director Dave Sukau replied it is amazing how enthusiastic the crew is to get down there and do things because when you get to do something like that where the community can actually see the fruits of their labor, it is nice.

21. Municipal Court Department

Pages 67-68

Finance Administrator Jill Herr went over the Municipal Court Department fund. She explained the Scappoose Municipal Court, under direction of Presiding Judge, Cynthia Phillips, has jurisdiction over misdemeanors and violations that occur within the jurisdictional boundary of the City of Scappoose. Felony crimes are handled by Circuit Court, located in St Helens. Municipal Court is held on Wednesdays. The Municipal Court's vision for the coming year is to continue to preside over misdemeanors and violations. The Municipal Court will continue to substantially reduce the number of outstanding uncollected citations. Assist Administration Department in ensuring Council goals are met. The Municipal Court's budget is \$310,045. Within that budget, \$112,507 is budgeted for personnel services costs. The materials and services budget is \$192,595. Of that amount, contractual services for the Judge, City Attorney, court appointed Attorneys and Prosecuting Attorney represent \$120,600. The second largest expenditure in the materials & services is assessments at \$54,000. There will be \$4,943 transferred to the Administration Department.

22. Planning Department

Pages 69-71

City Planner Laurie Oliver went over the Planning Department Fund. She explained the Planning Department is committed to serving both existing and new residents as well as businesses with comprehensive planning services in the belief that a growing community can remain livable, meet the needs of its citizens, and become a diverse community with jobs and housing options. The department guides public and private development through long-range planning and development review and serves as an information resource for residents on a wide range of topics pertaining to land use and infrastructure. The Planning Department assists citizens with new industrial, commercial, and residential development projects. The primary Planning Department areas of focus for the year will be: assisting citizens and developers with current planning projects, assisting with the Rail Corridor Update, completing an Affordable Housing Program, if feasible, and reviewing and updating the Comprehensive Plan and/or Development Code to incorporate master plans as they are completed, and to add new permitted uses to the Commercial and Expanded Commercial zones. The budgeted amount from the General Fund for the department is \$375,333. The Planning Department anticipates revenue of \$50,000. Personnel services costs are budgeted at \$219,473. Material and services costs are estimated at \$123,450. There will be a transfer to the Administration Department of \$32,410.

23. Non-Departmental

Page 72

Finance Administrator Jill Herr went over the Non-Departmental. She explained the fund contains transfers out, contingency and an unappropriated ending fund balance. The vision for the year is to maintain a strong contingency fund and unappropriated ending fund balance to serve as the basis for next fiscal year's cash carryover. There will be two transfers, first one to the Watts House Fund for \$20,000 and the second one to the Unemployment fund for \$65,000. The contingency line item has been budgeted at \$635,301. The unappropriated ending fund balance is budgeted at \$1,500,000.

24. Law Enforcement Assessments Fund**Pages 73-74**

Chief Miller went over the Law Enforcement Assessments Fund. He explained this fund was established for Law Enforcement Assessment Fees. The Municipal Court imposes an assessment fee appropriate to the cost of providing the enforcement services as established by the City. The assessments will be expended in relation to law enforcement and prevention activity in areas of traffic safety, drug, and alcohol prevention or other crime prevention activity. This year there is working capital carryover of \$23,586. The fund anticipates intergovernmental revenue of \$15,000 and interest income of \$900. Total fund resources are estimated at \$39,486. The fund anticipates spending \$10,000 in training activities and \$25,000 for equipment. The fund has a contingency of \$4,486.

25. Watts House Fund**Pages 75-76**

Finance Administrator Jill Herr went over the Watts House Fund. She explained this fund was established to provide a more efficient method of tracking Watts House expenditures. The vision for the year is to provide revenue for expenditures related to the Watts House. Compliance with Council Goals is to maintain fiscal responsibility on behalf of the community. This year has a beginning working cash carry over of \$46,154. The fund anticipates revenue of \$1,325 in interest, \$17,000 from an Intergovernmental Agency in the form of a grant and \$20,000 to be transferred from the General Fund. Total fund resources are estimated at \$84,479. The fund anticipates spending \$10,600 for materials and services. Under capital outlay, \$67,000 has been budgeted to replace the front porch. Contingency is budgeted at \$6,879.

26. PEG Fee Fund**Page 77**

Finance Administrator Jill Herr went over the PEG Fee Fund. She explained this fund was established for tracking of revenue and expenditures related to PEG Fees. The vision for the year is to upgrade the sound system in the City Council Chambers. The fund has a beginning cash position of \$90,530. The fund anticipates PEG Fee revenue of \$10,500 and the city collects .52 cents per user per month and the franchise agreement expires 12/2022. Total fund resources are estimated to be \$103,455. The fund expects to spend \$40,200 for materials & services and contingency is budgeted at \$63,255.

27. Building Fund**Pages 78-80**

Building Official Don VanDomelen went over the Building Fund. He explained the Building Department is committed to serving existing and new residents, with comprehensive enforcement of building, plumbing, mechanical and fire and life safety codes of the State of Oregon. This department ensures that commercial and industrial buildings, residential dwellings, and public buildings such as schools and government buildings are constructed in conformance with all regulatory codes to ensure the continued safety and well-being of all members of the community. The vision for the year ~ with the economy continuing to show growth, the Building Department estimates that more than 15 single family homes, along with several multi-family building permits could be taken out this year, in addition to permits for commercial and industrial projects. It's anticipated that commercial and industrial projects will be a much bigger

focus for the Department this year, as the number of permits issued for these types of projects is expected to increase noticeably over last year. The Building Fund begins the year with a starting position of \$254,686. Permit revenue and miscellaneous fees are anticipated to be \$242,350. Total anticipated revenue for this fund is projected to be \$251,850 and total fund resources are expected to be \$506,536. Personnel services costs are budgeted at \$233,475. The Materials and services are estimated at \$96,357. There will be a transfer to the General Fund of \$30,000. The contingency is \$116,111.

28. Street Fund

Pages 81-84

Public Works Director Dave Sukau went over the Street Fund. He explained the Street Department is dedicated to maintaining the street and storm systems throughout the City. The department personnel ensure that traffic control signs, pedestrian crossings and roads are kept in good condition with the intention of providing public safety for the community. The vision for the year is to provide maintenance and repairs to City owned streets. The Street Fund is funded by monies received from multiple sources. These include state gas tax revenue which is based on dollars per capita of our city, the Federal Surface Transportation Program Fund, infrastructure fees, and intergovernmental revenue. The budget shows a beginning cash balance of \$425,957 with anticipated current year revenue of \$1,011,468. Beginning with interest income of \$21,000, the state gas tax revenue is \$531,321, surface transportation program at \$429,147 and infrastructure inspection fees at \$30,000, the total resources for this fund is \$1,437,425. The budgeted expenditures for the Street Fund are \$1,110,516, beginning with personnel services costs which are budgeted at \$253,113 and materials and services are budgeted at \$233,655. The fund also budgeted \$559,147 for capital outlay projects. Capital outlay projects include street light replacement and minor paving projects. There is also \$64,601 in transfers. The fund anticipates a contingency of \$326,909. He explained the drop in Capital Outlay compared to last year is because we handled the funds for the Charles T. Parker project.

Council President Kessi asked Public Works Director Sukau about the condition of the roads that the City has taken in.

Public Works Director Sukau replied most of the roads we have taken in don't need anything. He explained JP West Road came with \$60,000 set aside for paving.

Councilor Haugen stated it would be kind of nice, if it is not too much work, to have a reference on how much the City is saving by doing things in-house.

Public Works Director Sukau replied he could go back through historical numbers and he could make a spreadsheet to share.

29. Foot Paths & Bicycle Trails Fund

Pages 85-86

Public Works Director Dave Sukau went over the Foot Paths & Bicycle Trails Fund. This fund is intended for special sidewalk and path projects. Funding comes from one percent of the state gas tax revenue into this fund. The vision for the year is to develop a plan to create new trails and sidewalks within the City. The beginning working capital carryover for the Foot Path and Bicycle Trails fund is \$44,377. The fund anticipates revenue in the amount of \$106,467. The

City expects to receive \$5,367 from state gas tax revenue and \$1,100 from interest income. The total revenue for the fund is \$150,844. The City plans to spend \$3,000 for repairs and maintenance of existing foot paths. This fund also has \$142,000 in capital outlay for developing new trails and the new City Sidewalk Program. The fund anticipates a contingency of \$5,844.

30. Storm Water Drainage Fund

Pages 87-89

Public Works Director Dave Sukau went over the Storm Water Drainage Fund. He explained this fund was established with the intention to provide the revenue needed to meet Federal and State Stormwater requirements. The vision for the year is to develop a Stormwater Management Plan and provide maintenance to the system. The beginning Stormwater Drainage fund balance is \$132,618. The budget anticipates revenue of \$4,000 from interest income and expects to collect \$222,268 in Stormwater user fees. Total resources for the Stormwater Drainage Fund are \$370,886. The fund anticipates expenditures of \$92,060 for personnel services, \$128,350 for materials and services. The contingency line item is \$150,476.

31. Storm Water Drainage SDC Fund

Pages 90-91

Public Works Director Dave Sukau went over the Storm Water Drainage SDC Fund. He explained the Stormwater Drainage System Development Charge is the mechanism by which the City of Scappoose collects funds from developers to pay for future stormwater improvement needs generated by development. The focus for this year will be to update the Stormwater Master Plan. The Stormwater Drainage SDC fund has a working capital carryover of \$551,473. The fund expects to collect \$40,176 in SDC fees, and \$13,200 in interest income for a current year resource total of \$53,376. The total fund resources are \$604,849. On the expenditure side the city has budgeted \$312,000 for capital outlay to update the Stormwater Master Plan and approved Stormwater projects. There will be a transfer of \$2,009 to the General Fund to cover administrative costs. The contingency is budget at \$290,840. The total expenditures for the Stormwater SDC fund are \$604,849.

32. Street SDC Fund

Pages 92-93

Public Works Director Dave Sukau went over the Street SDC Fund. He explained the Transportation System Development Charge is the mechanism by which the City of Scappoose collects funds from developers to pay both previous excess capacity improvements and to have funds available to pay for future improvement needs generated by development. The vision for the year is to develop a plan for improving City Streets. The Street SDC fund is projected to have a beginning cash balance \$920,331. The fund anticipates a collection of SDC revenue of \$237,489 and interest revenue of \$22,500. Current year resources total \$259,989 and the total estimated fund revenue is \$1,180,320. The proposed expenditures for the Street SDC fund are \$1,180,320. Capital outlay projects total \$1,000,000. A transfer to the General Fund of \$11,281 is to cover administrative costs, and the contingency line item is \$169,039.

Public Works Director Dave Sukau explained with the 300 + acres coming into Scappoose it is more maintenance for City staff, and as the town continues to grow we need to grow with it, or our services are going to start deteriorating and that is the last thing we want, and that is the biggest reason behind hiring another employee at Public Works.

33. Parks SDC Fund

Pages 94-95

Utility Supervisor Doug Nassimbene went over the Parks SDC Fund. He explained the Parks System Development Charge is the mechanism by which the City of Scappoose collects funds from developers to pay both for previous excess capacity improvements and to have funds available to pay for future improvement needs generated by development. The Parks SDC will focus on exploring the development of a 12-acre park east of the Airport. The Beginning working capital carryover for the Parks SDC fund is \$127,549. The City anticipates \$16,710 in interest revenue and \$88,284 in SDC revenue. The total fund revenue is \$104,994, bringing the total resources to \$232,543. For expenditures, the City has budgeted for \$101,200 in capital outlay to assist with development of the Chapman Landing Park. There will be a transfer of \$4,414 to the General Fund to cover administrative costs. The fund has a contingency of \$126,929.

34. Pool Fund

Pages 96-97

Finance Administrator Jill Herr went over the Pool Fund. She explained the Pool Fund was created as a result of a Ballot Initiative which directed the City to construct a basic covered pool. This is a dedicated fund and the resources can only be used for expenses related to the construction of a pool. There are no projects anticipated for this fiscal year. The Pool fund has a beginning cash position of \$726,669. Interest income is projected to be \$19,500. Total fund resources are \$746,169. We do not anticipate any expenditures this fiscal year. The fund anticipates a contingency of \$746,169. She explained she handed out a detailed sheet to the committee regarding what the money in this fund has been spent on.

City Manager Sykes stated a regular size indoor pool would cost about \$10,000,000 to construct and then the operating costs are probably about \$1,000,000 a year.

Mayor Burge explained you could design an outdoor pool to be coverable sometime in the future.

Councilor Lesowske explained he would like to see multiple uses ~ for example maybe there is a seasonal pool and a soccer field.

Councilor Poling thanked Jill for the pool fund spread sheet.

35. Unemployment Insurance Fund

Page 98

Finance Administrator Jill Herr went over the Unemployment Insurance Fund. She explained the City of Scappoose is self-insured for unemployment insurance and needs to maintain this fund to cover any unemployment claims. The resources in this fund are dedicated and can only be used for unemployment claims against the City. No staffing reductions are anticipated in this current budget year. Compliance with Council Goals: Maintain responsible fiscal management. The proposed budget has a beginning cash position of \$54,086, interest income of \$2,000. There will be a transfer from the General Fund of \$65,000 and total fund resources are \$121,086 and there

is an anticipated expenditure of \$65,000 in the personnel services to cover past claims. The fund has a contingency of \$56,086.

36. Utility Water Fund

Pages 99-104

Treatment Plant Supervisor Darryl Sykes went over Utility Water Fund. He explained the Water Fund is a dedicated "Enterprise" fund. The Water Department produces and distributes high quality drinking water that meets all State and Federal standards. The Water Fund is used to report operations of the City's water treatment facilities that provide drinking water to all City residents. In this year's water budget, staff has planned for completion of the Water Master Plan, the Dutch Canyon well and a seismic evaluation of all critical infrastructure in the water system such as the treatment plants, water reservoirs, and vital water mains. Other planned and ongoing projects included in this budget include, diversion dam maintenance, water plant controls upgrade, water system security upgrades, Water Treatment Plant painting, storage/maintenance building construction, water meter replacement, and maintenance and operation of the existing system. For the 19-20 budget year, the Water Fund will begin with a cash carryover of \$3,192,731. The Fund expects to collect \$1,313,375 in water user fees, \$896,200 in user fees for infrastructure and \$72,000 in interest. The total fund revenue is \$2,281,575. Proposed expenditures in the water fund include \$926,501 for Personnel Services, \$573,624 for Materials and Services and \$1,237,000 for Capital Outlay. Within those line items, the fund has budgeted \$75,000 for the completion of the Water Master Plan and \$495,000 for the completion of the Dutch Canyon well. Other items identified in this year's budget include: \$15,000 for reservoir seismic evaluation, \$50,000 to continue the water meter replacement program, \$15,000 for surface stream flow evaluation, \$90,000 for plant controls upgrade, \$10,000 for plant security and \$100,000 for a maintenance/storage building. The fund budgets \$196,539 for debt service and \$137,497 for transfers to other funds. The fund has a projected contingency of \$503,145 and an unappropriated ending fund balance of \$1,800,000.

Councilor Poling asked about the timber sale.

City Manager Sykes replied it didn't move forward.

Treatment Plant Supervisor Sykes explained that the cut is a maintenance cut, a thinning cut, and staff felt they could sit on it and hopefully let the log market rebound.

Public Works Director Sukau talked about the purchase of an excavator being in the budget and how this will help to do work in-house.

37. Water SDC Fund

Pages 105-106

Treatment Plant Supervisor Darryl Sykes went over the Water SDC Fund. He explained the Water System Development Charge fund is a dedicated fund and is the mechanism by which the City of Scappoose collects funds from developers to pay both for previous and excess capacity improvements. It makes funds available for future improvement needs generated by development. Water SDC'S are calculated based on the size of the water meter needed for the development. This account includes both the revenue and the capital outlay for those projects.

This focus for this fiscal year will be updating the Water Master Plan and developing a Capital Improvement Plan. In the proposed budget, the Water SDC fund begins the year with a projected beginning cash position of \$493,243. Anticipated revenue is \$252,157 coming from three sources, \$12,400 from interest, \$145,307 from Water SDC fees, and a transfer of \$95,450 from the Utility Water Fund to cover debt service payments. Total fund resources are \$745,400. Expenses within the fund include debt service in the amount of \$277,793. This is to make principal and interest payments on loans G03003, maturing in 2027, and S03003, maturing in 2035. The fund anticipates a transfer of \$7,265 to the General Fund and a projected contingency of \$348,342.

38. Utility Wastewater Fund

Pages 107-112

Treatment Plant Supervisor Kevin Turner went over the Utility Wastewater Fund. He explained the Utility Wastewater Fund is a dedicated "Enterprise" fund. The City of Scappoose operates and maintains a 1.58 M.G.D. activated sludge wastewater treatment plant with tertiary treatment, 36 miles of sewer lines and five pumping stations. The purpose of these facilities is to protect public health and the beneficial uses of the Columbia River and Multnomah Channel by providing secondary effluent treatment. Treatment plant and staff is responsible for the operation of the wastewater facility to ensure proper treatment of all raw wastewater at all times. The operator is ultimately responsible to ensure all state and federal regulations are met. The City was issued a new permit in March 2009 and will be required to monitor influent, effluent and process control. This monitoring will require the treatment plant operator to sample and test many functions within the treatment plant process and sampling of the receiving stream. The Wastewater Fund will focus on long term upgrades as identified in the 2018 Facilities Master Plan. Phase I upgrades are priority with engineering and design this year. The Collections Master Plan will also be completed this year. The Wastewater fund will begin the year with a \$1,405,124 beginning cash position. The fund anticipates revenue of \$2,874,274 and total operating revenue in this fund is projected to be \$4,279,398. Expenditures within the department include \$937,875 for personnel services, \$584,868 for materials and services and \$1,220,000 for capital outlay. The fund budgets \$222,361 for two principle and interest payments, loan R06809 which matures in 2031 and US Bank loan which matures in 2021. The fund also budgets \$100,000 for a interest payment for the DEQ loan related to Phase I improvements at the treatment facility. The fund budgets \$134,382 for transfers and has budgeted a contingency of \$679,912.

39. Wastewater SDC Fund

Pages 113-114

Treatment Plant Supervisor Kevin Turner went over the Wastewater SDC Fund. The Wastewater System Development Charge fund is a dedicated fund and is the mechanism by which the City of Scappoose collects funds from developers to pay both for previous and excess capacity improvements. It makes funds available to pay for future improvement needs generated by development. Wastewater SDC'S are calculated based on the size of the water meter needed for the development. This account includes both the revenue and the capital outlay for those projects. Preparation for Phase I improvements will be on the top of the list this year as well as an ultraviolet disinfection upgrade. The Wastewater SDC fund has a beginning cash position of \$1,003,885. The City anticipates receiving \$27,000 in interest income and \$128,622 in SDC fees.

Total resources for the fund are \$1,157,507. This fiscal year staff will focus on extra capacity improvements. There will be a transfer to the General Fund of \$6,431 for administrative costs and the projected contingency of \$910,076.

City Manager Sykes stated something to note in both this and the water fund is they have been trying to set aside money as unappropriated, and they have built that up fairly significantly and also the contingency, so that when we start having to spend money on items/projects we can do that without having to access a loan or raising rates. He stated anything we can do to manage that; they have done a good job.

40. General Obligation Debt Service Fund

Pages 115-116

Finance Administrator Jill Herr went over the General Obligation Debt Service Fund. She explained the General Obligation Debt Service fund is a dedicated fund used to account for property taxes levied to pay bonded debt approved by voters. The property tax levy is based on the amount of funds needed to make the debt service payment. The resources in this fund cannot be used for any other purpose. The vision for the year is to pay the remaining balance owing and close the fund. The Debt Service fund is projected to have \$24,759 for cash carry over and the total expenditure in the fund are \$24,759. This fund will become inactive at the end of this fiscal year.

41. Inactive Funds

Page 117

Finance Administrator Jill Herr went over the Inactive Funds.

Mayor Burge moved and Sandie Wiggs seconded the motion to approve the 2019-2020 Budget. Motion passed 8-0. Scott Burge, aye; Joel Haugen, aye; Josh Poling, aye; Brandon Lesowske, aye; Sandie Wiggs, aye; Michelle Brown, aye; Megan Greisen, aye and Chris Vitron, aye.

Committee members thanked staff for their work on the budget.

Calendar Check ~ next meeting May 22 (if needed)

No more meetings needed.

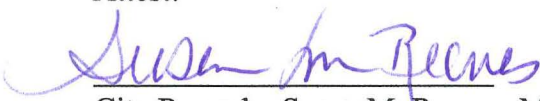
Adjournment

Meeting adjourned at 8:05 p.m.



Chair Chris Vitron

Attest:



City Recorder Susan M. Reeves, MMC