

**CITY OF SCAPPOOSE BUDGET COMMITTEE  
COUNCIL CHAMBERS 33568 E. COLUMBIA AVE  
TUESDAY, MAY 26, 2020, 5:30 P.M.**

**Budget Committee of the City of Scappoose**

**Call to Order**

Mayor Burge called the Budget Committee meeting to order.

**Roll Call**

**Budget Committee members**

**Present**

Scott Burge  
Michelle Brown  
Josh Poling  
Brandon Lesowske  
Patrick Kessi (arrived at 5:42pm)  
Pete McHugh (arrived at 5:44 pm)

**Remote**

Teresa Keller  
Rita Bernhard  
Sandie Wiggs  
Ty Bailey (5:37 pm)  
Chris Vitron  
Annette Pixley  
Megan Greisen  
Joel Haugen

**Staff**

**Present**

City Manager Michael Sykes  
Assistant City Manager Alexandra Rains  
Police Chief Norm Miller  
Finance Administrator Jill Herr  
City Recorder Susan Reeves  
City Planner Laurie Oliver  
Public Works Director Dave Sukau  
Building Official Don VanDomelen  
Treatment Plant Supervisor Darryl Sykes  
Treatment Plant Supervisor Kevin Turner  
Utility Supervisor Doug Nassimbene

**Nominate a Budget Committee Chair**

Joel Haugen nominated Scott Burge as Budget Committee Chair. Motion passed (13-0).  
Scott Burge, aye; Teresa Keller, aye; Michelle Brown, aye; Rita Bernhard, aye; Josh Poling,  
aye; Sandie Wiggs, aye; Brandon Lesowske, aye; Patrick Kessi, aye; Chris Vitron, aye; Pete  
McHugh, aye; Annette Pixley, aye; Megan Greisen, aye and Joel Haugen, aye.

**Receive Budget Message**

City Manager Sykes read the Budget Message ~

May 26, 2020

Dear Mayor, City Council and Budget Committee Members:

It is my pleasure to submit a balanced budget for FY 20-21 to the City of Scappoose Budget Committee. This year's budget aims to maintain continued funding for all core services the City traditionally provides to our citizens. It also focuses on numerous City Council goals for the upcoming year. In addition, given the significant growth that the City is experiencing, and the imminent growth that we anticipate in the future, this budget addresses investments in the City's capability to accommodate and prepare for this growth. More specifically, this budget targets critical investments that are crucial to assuring that the City can meet the needs of our growing community.

To begin, I want to recognize the City Staff for their dedication and commitment to addressing the spectrum of needs facing our community. Every single Department is experiencing a steady growth in demand for services and remain committed to doing what it takes to provide the best customer service possible for our citizens. This past year we've had a whirlwind of activity, and this coming year, we don't anticipate the pace slowing down.

This past year has been a very memorable one for our community in many ways. There are several significant events that have occurred that will leave a long and lasting imprint on the future of our City. One of these events occurred on March 13th when Governor Brown adopted an emergency order to try and curb the spread of the Covid-19 Pandemic. This action closed local retail businesses, restaurants, bars, schools and all non-essential businesses in our community. The Governor's decision also caused some local developers to delay their construction projects. The Covid-19 pandemic is having an unsettling effect on our local economy. The May 15th decision by the Governor to authorize Columbia County to reopen as part of the Phase 1 Covid 19 recovery plan, should help alleviate the financial struggles our local businesses are experiencing because of the Emergency order.

The proposed budget has been prepared making an allowance for the financial impacts that are being caused by the Pandemic. We have been conservative in our revenue projections and with expenditures, along with trying to increase reserve funds in anticipation that it may be sometime before the economy returns to normal.

Although the Covid-19 Pandemic has slowed some sectors within our economy, things have remained relatively busy at the City. We continue to experience significant construction activity within the local economy as well as within City Hall. Staff continues to focus on carrying out the goals and objectives adopted by the City Council and have been very successful in achieving several of them.

Despite the negative impact of the Pandemic, the City still experienced several important successes this past year that should be underscored. The City has continued to work with Airpark Development LLC to develop over 400 acres of industrially zoned property. Airpark Development has invested over \$25 million towards developing a shovel ready industrial park, which is one the largest green field industrial sites in the region. The City has worked daily with the developer in construction of a new well, new roads, a new sewer pump station and the Trtek Trailhead amongst other improvements that have been built this past year. This summer, Airpark Development will begin constructing phase 3 and phase 4 of the project, and we will continue to support their efforts. We have earmarked resources

to make sure that we have the staff capacity necessary to continue to meet their, as well as other, development related needs.

PCC is in the midst of building their Scappoose Campus. The Port is building a facility for Devinaire. OMIC is planning on constructing their second building this year as well. We continue to receive more inquiries from new companies considering Scappoose as a place to bring their operations. The City is working closely with partners from Columbia County, the Port, the State of Oregon, CCET and the property owners to market our area for new employment opportunities. We have appropriated some funding to develop a marketing brochure of our industrial sites.

The City received a \$6.4 million loan from DEQ to help upgrade our wastewater treatment plant, per the projects identified in Phase 1 of the newly completed Wastewater Master Plan. It is important to note that upgrades to this facility would be necessary even without all the new growth we are experiencing. Fortunately, the new growth will help pay for these improvements.

Last year, the 2nd Dutch Canyon well came online and added another 300 gallons a minute of production capacity to our system. Airpark Development also drilled a new well which should be online this year. This will give us some important new capacity, but we still will need additional water supply. This budget includes a \$425,000 match for a \$1.275million grant we are pursuing to construct a new well at the Miller Treatment Plant. This well will be drilled to over 400 feet, with plans of getting below the basalt layer. This is a similar approach to the wells drilled in the Warren area that have proved successful. Most wells operated by the City have been at the 200-foot level and we are hoping this will give us access to a completely new water aquifer that has not been tapped by the City before.

This past year, the City was also successful at passing a local fuel tax. This new tax is estimated to generate approximately \$250,000 in new revenues that will be targeted towards sidewalk and street improvements. The City has already invested in new sidewalks off 6th St. as part of the new Casswell subdivision. This budget includes funding to hire the Engineers necessary to help design improvements for Old Portland Rd. and SE 3rd Place. Several other maintenance projects will also be funded using fuel tax and other state shared revenues. The creation of an Urban Renewal District was also an important Council action that will have a long-term impact on the future. The Urban Renewal District could generate \$37 million for future investments in infrastructure and downtown improvements over the next 20 years.

Another major highlight from last year was the acquisition of the property owned by the Grabhorn family, located along E.J. Smith Rd. This 9-acre parcel was purchased using the pool fund. A Conceptual Park Design for this property is being prepared by 3J Engineering and will include a creek front trail, recreational fields and a future site for a swimming pool. This Concept Plan will be shared with key stakeholders to gain their feedback before it is ever finalized. The City anticipates pursuing a State of Oregon Parks & Recreation Grant to help fund some of the improvements that will be identified.

We have also proposed funding to upgrade the Peace Candle, which was salvaged due to an easement the City negotiated with the property owner. The City has agreed to maintain the Candle and has earmarked \$50,000 for improvements from the proposed budget.

Over the past 4 years, the City has upgraded its Water, Wastewater, Transportation, and Park Master Plans. This year we will complete the Stormwater Master Plan, which hasn't been updated since 1998. It is the last infrastructure master plan that needs to be completed. The City has made major investments in our master plans to make sure that we spend our limited resources strategically and wisely. This year's budget targets funding to help complete numerous projects that have been identified in our master plans.

In summary, this year's budget continues to strategically focus on achieving the goals and objectives adopted by the Scappoose City Council. Many of the projects are the logical next steps towards completing long term projects that have been high priorities for our community.

In closing, I would like to recognize the Council and Mayor for their extraordinary leadership and support. Strong and effective leadership is an integral part of any healthy organization. Fortunately, our Council understands that by working together, we can make a real difference. Last year was an exciting year for the City and I believe this upcoming year promises to be exceptional for our community as well.

At this time, we will begin a review of each of the funds within the budget

Respectfully Submitted,  
Michael Sykes  
Budget Officer  
City of Scappoose

\*\*\*\*\*end of Budget message \*\*\*\*\*

### **Public Hearing/State Revenue Sharing**

Chair Burge opened the public hearing at 5:46 pm and closed it do to no one wanting to speak on this matter.

### **Motion to Accept State Revenue Sharing**

Sandie Wiggs moved, and Ty Bailey seconded the motion to accept State Revenue Sharing. Motion passed 14-0. Teresa Keller, aye; Rita Bernhard, aye; Sandie Wiggs, aye; Michelle Brown, aye; Ty Bailey, aye; Chris Vitron, aye; Annette Pixley, aye; Mayor Burge, aye; Patrick Kessi, aye; Megan Greisen, aye; Joel Haugen, aye; Josh Poling, aye; Brandon Lesowske, aye; Pete McHugh, aye.

### **Budget Deliberations General Fund**

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 vision for the year is to maintain a healthy cash position and to provide needed community services. Property tax revenue is projected to be

\$2,270,122. 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. Property Taxes account for 54% of the General Fund revenue. Franchise fee revenue is estimated to be \$477,740. Franchise agreements are made between the City and businesses that provide certain services within the City limits. The amount paid to the City is usually determined by a percentage of the gross revenues of the business and established by the franchise agreement. The current agreements we have in place are CenturyTel (7%) expired 6/2006, Columbia River PUD (4%) expiring 3/2024, NW Natural Gas (3%) expiring 9/2021, Waste Management of Oregon (5%) expiring 11/2021, Comcast Cable (5%) expiring 12/2022 and Astound Broadband (5%) expiring 12/2025. Franchise fees account for 11% of General Fund revenues. The City anticipates collecting \$21,000 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 \$352,090. 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 \$143,875 for liquor, \$8,215 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 \$60,000 towards the costs of the position. Intergovernmental revenues account for 8% of the General Fund revenues. Charges for services has anticipated revenue of \$217,020. Revenues in this category are generated by the Police Department, Municipal Court and Planning Department. The City anticipates receiving \$150,000 from Court revenue, \$50,000 from Planning revenue, and \$10,000 from Police administrative fees. Charges for services account for 5% of the General Fund revenues. Interest income for the year is estimated at \$120,000. The City places the vast majority of its funds in the state local government investment pool. Interest revenue accounts for 3% of the General Fund revenues. Miscellaneous revenue includes receipt of monies that are not otherwise accounted for in defined categories. The proposed budget estimates miscellaneous revenue at \$240,000. Miscellaneous revenue accounts for 6% of the General Fund revenues. Transfers to the General Fund are projected to be \$493,786. Transfers are made from each department/fund to the General Fund to cover administrative costs associated with each department/fund. Transfer revenue accounts for 12% of the General Fund revenues. Total amount of revenue for the General Fund is projected to be \$4,191,758. Total fund resources are \$7,756,020. Within the General Fund, the City expects to expend \$6,056,020. These expenditures are budgeted into the following departments: Administration 24% \$1,465,846, Police 41% \$2,456,964, Parks & Grounds 10%, \$600,054, Municipal Court 5% \$317,373, Planning 7% \$415,798, Transfers 0% \$0 and Contingency 13% \$799,985.

Chris Vitron asked about the drop in the property taxes.

Finance Administrator Jill Herr explained we are anticipating that as part of the Urban Renewal District, and that will be covered in that budget meeting.

City Manager Michael Sykes explained another part of that is Columbia County kind of over projected the value of the increase in revenue, so it was a combination of both.

## **Administration Department**

Finance Administrator Jill Herr went over the Administration Department. She explained 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 vision for the year is to ensure the City operates in accordance with the City Charter, State, and Federal laws. Council and Department goals: The Administration Department is responsible for ensuring Council goals are met. The Administrative Department's proposed budget is \$1,465,846. The fund allocates \$92,403 for personnel services and \$1,263,443 for materials and services. Within materials and services, the largest expenditures are economic development at \$132,940, contractual professional at \$367,000 and CET School District at \$225,000. Capital outlay is budgeted at \$110,000 to be spent on equipment upgrades and maintenance of City Hall building.

## **Police Department**

Police Chief Miller went over the Police Department fund. He explained we, the members of the Scappoose Police Department, 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 for the year of the Scappoose Police Department is to continue criminal investigations, traffic safety enforcement, emergency preparedness and update city ordinances. Continue our motto of community and compassion. Continue the current community events that help enhance the relationship between police and the community. Compliance with Council Goals: continue community outreach, continue emergency preparedness planning, continue Emergency Operation Plan, provide School Resource Officer, traffic enforcement plan, and maintain sufficient staffing levels, continue Citizens Academy, and updating city ordinances and codes. Total operational cost for the department is budgeted at \$2,456,964. Personnel services are \$1,986,504. Material and services costs are budgeted at \$298,892. The largest expenditures within materials and services are contractual professional services at \$81,860, vehicle maintenance at \$75,915 and utilities at \$34,500. Capital outlay is budgeted at \$67,040 to be spent on a new patrol vehicle, new carpeting for the offices upstairs and a new copier. The department anticipates spending \$18,760 on debt service payments for the body and vehicle camera system. There will be a transfer of \$85,768 to the Administration Department.

Annette Pixley explained she noticed a huge uptick in overtime from 2018/2019 and 2019/2020. She asked if that is something staff expects to continue?

Chief Miller replied no. He explained that goes up when we are training people, we use the money out of the overtime line item. He explained there will be some in this budget year because there will be new hires coming on board.

Annette Pixley stated another thing she noticed is a hiring incentive.

Chief Miller replied correct. He explained this would be an incentive that is built in to try to get people to stay with the department and try to compete with the larger agencies.

## **Parks Department**

Utility Supervisor Doug Nassimbene went over the Parks Department fund. 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. Compliance with Council Goals: Promote Community Events, continue friends of Scappoose Parks group, Support Public Art, Protect and Restore the Peace Candle, Rezone and Develop Chapman Landing, Develop South Scappoose Creek Trail, develop E.J. Smith Road Property, develop funding strategy for parks, explore possibility of a Community Center, develop Vista Property, explore development of 14-acre Park East of Airport, work to develop Eastside trail along Railroad, and Veteran's Park/Chief Concomly Park Bridge feasibility study. The Parks Department budget, which is part of the General Fund, maintains the existing City park grounds. The Parks Department will receive \$10,810 in intergovernmental revenue and has an operational budget of \$600,054. This figure represents personnel services costs of \$280,452, material and service costs of \$100,612 and \$31,490 transferred to the Administration Department. The fund also has \$187,500 identified for capital outlay projects which include: landscape improvements to Miller Park, construction of gravel parking at Vista Park, rehabilitation of the Peace Candle, a continued effort to improve Chapman Landing and the initial design phase of the newly acquired E. J. Smith Road property. The purchase of new picnic tables and trash cans have also been identified in the budget.

Chris Vitron asked about the new position of program analyst and the reasons for adding that position.

City Manager Sykes replied basically that position is really a position that we have had in the budget for the past four years. He explained this position started with a RARE student with the University of Oregon and we were able to get a RARE student for three years in a row and the University of Oregon said we need to share this resource with other communities so we ended up going to Portland State and asking if they had a student and they sent us Huell White. He explained basically Huell was working for the City as an intern and basically what he does is helps Public Works Director Dave Sukau with the sidewalk program, he helped put together the Annual Town Meeting, just a number of different areas.

Michelle Brown asked what kind of rehabilitation does the candle need?

Utility Supervisor Doug Nassimbene explained painting, the roof needs to be redone and general landscaping around it.

Chair Burge talked about May 9, 2021 will be the 50<sup>th</sup> year for the candle.

City Manager Sykes explained what Dave and Doug are trying to do in the budget is fill in a lot of the gaps we have in some of the parks and make them more usable for the neighborhoods and the community. He explained just some simple improvements that will enhance our parks. He explained Dave and Doug do a great job of making a little bit of money go a long way.

Pete McHugh explained in his time in Scappoose the parks have been the biggest improvement he has seen in the City, they really hit a home run there. He is very pleased with everything that has happened there. He asked what is the overtime for?

Public Works Director Dave Sukau explained there are times where an electrician may have to work late, and staff will have to stay to secure the facility or when there is a broken water line that can't be fixed within normal working hours. He stated it rarely happens, but we have to be prepared for it.

Brandon Lesowske asked City Manager Sykes if he intends to reach out to AmeriCorps or PSU for the opportunity to allow for some of those students or emerging professionals to be able to still work for the City. He has seen the value that those students have brought to the City and it seems like an extremely great return on investment and he would like to see those programs still continue even if it is through a different program.

Assistant City Manager Alexandra Rains explained even if we don't have a part-time intern for the whole year because we don't have the budget for that, MPA students always have a final project, their 509 project, so there is no reason why they couldn't come in to do that. She stated with that exchange, they need it for the credit, and it is something great for us. She explained so far, we've had pretty good luck with people doing their projects. She explained she is serving on a committee at PSU so she is always in contact with some of the professors, so if anyone is ever looking, she can reach out. She explained in July there will be a presentation from an MPA student.

## **Municipal Court Department**

Finance Administrator Jill Herr went over the Scappoose Municipal Court, under direction of the Presiding Judge, who 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. Compliance with Council Goals: Assist Administration Department in ensuring Council goals are met. The Municipal Court's budget is \$317,373, within that budget, \$117,670 is budgeted for personnel services costs and materials and services budget is \$194,325. Of that amount, contractual services for the Judge, City Attorney, court appointed Attorneys and Prosecuting Attorney represent \$120,400. The second largest expenditure in the materials & services is assessments at \$54,000. There will be \$5,378 transferred to the Administration Department.

## **Planning Department**

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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 vision for the year: 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 the: 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. Compliance with Council Goals: Complete Affordable Housing Program, Update Ordinances and Codes, Complete Long-Term Comprehensive Community Vision, Protect and Restore the Peace Candle, Rezone and Begin Development of Chapman Landing, Coordinate with County to Explore Alternative Route to East Side of Airport. The budgeted amount from the General Fund for the department is \$415,798. The Planning Department anticipates revenue of \$50,000. Personnel services costs are budgeted at \$232,639. Material and services costs are estimated at \$92,875. The largest expenditure is Contractual Professional which includes such projects as the Affordable House Plan, GIS mapping system updates and Planning Consultant contracts. Capital outlay is budgeted at \$53,850 to address the Long-Term Comprehensive Community Visioning process and a new copier. There will be a transfer to the Administration Department of \$36,434.

### **Non-Departmental**

Finance Administrator Jill Herr explained not a lot is happening because we don't have a transfer out of the General Fund this year. She explained the contingency line item has been budgeted at \$799,985. The unappropriated ending fund balance is budgeted at \$1,700,000.

### **Law Enforcement Assessments Fund**

Chief Miller went over the Law Enforcement Assessment Fees. The vision for the year is that 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. Compliance with Council Goals: Continue community safety initiatives, National Night Out, Donut Day, Ice Cream Social, Halloween Safety, Citizen Academy, Tip a Cop, Suicide Prevention Walk, Special Olympics Torch Run, School supply donation drop site, Maintain community safety, Safety equipment for Officers in the field. This year there is working capital carryover of \$10,853. The fund anticipates intergovernmental revenue of \$10,000 and interest income of \$600. Total fund resources are estimated at \$21,453. The fund anticipates spending \$10,000 in training activities and \$10,000 for equipment. The fund has a contingency of \$1,453.

### **Watts House Fund**

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: Maintain fiscal responsibility on behalf of the community. This year has a beginning working cash carry over of \$48,199 and the fund anticipates revenue of \$1,300 in interest. Total fund resources are estimated at \$49,499. The fund anticipates spending \$15,100 for materials and services. Under capital outlay, \$5,000 has been budgeted to paint several rooms upstairs. Contingency is budgeted at \$29,399.

Public Works Director Dave Sukau explained about five years ago the Watts House got a new roof and a new heating system. He explained last it received all new painting on the exterior of the house and this year we did both porches.

Budget Committee Member Chris Vitron asked about the \$30,000 in this fund, is it for the porch or something else and it looked like they didn't need it. He asked does that get transferred back or does it stay in the fund for future purposes?

Finance Administrator Jill Herr replied that was a grant match for the roof and the porch and we have actually used a good portion of those funds and we don't need it this year and that is why we have no transfers out of the Non-Departmental to this fund.

City Manager Sykes explained we have been really fortunate that staff have written grants successfully that have helped pay for the improvements to the Watts House.

### **PEG Fee Fund**

Finance Administrator Jill Herr went over the PEG Fee Fund. 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. Compliance with Council Goals: Continue to develop a stronger communication plan. The fund has a beginning cash position of \$83,100. The fund anticipates PEG Fee revenue of \$10,500, the city collects .52 cents per user per month and the franchise agreement expires 12/2022. Total fund resources are estimated to be \$95,800. The fund expects to spend \$42,400 for materials & services and contingency is budgeted at \$53,400.

### **Building Fund**

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: Trends projected that economic growth would continue into the new fiscal year, however, the Coronavirus pandemic that arose in March 2020 has resulted in an economic recession. The medium and long-term impacts of the recession are currently unknown. Despite the uncertain economy, the Building Department estimates that more than 15 single-family

homes and several multi-family building permits could be taken out this year. The Building Department expects to issue permits to several industrial and commercial projects currently underway. Compliance with Council Goals: Provide support to ongoing City projects. The Building Fund begins the year with a starting position of \$336,093. Permit revenue and miscellaneous fees are anticipated to be \$196,330. Total anticipated revenue for this fund is projected to be \$204,330 and total fund resources are expected to be \$540,423. Personnel services costs are budgeted at \$242,799. The Materials and services are estimated at \$94,247. There will be a transfer to the General Fund of \$36,418. The contingency is \$133,109.

Budget Committee Member Michelle Brown asked about \$7,000 in building/facilities maintenance, which seems like a lot versus the previous years.

Finance Administrator Jill Herr explained with the purchase of the property on EJ Smith Road there is a rental house there that will be vacant, and we are looking at turning that into a little bit of office space, so that money is to help with the improvements.

City Manager Sykes explained this last year we were really pressed for space, but things have kind of alleviated. He explained right now we pay \$3,000 a month for rent and we thought if we could take advantage of this building even short term it could really fill some important needs.

## **Street Fund**

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. Construct new and repair existing sidewalks. Compliance with Council Goals: Pursue Transportation Funding, Develop 5-year CIP, Pavement Management Program, Develop a Sidewalk Improvement Program, Update Public Works Design Standards, Streetscape Improvements and Support County Road Resources and Improvements. The Street Fund is funded by monies received from multiple sources. These sources include: State Gas Tax revenue which is based on dollars per capita of our city and a local \$0.03 per gallon fuel tax, the Federal Surface Transportation Program Fund, infrastructure fees, and intergovernmental revenue. The budget shows a beginning cash balance of \$630,475, interest income of \$16,000, intergovernmental revenue of \$1,335,911 and charges for service of \$20,000. The total resources for this fund are \$2,002,386. The budgeted expenditures for the Street Fund are \$2,002,386, beginning with personnel services costs which are budgeted at \$301,659 and materials and services which are budgeted at \$233,454. The fund also budgeted \$827,756 for capital outlay projects which include replacing outdated and failing streetlights, construction of sidewalks along SE 3rd Place, Old Portland Road and asphalt overlays. There is also \$75,690 in transfers and the fund anticipates a contingency of \$563,827. He wanted to thank the community who recognized the need to help this fund and those we worked hard to facilitate making this happen and supported it. He stated we are moving forward and that is a really good feeling, so thank you on behalf of Public Works.

## **Foot Paths & Bicycle Trails Fund**

Utility Supervisor Doug Nassimbene went over the Foot Paths & Bicycle Trails Fund. The purpose of this fund is intended for special sidewalk and path projects. Funding comes from one percent of the state gas tax revenue. The Vision for the year is to develop a plan to create new trails and sidewalks within the City. Compliance with Council Goals:

Work to develop East side trail along railroad, Develop a Sidewalk Improvement Program, Examine/Promote Vista Property Development and Develop South Scappoose Creek Trail Plan. The beginning working capital carryover for the Foot Path and Bicycle Trails fund is \$126,477. The fund anticipates revenue in the amount of \$7,239. The City expects to receive \$5,739 from state gas tax revenue and \$1,500 from interest income. The total revenue for the fund is \$133,716. The City plans to spend \$3,000 for repairs and maintenance of existing foot paths. This fund also has \$35,000 in capital outlay for developing new trails and the City Sidewalk Program. This program is on a first come, first serve basis to qualifying participants. The City will match 50% of the lowest estimated bid to repair sidewalks that front the participant's property up to \$1,000. Property owners are only allowed to participate in this program one time. The fund anticipates a contingency of \$95,716. Total expenditures for the year are \$133,716.

Council President Kessi asked when did the sidewalk program begin?

Public Works Director Dave Sukau replied three or four months ago.

Council President Kessi asked if anyone has applied for that yet?

Public Works Director Dave Sukau replied we have received three applications and two inquiries.

## **Storm Water Drainage Fund**

Public Works Director Dave Sukau went over the Storm Water Drainage Fund. The purpose of this fund is 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. Compliance with Council Goals: Address aging infrastructure, Update/Review Stormwater Fees, Update Stormwater Master Plan and Develop Capital Improvement Plan. The beginning Stormwater Drainage fund balance is \$371,565. The budget anticipates revenue of \$6,000 from interest income and \$335,184 in Stormwater user fees. Total resources for the Stormwater Drainage Fund are \$712,749. The fund anticipates expenditures of \$109,672 for personnel services and \$185,540 for materials and services. There is \$100,000 budgeted in capital outlay and once the Master Plan is complete, we plan to move forward with construction of stormwater infrastructure projects such as new UIC's, catch basins and pipework. The contingency for this year is \$317,537.

Budget Committee Member Annette Pixley asked, what is the timing of the Master Plan?

Public Works Director Dave Sukau replied we are commencing that right now and are in the works on getting the contracts signed. He explained the time frame for total completion is sixteen months.

## **Storm Water Drainage SDC Fund**

Public Works Director Dave Sukau went over the Storm Water Drainage SDC Fund. The purpose of 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 Vision for the year: The focus for this year will be to update the Stormwater Master Plan. Compliance with Council Goals: Update Storm Water Master Plan and Develop Capital Improvement Plan. The Stormwater Drainage SDC fund has a working capital carryover of \$567,688. The fund expects to collect \$36,353 in SDC fees and \$13,500 in interest income for a current year resource total of \$49,853. The total fund resources are \$617,541. On the expenditure side, the city has budgeted \$412,000 for capital outlay to update the Stormwater Master Plan and other approved Stormwater extra capacity projects. There will be a transfer of \$1,818 to the General Fund to cover administrative costs. The contingency is budgeted at \$203,723. The total expenditures for the Stormwater SDC fund are \$617,541.

## **Street SDC Fund**

Public Works Director Dave Sukau went over the Street SDC Fund. PURPOSE: The Transportation System Development Charge is the mechanism by which the City of Scappoose collects funds from developers to pay for both previous excess capacity improvements and to pay for future improvement needs generated by development. Vision for the year is to develop a plan for improving City Streets. Compliance with Council Goals: Support County Road Resources and Improvements, Update Public Works Design Standards, Develop 5-year Capital Improvement Plan, Update SDC Fees, Develop a Sidewalk Improvement program and Streetscape Improvements. The Street SDC fund is projected to have a beginning cash balance \$1,051,809. The fund anticipates collecting SDC revenue in the amount of \$132,643 and interest revenue of \$23,500. Current year resources total \$156,143, making the total estimated fund resources are \$1,207,952. The proposed expenditures for the Street SDC fund are \$1,207,952 and are comprised of Capital outlay projects totaling \$1,000,000 to construct additional sidewalks on SE 3rd Place, SE Vine Street and SW Old Portland Road. There will be a transfer to the General Fund of \$6,632 to cover administrative costs, and a contingency of \$201,320.

City Manager Sykes explained one thing that staff is hoping is that some of these resources can be used as a match for a Safe Route to School Grant that we anticipate at the end of summer applying for specially for SE 3<sup>rd</sup>.

Councilor Lesowske asked Michael if he thinks the grant funding is going to be impacted? He asked is that us being optimistic that the grant dollars are going to be available?

City Manager Sykes replied yes and no. He thinks they already have money appropriated for that.

## **Parks SDC Fund**

Utility Supervisor Doug Nassimbene went over the Parks SDC Fund. The Park System Development Charge is the mechanism by which the City of Scappoose collects funds from Budget Committee meeting

developers to pay both for previous excess capacity improvements and to pay for future improvement needs generated by development. Vision for the Year: The Parks SDC will focus on the design of the E. J. Smith Property/Veteran's Park extension. Compliance with Council Goals: Promote Community Events, Continue friends of Scappoose Parks group, Support Public Art, Protect and Restore the Peace Candle, Rezone and Develop Chapman Landing Develop South Scappoose Creek Trail, Develop E.J. Smith Road Property, Develop funding strategy for parks, Explore possibility of a Community Center, Work to develop Eastside trail along Railroad, Explore development of 14-acre Park East of Airport, Develop Vista Property and Veteran's Park/Chief Concomly Park Bridge feasibility study. The Parks SDC Fund has a working capital carryover of \$90,592. The City anticipates \$3,200 in interest revenue and \$223,592 in SDC revenue. The total fund revenue is \$226,792, bringing the total resources to \$317,384. For expenditures, the City has budgeted for \$201,200 in capital outlay for Chapman Landing improvements and development of the E. J. Smith Road property. There will be a transfer of \$11,180 to the General Fund to cover administrative costs. The fund has a contingency of \$105,004.

Councilor Haugen asked about the increase in funding of \$223,592, what is the basis for that?

Utility Supervisor Doug Nassimbene replied it is SDC fees based on the projected amount of homes.

Budget Committee Member Chris Vitron stated some of the other funds seem to have the trend of the system development charges going down, he asked is this fund based on something different?

Assistant City Manager Alexandra Rains explained parks are assessed for residential and they are not assessed for commercial and industrial development and things like that. She explained with the economy potentially taking a down turn you can expect those might go down, but housing, especially things like apartments and more affordable types of housing, would likely keep trucking along and in that case that is where you are going to get the parks system development charge funds from.

### **Pool Fund**

Finance Administrator Jill Herr went over the Pool Fund. Purpose: The Pool Fund was created as a result of the 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. Vision for the Year: There are no projects anticipated for this fiscal year. Compliance with Council Goals: Maintain responsible fiscal management. The Pool fund has a beginning cash position of \$8,085. Interest income is projected to be \$500. Total fund resources are \$8,585. We do not anticipate any expenditures this fiscal year. The fund anticipates a contingency of \$8,585.

### **Unemployment Insurance Fund**

Finance Administrator Jill Herr went over the Unemployment Insurance Fund. Purpose: 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. Vision for the year: 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 \$114,741, interest income of \$2,000, and total fund resources are \$116,741. There is an anticipated expenditure of \$50,000 in the personnel services to cover past claims. The fund has a contingency of \$66,741.

### **Utility Water Fund**

Treatment Plant Supervisor Darryl Sykes went over the Utility Water Fund. Purpose: 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. Vision for the year: The focus for this fiscal year will be water meter replacement, and maintenance and operation of the existing system. Compliance with Council Goals: Explore Future Water Sources, Complete Dutch Canyon Well #2, Update Public Works Design Standards, Develop Capital Improvement Plan Update SDC's, Replace High Zone Transfer Line, Address aging infrastructure and Increase water production capabilities. For the 2020-21 budget year, the Water Fund will begin with a cash carryover of \$2,986,035. The Fund expects to collect \$1,340,550 in water user fees, \$993,290 in user fees for infrastructure and \$78,000 in interest. The total fund resources are \$5,397,875. Proposed expenditures in the water fund include \$1,012,724 for personnel services and \$810,333 for materials and services. For capital outlay the budgeted amount is \$1,477,500 for a chemical tank replacement, distribution project engineering, filter media replacement, a Public Works utility vehicle purchase, and matching grant funds for a new basalt well. The fund budgets \$132,107 for debt service, \$107,473 for transfers and a projected contingency of \$357,738. This Fund also has a balance of \$1,500,000 in unappropriated funds.

### **Water SDC Fund**

Treatment Plant Supervisor Darryl Sykes went over the Water SDC Fund. Purpose: 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 new 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 needed for those projects. Vision for the year: The focus for this fiscal year will be updating the Water Master Plan and developing a Capital Improvement Plan. Compliance with Council Goals: Address aging infrastructure, Update Public Works, Design Standards, Update Water Master Plan and Develop Capital Improvement Plan. In the proposed budget, the Water SDC fund begins the year with a projected beginning cash amount of \$433,891. Anticipated revenue is \$291,411 coming from three sources: \$10,000 from interest, \$186,278 from Water SDC's, and a transfer of \$95,133 from the Utility Water Fund, to make principal and interest payments. Total fund resources are \$725,302. Expenses within the fund include debt service in the amount of \$279,803. 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 \$9,314 to the General Fund for SDC administration and

\$100,000 in capital outlay for extra capacity projects. The Water SDC Fund anticipates a contingency of \$336,185 for total expenditures of \$725,302.

### **Utility Wastewater Fund**

Treatment Plant Supervisor Kevin Turner went over the Utility Wastewater Fund. Purpose: 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 public use 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 as well as sampling of the receiving stream. Vision for the Year: The Wastewater Fund will focus on long term upgrades as identified in the 2018 Facilities Master Plan. Engineering of Wastewater Master Plan Amendment Phase I upgrades along with a Facility Plan Amendment are priority projects for the year. Compliance with Council Goals: Address I & I within Collections System, Update Public Works Design Standards, Capacity Upgrades – Wastewater Treatment and Collections, Update SDC’s/Fees and Develop 5-year Capital Improvement Plan. The Wastewater fund will begin the year with a \$1,650,005 beginning cash position and anticipates revenue of \$3,415,125. Total operating revenue in this fund is projected to be \$5,065,130. Expenditures within the department include \$1,023,869 for personnel services and \$688,153 for materials and services. For capital outlay the projected budget is \$1,361,396 for pump replacements, UV upgrades, a vehicle purchase, completion of the Springlake pump station and engineering for Phase I of the Treatment Plant improvements. The fund budgets \$119,803 for two principal and interest payments for loan R06809 which matures in 2031 and a US Bank loan which matures in 2021. The fund budgets \$173,565 for transfers and has budgeted a contingency of \$898,344 and a balance of \$800,000 in unappropriated funds.

Budget Committee Member Teresa Keller asked about the increase to contractual/professional?

Treatment Plant Supervisor Kevin Turner explained there are funds in there for cleaning the sewer system as well as contract engineering, inspection fees, and public works design standards are all included, as well as \$50,000 for major improvements.

City Manager Sykes explained he thinks it is important to note that the million is part of the 6.4 million dollar DEQ loan and a lot of the engineering costs are kind of front loaded in that and they really have to kind of engineer the whole phase one in order to begin so that is why you see that number jump so much.

### **Wastewater SDC Fund**

Treatment Plant Supervisor Kevin Turner the Wastewater SDC Fund. Purpose: 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 new 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. Vision for the year: Engineering for Phase I improvements will be the top priority for this fiscal year. Compliance with Council Goals: Address aging infrastructure, Capacity Upgrades - Treatment & Collections, Update SDC's/Fees, Create a 5-year Capital Improvement Plan and Update Public Works Design Standards. The Wastewater fund will begin the year with a \$1,650,005 beginning cash position and anticipates revenue of \$3,415,125. Total operating revenue in this fund is projected to be \$5,065,130. Expenditures within the department include \$1,023,869 for personnel services and \$688,153 for materials and services. For capital outlay the projected budget is \$1,361,396 for pump replacements, UV upgrades, a vehicle purchase, completion of the Springlake pump station and engineering for Phase I of the Treatment Plant improvements. The fund budgets \$119,803 for two principal and interest payments for loan R06809 which matures in 2031 and a US Bank loan which matures in 2021. The fund budgets \$173,565 for transfers and has budgeted a contingency of \$898,344 and a balance of \$800,000 in unappropriated funds.

## **Inactive Funds**

### **General Obligation Debt Service Fund 45**

Finance Administrator Jill Herr went over the General Obligation Debt Service Fund 45. Purpose: 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 last loan payment was made in Fiscal Year 18-19; therefore, this fund is now inactive.

### **Airpark Water Improvement Fund 89**

Finance Administrator Jill Herr went over the Airpark Water Improvement Fund 89. Purpose: The Airpark Water Improvement fund is a dedicated fund used to pay for the debt service associated with the water line constructed up West Lane Road to the Scappoose Airpark. The last loan payment was made in Fiscal Year 17-18; therefore, this fund is now inactive.

City Manager Sykes explained one of the themes he hopes everyone notices is that we're really trying to protect our reserves and we are preparing for some significant investments that we know are coming in the future, so if we plan for them today when they come we won't have sticker shock we will actually have money in the bank to take care of them. He really wants to compliment his staff for the diligence they put into this. He thinks we are going in the right direction in a lot of ways.

Council President Kessi moved, and Councilor Poling seconded the motion to approve the 2020-2021 budget as presented.

Councilor Haugen thanked staff for a superb job with the budget it was extremely well done and that is very much appreciated.

Budget Committee Member Teresa Keller stated she agrees.

Council President Kessi stated he concurs.

Councilor McHugh stated he is really impressed that we are doing some big projects in house.

Council President Kessi stated even though we approved this budget and it is a really good budget, he thinks with the state of where we are right now with the pandemic he thinks we really need to watch what we are spending throughout this year and even if it was approved in the budget, if it is a luxury item he would feel more comfortable at the last half of the budget year, which would be next spring spending the luxury items to make sure we are in a good position in our budget and the state of the pandemic.

Motion passed (13-0). Scott Burge, aye; Ty Bailey, aye; Teresa Keller, aye; Michelle Brown, aye; Rita Bernhard, aye; Josh Poling, aye; Sandie Wiggs, aye; Brandon Lesowske, aye; Patrick Kessi, aye; Chris Vitron, aye; Pete McHugh, aye; Annette Pixley, aye; Megan Greisen, aye and Joel Haugen, aye.

Adjournment of the Budget Committee meeting of the City of Scappoose.

**Calendar Check ~ next meeting May 27 and May 28 (if needed)**

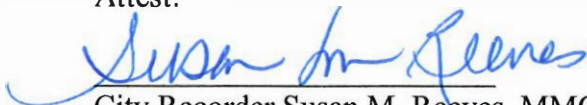
No more meetings are needed.

### **Adjournment**

Meeting adjourned at 7:01 p.m.

  
Chair Scott Burge

Attest:

  
City Recorder Susan M. Reeves, MMC