

**CITY OF SCAPPOOSE BUDGET COMMITTEE
COUNCIL CHAMBERS 33568 E. COLUMBIA AVE
TUESDAY, MAY 23, 2017 at 6:00 P.M.**

Call to Order

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

The regular meeting of the Scappoose Budget Committee was held May 23, 2017 in the Council Chambers with the following present:

Roll Call

Scott Burge, Mayor
Teresa Keller, Member
Rita Bernhard, Member
Rich Riffle Councilor
Brandon Lesowske, Member
Megan Greisen, Councilor
Sandie Wiggs, Member
Natalie Sanders, Councilor
Michelle Brown, Member
Ty Bailey, Member
Joel Haugen, Councilor

Michael Sykes, City Manager
Norm Miller, Police Chief
Dennis Viereck, Police Sergeant
Jill Herr, Finance Administrator
Susan M. Reeves, City Recorder
Don Sallee, Building Official
Chris Negelspach, City Engineer
Laurie Oliver, City Planner
Dave Sukau, Public Works Director
Darryl Sykes, WTP Supervisor
Doug Nassimbene, Field Services Supervisor
Kevin Turner, WWTP Supervisor

Excused: Patrick Kessi, Councilor

Not Present: Mark Reed, Council President

Nominate a Budget Committee Chair

Sandie Wiggs agreed to be the Budget Committee Chair, seconded by Ty Miller. Motion passed (11-0). Scott Burge, aye; Teresa Keller, aye; Rita Bernhard, aye; Rich Riffle, aye; Brandon Lesowske, aye; Megan Greisen, aye; Sandie Wiggs, aye; Natalie Sanders, aye; Michelle Brown, aye; Joel Haugen, aye and Ty Bailey, aye.

Budget Message

City Manager Sykes went over his 2017-2018 Budget Message.

May 23, 2017

Dear Mayor, City Council and Budget Committee Members:

It is my pleasure to submit the proposed 2017-2018 Budget to the Scappoose Budget Committee.

This year's budget allocates funding to address many of the City Council's goals and objectives adopted for the upcoming year. It also proposes funding that will allow the City to maintain the high quality of essential services that the City provides to our citizens.

Given the significant growth the City is currently experiencing and expects to continue into the foreseeable future, this year's budget invests significant resources towards completion of several long-term masterplans that will guide strategic investments in City infrastructure to ensure we can meet future demands for our growing city. The City will complete the wastewater master plan last updated in 1997, the water master plan last adopted in 1997 and the storm water master plan which was last adopted in 1998. This investment will ensure that the City has a blue print to strategically invest limited City resources to meet the needs of our growing community and qualify for state grant funding opportunities.

With the recent annexation of 350 acres of industrial land into the City, the likelihood of an additional 52.32 acres being annexed from the Parker Pit this coming summer and the projected addition of 80 new homes, it has never been more important for the City to maintain and expand our capacity to meet the needs associated with growth. This planning process will assure that future investments are strategic and focused and that the City has the capacity to meet this future demand.

This next year promises to be one of the busiest the City has ever experienced. We are processing a subdivision application for the approximately 350 acres recently annexed into the City. We anticipate an application from PCC to develop their campus on a parcel of this property as soon as the subdivision review process is complete. The City will be working with Ed Freeman and PCC to develop a plan to meet the infrastructure needs of this site. A major collector paralleling the Crown Zellerbach Trail as well as water and wastewater connections are just some of the improvements we will need to coordinate to assure that we can serve the east side of the Airport.

The Oregon Manufacturing Innovation Center (OMIC) project is also poised to bring extraordinary growth to our area and several prospective companies have expressed serious interest in being part of the Innovation District which will surround the OMIC site. The City will be overseeing the construction of West Lane Road to help accommodate the new growth projected for the westside of the Airport and the development of both OMIC and Cascades Tissues. This road improvement project was funded by two State of Oregon Grants and the two adjoining property owners which total \$1,765,534 of investment. Cascades is completing their first of three 200,000 square foot buildings slated to be constructed on their site. They plan to move forward with their second building in the near future. We will also be working with Scott Parker, OIT, CCET and other partners to develop the Charles T. Parker Road, which will create access to the OMIC site from West Lane Road. Planning and coordination to develop a site plan, including future water, wastewater and other infrastructure needs of the OMIC/Parker site will demand a tremendous amount of staff involvement. In addition to economic growth, we are also experiencing feverish demand for housing in Scappoose. Prices are escalating for existing homes and we anticipate over 200 new homes will be constructed over the next two years.

Given the rate of economic and residential growth in the City, the one proposed addition to this

year's budget in personnel was for an Engineer Assistant to the Public Works Director. This person will be responsible for assuring that we have someone providing field oversight for all the new infrastructure projects that are scheduled to occur this upcoming year. With all the simultaneous oversight necessary to monitor annexations, review plats and coordinate updates to several Master Plans, it is critical to have a second Engineer to meet this demand.

In the area of parks, Heritage Park is nearing completion, FINALLY. The record rain we experienced really delayed the project, but, it should be complete by August. The budget includes funding to replace the Miller Park playground equipment along with some funds to complete Heritage Park. We have also included funds to develop the park on Seely Street and the 80-acre parcel presently accessed by Bella Vista Road. Both of these projects depend on successfully securing two different grants from the State. We also hope to complete a revision to our design standards, and continue to update our 20-year-old Comprehensive Plan.

This budget also includes \$35,000 to complete a City facility plan. Presently the City leases space to house some of its key services, and exploring ways to develop City owned facilities to house all employees will be examined as part of this study. The analysis will include consideration of constructing a small community center/meeting space as part of any expansion of City facilities.

We will also attempt to pursue grant opportunities for a variety of purposes. The City has had great success in acquiring several grants this past year totally roughly \$2 million. Parks, roads, master plan studies and benches for Heritage Park are some of the areas for which we have found funding. Alex Rains is to be commended for her efforts in successfully acquiring grant funds. These funds are critical since they allow the City to leverage our existing resources to accomplish projects we wouldn't be able to do otherwise.

This budget also targets funding to help improve efficiency and capacity of our wastewater plant as well as to construct a new well at Dutch Canyon in order to increase water capacity. We also anticipate a new well near Miller Road being constructed by Ed Freeman that will help the City meet our future demand.

The Budget Officer is also proposing that the City purchase a new 10-yard dump truck and a pavement roller to enhance our ability to do more street maintenance with our own crew. Whenever we replace or repair a waterline or wastewater line, we have to dig up our roadways. Historically, we have contracted out to patch these small areas. It is the Public Works Director's opinion that we can save significant city resources by doing this work ourselves. We have the crew to perform the work, but not the equipment. With limited transportation dollars, we believe it is imperative to use our existing resources wisely and purchasing this equipment helps make that possible.

One component of this budget that does concern me is that it doesn't include the funding that will be necessary to maintain our roadways in a safe manner. It doesn't allocate any funding to improve or add sidewalks which have been identified as a priority need by the Council. Finding additional transportation funding will be a priority for the City over the next year and staff has

been researching the viability of different funding options that may be available.

We also are anticipating that future industrial and residential growth, along with the annexation of approximately 500 acres of industrial land into the City should help generate future tax revenues that will fund the additional staff necessary to maintain our parks and keep our community safe. The City of Scappoose was voted as one of the 5 safest communities in Oregon and with the outstanding Police Department we have, we intend to keep it that way.

This budget also appropriates funding to complete a buildable lands inventory. This will allow the City to determine what kind of available buildable land we have within the City/UGB and guide discussions about where we might want to consider accommodating future growth in our community. With the projected new employment associated with the OMIC near the Airport, identifying and constructing new housing will continue to be important. Without completing a buildable lands inventory, we will not be prepared to justify any future UGB expansions for residential growth.

Financial Policy

As per ORS 294.426, the budget message must contain a brief description of the City's financial policy. Council adopted both a financial policy (Res. 17-13) in 2017 and an investment policy (Res. 09-14) in 2009. In short, "The City will live within its means." There must be a balance between revenues and expenditures, so that the public can realize the benefits of a strong and stable government. It is important to understand that this policy is applied to budget entities over periods of time which extend beyond current appropriations. By law, budgets cannot exceed available resources, defined as revenues generated in the current period and added to balances carried forward from prior years. Temporary shortages, or operating deficits, can and do occur, but they are not tolerated as extended trends.

The goals of the fiscal policies are as follows:

To enhance City Council's policy-making ability by providing accurate information on program and operating costs.

To assist sound management of City government by providing accurate and timely information on current and anticipated financial conditions.

To provide sound principles to guide important decisions of the Council, Budget Committee and management which have significant fiscal impact.

To employ revenue policies, which prevent undue or unbalanced reliance on any one source, distribute the cost of municipal services fairly and provide adequate funds to operate desired programs.

To make sure an equitable fee structure is developed to assure continued services.

To provide and maintain essential public facilities, utilities, and capital equipment.

To protect and enhance the City's credit rating.

To insure that all surplus cash is prudently invested in accordance with the investment policy adopted by the Scappoose City Council to protect City funds and realize a reasonable rate of return.

Personnel, Salaries and Benefits

Total Personnel Services in the proposed budget is \$4,467,057, which is an increase of \$408,905 more than the current budget. Personnel Services equals 20% of the total proposed budget. Total personnel will increase to 33 Full Time Equivalencies (FTE), there will be a change in staffing by adding an Assistant Engineer for Public Works Department position. Our PERS rate increased this year, it varies from 14.32% to 22.43% depending on which tier the employee qualifies for and this rate will be in place until June 30, 2019.

General Fund

The General Fund anticipates a beginning cash position of \$2,177,884, down from \$2,237,102 in the current fiscal year, with anticipated revenues of \$4,333,342 up from \$3,367,988 in the current fiscal year. Total resources for the fund are budgeted at \$6,511,226 up from \$5,605,090 in the current Fiscal Year. Expenditures within the General Fund are budgeted at \$5,411,226 up \$906,136 from \$4,505,090 budgeted this Fiscal Year.

The Administration Department budget is \$1,206,078 up \$303,435 from \$902,643 in the previous year. Of the budgeted amount, \$73,292 is for Personnel Services, \$1,062,786 is budgeted for Materials and Services and \$70,000 for Capital Outlay projects, which includes replacing heating and cooling system. The Administration Department accounts for 22% of General Fund expenditures.

The Police Department's budget is \$2,010,684, up from \$1,848,572 and accounts for 37% of General Fund expenditures. Police is the most labor intensive department in the City budget. Personnel Services are budgeted at \$1,605,436, which is an increase of \$137,708 over the previous year. The Materials and Services line items are budgeted at \$222,102 which is \$40,855 more than the previous year's budget. Capital Outlay line items are budgeted at \$70,509 which includes replacing heating and cooling system.

Parks Department's budget is \$1,046,999, up \$425,546 from the current fiscal year. Personnel Services are budgeted at \$232,788, which is an increase of \$2,991 over the previous year. The Materials and Services line items are budgeted at \$86,262, which is \$11,397 more than the previous year's budget. Capital Outlay line items are budgeted at \$700,000 which includes funding for completing Seely Lane Park and improvements to Miller Road Park. The Parks Department accounts for 19% of General Fund expenditures.

The Municipal Court Department's budget is \$295,393, up \$1,107 from \$294,286 in the previous year and accounts for 5% of General Fund expenditures. Personnel Services are budgeted at \$103,835, which is an increase of \$4,951 over the previous year. The Materials and Services line

items are budgeted at \$187,370 which is \$2,580 less than the previous year's budget. The department's biggest expenditure is in the Contractual Professional line item found within Materials and Services. Contractual and Professional services pay for the Judge, the Prosecuting Attorney and court appointed attorneys. The second largest expenditure is "Assessments." That is the amount of money that gets turned over to the state and county for fines levied.

Planning Department's budget is \$221,132 up from \$190,284 and accounts for 4% of the General Fund expenditures. Personnel Services are budgeted at \$123,134, which is an increase of \$33,592 over the previous year. The Materials and Services line items are budgeted at \$70,665 which is \$3,010 less than the previous year's budget. The primary Planning Department focus for the year will be long-range activities including completing the Buildable Lands Inventory and Housing Needs Analysis and implementation of new housing policy that will come as a result of the Housing Needs Analysis. Reviewing and updating the Comprehensive plan along with the Development Code to incorporate best practices and improve consistency

As stated earlier, the General Fund Budget maintains an Unappropriated Ending Fund Balance of \$1,100,000 and a General Fund Contingency balance of \$610,940. Unappropriated Ending Fund Balances cannot be used in this budget year unless there is an emergency as described by Oregon Law. These funds will be used as part of the City's beginning cash position for next year's budget. It is imperative that this figure stays as budgeted to cover operating expenses until tax revenues are received in November.

Enterprise Funds

Enterprise Funds are funds established to account for operations that are financed and operated in a manner similar to private business enterprise. These funds include Building, Water, Wastewater, Streets, Storm Water, all System Development Charge funds, as well as some smaller funds.

The Building Fund is considered the barometer of the City's economic health and is anticipating 80 homes to be constructed. This estimate of 80 new homes is also used as the basis for estimating revenues in the System Development Charge funds. These include; Water, Wastewater, Transportation, Parks, and Storm Water. The Building Fund has a beginning cash position of \$227,906 and anticipated revenues of \$281,400. Total resources are budgeted at \$509,306. Total expenditures in the department are budgeted at \$379,254 and an allocation to Contingency of \$130,052. The prolonged recession has greatly impacted the financial stability of this department, but that is beginning to change.

The Street Fund has an operational budget of \$2,893,500. The fund has a beginning cash position of \$948,441 and anticipated revenues of \$1,945,059. The revenue comes from state gas taxes and Federal Surface Transportation dollars. Expenses in the fund include \$397,244 in Personnel Services and \$244,404 in Materials and Services. The City anticipates spending \$2,114,045 on Capital Outlay, for equipment purchases and street improvement projects such as West Lane Road, crack sealing and general street repair. The fund also anticipates a contingency of \$54,419.

The Water Fund continues to improve due to additional revenue generated by rate increases over

the last several years. The City remains concerned that existing water supply may not be adequate to meet future demands, particularly during summer peak period. Adding a new well at Dutch Canyon should offer the City an additional 200 gallons a minute. The City also anticipates siting an additional well near the Airport. All of these actions will put the City in a much better position to meet current and future water needs. The Water Fund begins with a cash carryover of \$2,155,382. The fund anticipates receiving \$2,160,700 in revenues and has total resources of \$4,316,082. On the expenditure side, Personnel Services are anticipated to be \$822,807. Material and Services are budgeted at \$544,849, and Capital Outlay is estimated at \$1,061,470. Contingency is \$572,157.

The City Wastewater Treatment Plant had some serious maintenance issues that needed to be addressed. Both of our wastewater lagoons were completely full of bio solids. By September, 2016, we had removed over 1 million gallons of bio solids from the two storage lagoons, giving us the capacity to meet current demand. This year we plan to complete the installation of the dewatering screw press and construct some metal pole storage buildings to stockpile cake until it can be land applied during the late summer months. This will help add capacity to the facility in managing and treating bio-solids. Wastewater has an operational budget of \$1,781,000. Personnel Services are budgeted at \$813,089. Material and Services are budgeted at \$564,494. The City of Scappoose continues to implement its wastewater line cleaning program. Each year, the City TVs and cleans 20% of the wastewater lines. The Wastewater Fund also anticipates \$504,795 in Capital Outlay expenditures. The Contingency is \$238,727.

SDC Funds

System Development Charge revenues collected on new building permits can be used only for capital projects that are listed in approved master plans. As stated earlier, SDC revenues are based on 80 new homes being constructed over the coming fiscal year.

The Storm Water Drainage SDC Fund has a beginning cash position of \$479,420, with total revenue resources of \$531,461. The fund includes Capital Outlay expenditures of \$200,000 to complete our storm water master plan. The fund anticipates a contingency of \$329,039.

The Transportation SDC Fund has a beginning cash position of \$704,947 with total revenue resources of \$866,767. The fund has expenditures budgeted at \$364,029, including Capital Outlay projects totaling \$300,000 and a loan payment of \$56,213 for the Crown Zellerbach Road. The fund anticipates a contingency of \$502,738.

The Parks SDC Fund provides the revenues for a portion of the payment for the Veterans Park land loan. The beginning cash position is \$238,854. The fund is anticipating total revenues of \$161,004 and has expenditures of \$350,659. The fund anticipates a contingency of \$49,199.

The Water SDC Fund anticipates a cash carry over position of \$401,002. The fund anticipates revenues of \$496,567. Of that amount, \$94,637 is a transfer received from the Water Department. Total resources for the fund are \$897,569. Expenditures within the fund are for Capital Outlay \$100,000 to update our Master Plan and Debt Service for two loans are paid from this fund totaling \$278,343. The fund anticipates a contingency of \$499,149.

The Wastewater SDC Fund anticipates a cash carry over position of \$811,085. The fund anticipates revenues of \$361,425 for total resources of \$1,172,510. The fund lists Capital Outlay expenditures of \$310,375 for biosolids storage and finishing the final phase of the Wastewater Master Plan update. Contingency is anticipated to be \$844,364.

Conclusion

In summary, it is important to highlight that this budget allows the City to continue to provide the wide range of high quality services that our community has come to expect from the City every day. It also allows the City to prepare for anticipated growth by funding several planning efforts that will guide future investments in critical infrastructure needs. This budget also gives us the staffing levels necessary to fulfill the demands and needs of our current community along with the new industries and residents that have also decided to make Scappoose their home. This next year will be an exciting time in Scappoose and if we are able to accomplish the long list of goals and objectives identified in the budget, we will make it an even better place to live.

Respectfully submitted,
Michael Sykes

****End of Budget Message****

Public Hearing/State Revenue Sharing

Motion to Accept State Revenue Sharing

Chair Sandie Wiggs opened the Public Hearing at 6:15 p.m.

Finance Administrator Jill Herr explained the City of Scappoose elects to receive State Shared Revenues for the Fiscal Year 2017-2018. She explained in the proposed budget the City anticipates receiving \$116,363 for liquor, \$8,142 for cigarettes and \$140,000 for state shared revenue. The City's share of special telephone tax revenue (911 communications) is deposited directly with the local jurisdiction providing emergency communication services, which will be \$38,403. She explained in the Street Fund would be State Gas Tax in the amount of \$386,975, and then 1% of that would go into the Foot Paths Fund which would be \$3,909.

Chair Sandie Wiggs closed the hearing at 6:19 p.m.

Scott Burge moved, and Rich Riffle seconded the motion to accept State Revenue Sharing. Motion passed (11-0). Scott Burge, aye; Teresa Keller, aye; Rita Bernhard, aye; Rich Riffle, aye; Brandon Lesowske, aye; Megan Greisen, aye; Sandie Wiggs, aye; Natalie Sanders, aye; Michelle Brown, aye; Joel Haugen, aye and Ty Bailey, aye.

Budget Deliberations

Finance Administrator Jill Herr went over the items in the front of the book which covers ~ City Boards and Commissions, Budget Committee Members, Organizational Chart, Fund Description,

Budget Process, Budget Calendar, Budget Message, Vision Statement, City Council Goals, Financial Policies, Investment Policy, All Funds Combined Summaries, and Summary Personnel Services.

Brandon Lesowske asked in regards to PERS in Oregon do municipalities have the right to offer some other type of retirement option rather than the PERS program for City employees.

Finance Administrator Jill Herr replied the City joined PERS a number of years ago, and once you join you are in.

Brandon Lesowske explained maybe there would be a potential because of the overall increase to PERS year after year and as more people maybe are towards retirement age that cost will be burdened onto the City. He is just wanting to know if there is a potential that could be a private market retirement option versus just a PERS option. He asked is there also a 6% employee pickup by the City or it is the employee that picks up the 6%?

Finance Administrator Jill Herr replied the City picks up the 6% in our case.

City Manager Sykes stated if you look at the numbers of the personnel, we really haven't grown that much as a staff. He thinks every department we have is in need of additional employees, but we try to live within our means.

General Fund

Finance Administrator Jill Herr went over the General Fund line item. She explained the General Fund consists of revenue collected from property taxes, franchise fees, license and permits (outside City business licenses and Type II Home Occupation), charges for service, interest income, transfer, and other miscellaneous income services. Property tax revenue is projected to be \$1,881,990. 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 93% 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 43% of the General Fund revenues. Franchise fee revenue is estimated to be \$459,000. 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 \$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 \$949,510. 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 \$116,365 for liquor, \$8,142 for cigarettes and \$140,000 for state shared revenue. The previous fiscal year the City was awarded a grant from the State of Oregon Parks & Recreation Department in the amount of \$180,000 for improvements to Heritage Park. This project is slated to be completed this summer. We applied for a Local Government Grant with the Oregon Parks and Recreation Department in the amount of \$442,505. If we are awarded the grant construction on Seely Lane Park will start in late spring of 2018. We also identified and applied for The Recreational Trail Program Grant available through the Oregon Parks and Recreation Department in the amount of \$60,000. This grant will be used towards creating a walking trail on the Bella Vista Property. Intergovernmental revenues account for 22% of the General Fund revenues. The General Fund for fiscal year 17-18 has a beginning cash position of \$2,177,884. 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 \$610,940 contingency line item, provided that no unexpected expenditures occur. Staff has committed \$1,100,000 to an unappropriated ending fund balance. These funds cannot be utilized during the upcoming fiscal year and will provide the basis for fiscal year 18-19 beginning cash carryover.

Scott Burge talked about the transient tax that should be collected by the City from the Columbia County RV located in the City. He just wanted to follow up on this discussion that he spoke to the City Attorney about.

Finance Administrator Jill Herr went over charges for services. The charge for services has anticipated revenue of \$270,950. Revenues in this category are generated by the Police Department, Municipal Court and Planning Department. The City anticipates receiving \$200,000 from Court revenue, \$45,000 from Planning revenue, and \$16,500 from police administrative fees. Charges for services account for 6% 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 \$245,000. Miscellaneous revenue accounts for 6% of the General Fund revenues. Transfers to the General Fund are projected to be \$478,892. Transfers are made from each department/fund to the General Fund to cover administrative costs associated with each department/fund. Transfer revenue accounts for 11% of the General Fund revenues.

Brandon Lesowske asked if there was a reason why the licenses and permits dropped nearly \$40,000 in 2008-2009.

Scott Burge replied City Council decided to stop charging a business license fee for businesses that are based within the City limits of Scappoose so that is why that amount dropped. He explained they found that staff was spending lots of time trying to collect those fees, and many of those businesses are paying property taxes anyway so why are we charging them for the right to do business or a right to pay property taxes. He stated it was a small amount and a lot of the small businesses were very grateful. He stated he feels we buy appreciation from the businesses that are based here.

Brandon Lesowske replied we want to be a business friendly community.

City Manager Sykes explained we include that in the Economic Development marketing materials for that reason, to let people know we are open for business.

Finance Administrator Jill Herr explained the total amount of revenue for the General Fund is projected to be \$4,333,342. Total fund resources are \$6,511,226.

Scott Burge explained the biggest jump seems to be the grant money.

Finance Administrator Jill Herr replied yes and the CET (Construction Excise Tax).

Finance Administrator Jill Herr went over the Admin Department. 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 sets policy for the City through the passage of 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 \$1,206,078. The fund allocates \$73,292 for personnel services, \$1,062,786 for materials and services. Within materials and services the largest expenditures are insurance at \$175,975, contractual professional at \$280,600 and CET School District at \$225,000. Capital outlay is budgeted at \$70,000, staff is still working on the project list related to improving the building and grounds around City Hall.

City Manager Sykes explained one of the things staff added to the budget this year is the administrative objectives, to try and lay out the goals and objectives. He explained this is really more to share with the Budget Committee what staff is doing on a day to day basis. He stated you will see that information for every department.

Brandon Lesowske explained looking through the different line items, there is a lot of new funding. He said there is nearly a 100% increase in travel and training.

Finance Administrator Jill Herr replied we added a little bit of training. She explained Council attends conferences, there are some BOLI conferences, City Manager training, and the Springbrook conference.

Ty Bailey asked about the increase for contractual/professional 2016-2017 budgeted versus estimate, along with it being increased for 2017-2018.

Finance Administrator Jill Herr replied the attorney's fees are going up, we have a new auditor so the cost will increase, and a new facilities plan.

Teresa Keller asked if there is a change in health insurance costs.

Finance Administrator Jill Herr replied CIS, the City's provider, is doing away with our current plan for both Kaiser and Blue Cross/Blue Shield. The City developed a health care committee and they reviewed recommendations and we are waiting to see where that lands.

Rita Bernhard asked what is CIS putting in place instead.

Finance Administrator Jill Herr replied a similar plan, higher deductible, and a little more out of pocket.

Natalie Sanders asked is there a way to help supplement some of those costs, so the employees aren't really losing benefits?

Scott Burge replied he thinks that would be up to the next contract negotiations, because health care is a part of that contract.

City Manager Sykes stated we would still have good insurance. He explained we had an employee committee, along with bargaining unit employees review the options that are out there.

Police Fund

Police Chief Norm Miller explained we have a great staff and the great thing is we are retaining staff now. He explained there are only two officers that are under two years, and we haven't had that in a long time. He explained that is why you see a lot of increase in personnel cost due to the fact you are getting longevity in PERS, in raises, etc. He explained the Police Department has an internal motto which is Community and Compassion, which staff has done above and beyond his expectations. He went over the structure of the department and explained they actually have five Patrol Officers, two Sergeants, one Administrative Staff, School Resource Officers, Detective, three Reserves, twelve volunteers, and two Chaplains.

Ty Bailey asked what is considered a healthy tenure overall?

Chief Norm Miller replied three years.

Teresa Keller asked do the Police Officer's wages compare in Scappoose to the City of Portland?

Chief Norm Miller replied you can't compare to Portland, but comparing to other cities our size the wages are comparable.

City Manager Sykes stated what he really appreciates about Norm's leadership with the Police Department is the amount of community policing that he has instituted in the department with several different events that is really aimed at getting our Police Officers in touch to build relationships with the community and the schools and it has really been a pleasure to see that relationship developed.

Brandon Lesowske asked what outreach does the Police Department do with the youth?

Chief Norm Miller replied the School Resource Officer is tasked in a different role. They are not there to be the Police Officer, they are there to be the liaison. He stated you have to put the right person in the right assignment. He just recently went to the High School Civics Class to talk to the students. He explained the other thing is when the Officers are out and about they are just pulling up to talk with the citizens. He explained all the community events the Police Department puts on and he explained the Officers show up and are involved in the events.

Brandon Lesowske asked Norm what is the Police Department's biggest challenge?

Chief Norm Miller replied the biggest challenge is the City growing at a rapid rate, where traffic and people from the outside are coming into the City and stealing.

Joel Haugen asked Norm Miller if he has projected when he anticipates adding personnel?

Norm Miller replied he would take personnel right now, but in reality he knows it is not feasible. He stated every department needs personnel because we are in a rapid growth phase here and we are trying to play catch up. He stated the Budget Committee should be proud of every employee in here because they work very hard behind the scenes and do things just so we can get by. He stated Jill does a fabulous job, going above and beyond making sure everyone knows the budget. He doesn't think she gets enough praise for that.

Joel Haugen stated following up on Teresa's question, he asked are you comfortable with the compensation levels of like communities.

Chief Norm Miller replied yes.

City Manager Sykes stated that is why we are excited about the property that was annexed into the City because that will give us a little bit more money to add staff.

Rich Riffle asked about the Police vehicles that are still being leased.

Chief Norm Miller replied the Police Department has four vehicles that are still being leased and they will be paid off in November of 2018. He explained since we have created the equipment fund we were able to buy two new police vehicles. He explained in the budget there are the two portable speed readers, which can be placed around the City.

Parks Department

Public Works Director Dave Sukau introduced himself and explained he has been on the job for about 3 months now. He gave a little background on himself.

Field Services Supervisor Doug Nassimbene went over the Parks Department Line item. He explained he manages five employees that are part of Field Services. He explained they have six total departments that they take care of and maintain. He explained Parks is one of them, so it is

a total team effort. He explained the City is growing so they are planning and preparing for that. He explained in the Parks Department they do have 2 FTE's, one full time parks employee, and one employee who works half time in Parks, then the other half he provides some admin help. He stated really we only have 1.5 staff to maintain the parks.

Public Works Director Dave Sukau explained one thing to note, with the City's growth there are a lot of proposed parks coming so please pay attention to the 1.5 employees to help take care of the parks that are coming.

Field Services Supervisor Doug Nassimbene explained 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 \$1,046,999. This figure represents personnel services costs of \$232,788, and material and service costs of \$86,262. The fund also has \$700,000 identified for capital outlay projects. These projects include additions to Heritage Park, Miller Park improvements, and matching grant money for development of Seely Lane Park. There will be \$27,949 transferred to the Administration Department.

Public Works Director Dave Sukau explained as of right now there have been conceptual drawings done for a park on Seely Lane. He explained Miller Park had some drainage/flooding issues, and they are planning on improving drainage this year and installing the play structure as soon as possible. He explained the crew is really excited to get that park going.

Scott Burge explained Miller Park was purchased and dedicated park space because there were drainage issues there, so it doesn't surprise him about the drainage issue.

Public Works Director Dave Sukau explained what they are going to do is design Miller Park and put the play structure where it doesn't flood. He explained Heritage Park is nearing completion. He explained later in the summer the Rotary Club will be working on the fountain installation. He stated they are hoping to have Heritage Park completed by August.

Rita Bernhard stated Veterans Park has been a really good asset for the City and probably one of the best parks projects that she has seen so far. She stated her only comment would be it might be helpful to have more swings.

Public Works Director Dave Sukau explained there is a Park Master Plan coming out soon that might dictate that. He wanted to note that maintaining Veterans Park is almost a full time job for one person.

Rita Bernhard replied he does a wonderful job on it.

Brandon Lesowske asked if there were to be an access point at Chapman Landing is there any thought to have a fee for service?

Public Works Director Dave Sukau replied as a City we have been trying to come up with a strategy for fees for service just to help create more revenue for the parks. He would say it is a work in progress at this point.

City Manager Sykes replied we will probably look at the fee for services next year.

Teresa Keller asked what kind of park will be on Seely Lane?

Public Works Director Dave Sukau replied that park will have a more natural theme to it, more earthy type play structures, also a proposed gazebo.

Municipal Court

Finance Administrator Jill Herr went over the Municipal Court line item. The Municipal Court's budget is \$295,393. Within that budget, \$103,835 is budgeted for personnel services costs. The materials and services budget is \$187,370. Of that amount, contractual services for the Judge, City Attorney, court appointed Attorneys and Prosecuting Attorney represent \$114,900. The second largest expenditure in the materials & services is assessments at \$54,000. There will be \$4,188 transferred to the Administration Department.

Scott Burge explained there is a Council Subcommittee that is looking at the municipal court and its operation and deficiencies, also on the committee is the Chief of Police and the City Manager.

Rich Riffle asked what is the small equipment?

Finance Administrator Jill Herr replied that would be printers and other simple office equipment.

Planning

City Planner Laurie Oliver explained the common theme tonight is that the City is growing, and that usually starts in her department. The Planning Department is committed to serving existing and new residents and businesses with comprehensive planning services in the belief that a growing community can remain livable, can meet the needs of its citizens, and can 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.

VISION FOR THE YEAR: The Planning Department assists citizens with new industrial, commercial, and residential development projects. The primary Planning Department focus for the year will be long-range activities including completing the Buildable Lands Inventory and Housing Needs Analysis; and reviewing and updating the Comprehensive Plan and/or Development Code to incorporate best practices and improve consistency. **COMPLIANCE WITH COUNCIL GOALS:** Complete Housing Needs Analysis/Residential Buildable Lands Inventory, Update Comprehensive Plan with Master Plans, Coordinate with County to Explore Alternative Route to East Airport, Sponsor 3rd Annual Town Meeting, Update Ordinances and Codes. The budgeted amount from the General Fund for the department is \$206,132. The Planning Department anticipates revenue of \$45,000. Personnel services costs are budgeted at \$123,134. Material and services costs are estimated at \$70,665. There will be a transfer to the Administration Department of \$27,333.

Scott Burge asked if our planning fees are low or high?

City Planner Laurie Oliver replied she will be proposing changes in the fee resolution.

GENERAL FUND NON-DEPARTMENTAL

Jill Herr explained this is basically just used for transfers out of General Fund to other funds.

Law Enforcement Assessments Fund

Chief Norm Miller explained the Law Enforcement Assessment Fund is based on court assessments. He explained the fee is \$25 on citation violations and \$50 on criminal, and they have to be convicted in order for these to be assessed. 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. Continued community safety initiatives, Donut Day, Halloween Safety, Maintain community Safety, National Night Out, Ice Cream Social, Citizen Academy, and Safety Equipment for Officers in the Field. This year there is working capital carryover of \$32,268. The fund anticipates intergovernmental revenue of \$15,000 and interest income of \$220. Total fund resources are estimated at \$47,488. The fund anticipates spending \$15,000 in training activities and \$15,000 for equipment. The fund has a contingency of \$17,488.

Watts House Fund

Finance Administrator Jill Herr went over the Watts House Fund. This fund was established to provide a more efficient method of tracking Watts House expenditures and to provide revenue for expenditures related to the Watts House. This year has a beginning working cash carry over of \$26,785. The fund anticipates revenue of \$200 in interest, \$20,000 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 \$66,985. The fund anticipates spending \$9,880 for materials and services. Under capital outlay \$50,000 has been budgeted to replace the front porch. Contingency is budgeted at \$7,105.

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. Vision for the year is to upgrade the sound and video system in the City Council Chambers. The fund has a beginning cash position of \$100,749. The fund anticipates PEG Fee revenue of \$9,600, the city collects .52 cents per user per month and the franchise agreement expires 12/2022. Total fund resources are estimated to be \$111,549. The fund expects to spend \$35,200 for materials & services and contingency is budgeted at \$76,349.

Building Fund

Building Official Don Sallee went over the Building Fund. 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. Vision for the year: With the economy looking to be more robust, the Building Department estimates that more than 80 new residential building permits could be taken out this year, along with remodel permits for residential and commercial. The Building Department also anticipates some new commercial and industrial building permits being issued. Compliance with Council Goals: Support development of OMIC/PCC, Help on updating Public works design standards, Update Ordinances and Codes. The Building Fund begins the year with a starting position of \$227,906. Permit revenue and miscellaneous fees are anticipated to be \$280,000. Total anticipated revenue for this fund is projected to be \$281,400 and total fund resources are expected to be \$509,306. Personnel services costs are budgeted at \$259,932. The Materials and services are estimated at \$63,140. There will be a transfer to the General Fund of \$26,182. The contingency is \$130,052.

Street Fund

Field Services Supervisor Doug Nassimbene went over the Street Fund. 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 Street Fund is funded by monies received from multiple sources. These include; state gas tax revenue which are based on dollars per capita of our city, the Federal Surface Transportation Program Fund, infrastructure fees, and intergovernmental revenue. Intergovernmental Funds are going to be used to help fund the West Lane Road Improvement Project. The proposed budget shows beginning cash balance of \$948,441 with anticipated current year revenue of \$1,945,059. Beginning with interest income of \$4,700, the state gas tax revenue is \$386,975, surface transportation program at \$289,841, infrastructure inspection fees at \$40,000, and intergovernmental revenue of \$1,188,543. The total resources for this fund is \$2,893,500. The proposed budgeted expenditures for the Street Fund are \$2,893,500. Beginning with personnel services, costs are budgeted at \$397,244. Materials and services are budgeted at \$244,404. The fund also budgeted \$2,114,045 for capital outlay projects. Capital outlay projects include equipment purchases for a Fork lift, Pavement Roller and Trailer, street improvements project, West Lane Road improvements and Crack Sealing. There is also \$83,388 in transfers. The fund anticipates a contingency of \$54,419.

Public Works Director Dave Sukau explained as far as capital outlay you are going to see a pretty big spike in it and the bulk of that is the West Lane project that is coming which will include widening West Lane Road. He stated as mentioned we are going to start doing more in-house work, because there is no reason to outsource crack sealing paving, that type of work.

Foot Paths & Bicycle Trails Fund

Field Services Supervisor Doug Nassimbene 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. Vision for the year: Develop a plan to create new trails within the City. Compliance with Council Goals: Begin to develop a South Scappoose Creek Trail Plan, Crown Zellerbach Trail Beautification. The beginning working capital carryover for the Foot Path and Bicycle Trails fund is \$33,047. The fund anticipates revenue in the amount of \$4,259. The City expects to receive \$3,909 from state gas tax revenue and \$350 from interest income. The total revenue for the fund is \$37,306. The City plans to spend \$3,000 for repairs and maintenance of existing foot paths. This fund also has \$30,000 in capital outlay towards developing new trails. The fund anticipates a contingency of \$4,306.

Public Works Director Dave Sukau explained as far as capital outlay the bulk of it is proposed to go to the Vista property development up on the hill.

Teresa Keller asked where the trail along the Scappoose Creek will be located?

City Manager Sykes replied we are not sure yet, but there is a lot of work just trying to figure that route out.

Brandon Lesowske stated last year at the Budget Committee we had a discussion about potentially coming up for a plan for safe streets for students, like a student walking path. He asked has there been any continued conversation or thoughts regarding that?

City Manager Sykes replied if you look at a component of the Transportation System Plan it includes sidewalks and those kind of improvements. He explained we have looked into safe routes to school programs with the State and there is a Bill in the Legislature that will fund if it passes. He explained the other thing is we have talked about is doing that ourselves and that is one of the Goals for the City Council. He explained there has been discussion in regards to a trail being placed along the eastside of the railroad lines from the High School to the Crown Zellerbach trail and we are hoping to try to leverage some funds to help pay for that because it really is a safety issue.

Storm Water Drainage Fund

Field Services Supervisor Doug Nassimbene went over the Storm Water Drainage Fund. He explained with Council passing the Storm Water Fee it is nice to see this fund growing to help with expenditures. This fund was established with the intention to provide the revenue needed to meet Federal and State storm water requirements. Vision for the year: Develop a Storm Water Management Plan and provide maintenance to the system. Compliance with Council Goals: Address aging infrastructure, Update Storm Water Master Plan, Update Public Works Design Standards, Update SDC Fees. The beginning Storm Drainage fund balance is \$230,928. The budget anticipates revenue of \$1,800 from interest income. The Storm Drainage Fund expects to collect \$163,420 in Storm Water user fees. Total current resources are \$165,220 and total resources for the Storm Drainage Fund is \$396,148. The fund anticipates expenditures of

\$104,600 for materials and services. In capital outlay \$100,000 is for Scappoose Bay Watershed OWEB grant, and \$8,000 is for a push camera to help inspect our infrastructure. The contingency line item is \$148,548.

Scott Burge asked about purchasing a street sweeper.

Jill Herr explained this year we are going to hold off purchasing the street sweeper and contract that out for now.

Teresa Keller stated when we contract that out can the street sweeping dates be put into the newsletter?

Field Services Supervisor Doug Nassimbene replied yes that is something we can do by getting more of a set schedule.

Public Works Director Dave Sukau explained they have assessed things in regards to street sweeping and in the reality of things it is really only a week or two of cleaning the streets and we assessed that it is more critical right now to get the maintenance up and going on our streets rather than just sweeping them. He explained it is not that we aren't looking at one in the future, but at this point we feel we can contract out for cheaper.

Storm Water Drainage SDC Fund

Field Services Supervisor Doug Nassimbene went over the Storm Water Drainage SDC Fund. Purpose: The Storm Drainage System Development Charge is the mechanism by which the City of Scappoose collects funds from developers to pay for future storm water improvement needs generated by development. Vision for the year: The focus for this year will be to update the Storm Water Master Plan. Compliance with Council Goals: Update Public Works Design Standards, Update Storm Water Master Plan, Update SDC Fees and Develop Capital Improvement Plan. The Storm Water Drainage SDC fund has a working capital carryover of \$479,420. The fund expects to collect \$48,411 in SDC fees, and \$3,600 in interest income for a current year resource total of \$52,041. The total fund resources are \$531,461. On the expenditure side the city has budgeted \$200,000 for capital outlay to update the Storm Water Master Plan, approved Storm Water projects and a transfer of \$2,422 to the General Fund to cover administrative costs. The contingency is budgeted at \$329,039. The total expenditures for the storm SDC fund is \$531,461.

Public Works Director Dave Sukau explained as far as capital outlay ultimately for this next year it is going to be the Stormwater Master Plan, which is a major undertaking.

Street SDC Fund

Field Services Supervisor Doug Nassimbene 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 both previous excess capacity improvements and to have funds available to pay for future improvement needs generated by development.

Vision for the year: Develop a plan for improving City Streets. Compliance with Council Goals: Update Public Works Design Standards, Develop 5 year CIP, pavement management program, Work with County to improve County Roads within the City, and Coordinate with County to explore alternate route to east side of airport. The Street SDC fund is projected to have a beginning cash balance of \$704,947. The fund anticipates a collection of SDC revenue of \$156,320 and interest revenue of \$5,500. Current year resources total \$161,820 and the total estimated fund revenue is \$866,767. The proposed expenditures for the Street SDC fund are \$866,767. Capital outlay projects total \$300,000. The yearly loan payment for Crown Zellerbach Road is \$56,213. This loan will mature in 2019. A transfer to the General Fund of \$7,816 to cover administrative costs and the contingency line item is \$502,738.

Public Works Director Dave Sukau explained, in regards to capital outlay as far the funds from this, will go towards engineering.

Parks SDC Fund

Field Services Supervisor Doug Nassimbene went over the Parks SDC Fund. Purpose: The Park 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. Vision for the year: The Parks SDC fund will develop Seely Lane Park, finish the parks master plan, and complete the Chapman Landing land acquisition. Compliance with Council Goals: Complete Park Master Plan, Update Public Works Design Standards, Complete Chapman Landing Acquisition, Begin to develop a South Scappoose Creek Trail Plan, Decide future of pool property/explore future pool options/explore ballot measure issues. The beginning working capital carryover for the Parks SDC fund is \$238,854. The City anticipates \$350 in interest revenue and \$160,654 in SDC revenue. The total fund revenue is \$161,004, bringing the total resources to \$399,858. For expenditures, the City has budgeted for \$300,000 in capital outlay to assist with development of Seely Lane Park. Debt service in the amount of \$42,626, this loan matures in 2022. There will be a transfer of \$8,033 to the General Fund to cover administrative costs. The fund has a contingency of \$399,858.

Public Works Director Dave Sukau explained Park SDC funds will be mostly devoted to the Seely Lane park development.

Pool Fund

Finance Administrator Jill Herr went over the pool fund. Purpose: 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. 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 \$361,968. Interest income is projected to be \$4,000. Total fund resources are \$365,968. The budget anticipates expenditures of \$63,794 for debt service. This loan is for the property located on SE 2nd Street, this loan matures in 2022. The fund anticipates a contingency of \$302,174.

Scott Burge explained what has always scared him about an indoor pool is not the building of it but the maintenance of it. He explained an outdoor pool is a different story, the maintenance would be cheaper.

Joel Haugen asked how we go about getting rid of this.

Scott Burge stated technically because it is a City ordinance the City Council can just get rid of it.

Jill Herr stated it was a ballot measure.

Scott Burge explained our attorneys explained this to us at least five times that because it is just a City Ordinance, under the law the people that can change the ordinances, are the City Council ultimately. He explained when the voters vote on a change, Council still adopts it.

Joel Haugen replied he thinks we need that on the agenda.

Rita Bernhard stated it is a very controversial issue and has been for a lot of years. She feels it should go before the public.

Joel Haugen stated he thinks the pool issue should be forwarded to the voters and let the will of the voters speak, maybe it can be reallocated for parks and trails, or something functional.

Scott Burge stated he doesn't have a problem sending it to the voters asking if they want to build parks with the money instead of a pool.

Brandon Lesowske also feels this should go before the public.

Megan Greisen stated people just don't know about the cost of maintenance, and so they just need to be educated.

City Manager Sykes stated this sounds like a future work session for City Council.

Unemployment Insurance Fund

Finance Administrator Jill Herr went over 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. Budget notes: The proposed budget has a beginning cash position of \$70,858, interest income of \$725 and total fund resources are \$71,583. There is an anticipated expenditure of \$35,500 in the personnel services to cover any past and future claims. The fund has a contingency of \$36,083.

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: Maintenance and operation of the existing system, water source expansion, and replacement of aging infrastructure will be this budgets year's focus. Compliance with Council Goals: Increase water production capacity, Update Public Works Design Standards, Develop Capital Improvement Plan, Address aging infrastructure Update Water Master Plan. For the 17-18 budget year, the Water Fund will begin with a cash carryover of \$2,155,382. The fund expects to collect \$1,225,928 in charges for services, \$814,390 in charges for services infrastructure and \$20,000 in interest income. The total fund revenue is \$2,160,700. Proposed expenditures in the water fund include \$822,807 for personnel services, \$544,849 for materials and services, and \$1,061,470 for capital outlay. The fund budgets \$175,867 for debt service and \$138,932 for transfers to other funds. The fund has a projected contingency of \$572,157 and an unappropriated ending fund balance of 1,000,000. This will help us address future needs of the plants aging infrastructure.

Public Works Director Dave Sukau explained in regards to capital outlay projects they will be installation of the new well out at Dutch Canyon, the Water Master Plan completion, dam maintenance program, and also pump and filter replacement. He explained another thing is to complete the water meter replacement program.

Teresa Keller asked about the budgeted amount for an engineering assistant?

Public Works Director Dave Sukau explained we have a temporary engineer on staff who has been helping work through construction management of projects that are up and coming with the parks. He explained the biggest thing we are looking for in the future is for this person to assist with the West Lane projects, provided that everything moves forward there. He explained we are looking at a full time person.

Scott Burge asked what is the vehicle being purchased?

Public Works Director Dave Sukau replied we are looking at getting a utility truck which will hold all the tools on board that staff needs.

Finance Administrator Jill Herr explained the payment for the dump truck will be coming out of this fund, but will get funds transferred in from other department funds.

City Manager Sykes explained another big ticket item last year was cleaning the dams out and we were fortunate to get FEMA money to help pay for it.

Public Works Director Dave Sukau talked about other expenses in this fund which are aging infrastructure, like the water line coming from the dams which is circa 1955 and it is basically a continual leak source.

City Manager Sykes explained just a side note about this fund that he thinks is important to note is how we still have that unappropriated ending fund balance which we got from the timber harvest, which we have left alone. He stated also we have been able to beef up the contingency, which is pretty important.

Public Works Director Dave Sukau stated you will see projects coming to replace pipes but not until we have the Master Plan back which will dictate to us what will be the most urgent.

Treatment Plant Supervisor Darryl Sykes explained we have an enormous list of deferred maintenance in the system.

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 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. 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 Water Master Plan. Budget notes: Update Public Works Design Standards, Develop Capital Improvement Plan. In the proposed budget, the Water SDC fund begins the year with a projected beginning cash position of \$401,002. Anticipated revenue is \$496,567 coming from three sources, \$400 from interest, \$401,530 from Water SDC's, and a transfer of \$94,637 from the Utility Water Fund to cover debt service payments. Total fund resources are \$897,569. Expenses within the fund include debt service in the amount of \$278,343. 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 \$20,077 to the General Fund for SDC administration. The Water SDC Fund anticipates a contingency of \$499,149.

Public Works Director Dave Sukau explained funds from this account are going to help fund Public Works Design Standard updates. He stated some of our standards are outdated so we are going to bring them up to current standards, and also update things that are more applicable to our City. He explained the other thing will be engineering, to correlate with the Master Plan.

Finance Administrator Jill Herr explained it is almost 9:00 p.m. and we maybe have another fifteen minutes so we could either extend the meeting, or come back in a week to finalize the meeting.

Rich Riffle moved to extend the meeting, as long as they keep it on track, Ty Bailey seconded the motion to extend the budget committee meeting passed 9:00 p.m. Motion passed (10-1). Teresa Keller, aye; Rita Bernhard, aye; Rich Riffle, aye; Brandon Lesowske, aye; Megan Greisen, aye; Sandie Wiggs, aye; Natalie Sanders, aye; Michelle Brown, aye; Joel Haugen, aye and Ty Bailey, aye. Scott Burge, nay.

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 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. Vision for the year: The Wastewater Fund will continue to focus on biosolids handling. The biosolids screw press installation and dry solids storage building are priority items early this fiscal year. The facility plan update will be completed and long term priority upgrades will be in the design phase. Compliance with Council Goals: Develop a Long Term Comprehensive Community Vision, Capacity Upgrades -Wastewater treatment and collections, Complete Wastewater Master Plan, Addressing Aging Infrastructure. The Wastewater fund will begin the year with an \$891,359 beginning cash position. The fund anticipates revenue of \$1,771,000. Total operating revenue in this fund is projected to be \$2,672,359. Expenditures within the department include \$813,089 for personnel services, \$564,494 for materials and services and \$504,795 for capital outlay. The fund budgets \$127,478 for two principle and interest payments, loan R06809 which matures in 2031 and US Bank loan which matures in 2021. The fund budgets \$123,776 for transfers and has budgeted a contingency of \$238,727.

Brandon Lesowske asked Kevin if he is running at capacity.

Kevin Turner replied we are beyond capacity.

Wastewater SDC Fund

Treatment Plant Supervisor Kevin Turner went over 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 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. Vision for the year: Complete the facility plan and planning for long term biosolids handling are top priority this year. Compliance with Council Goals: Address aging infrastructure Update Storm Water Master Plan Budget notes: Update Public Works Design Standards, Develop Capital Improvement Plan. The Wastewater SDC fund has a beginning cash position of \$811,085. The City anticipates receiving \$6,000 in interest income and \$355,425 in SDC fees. Total resources for the fund are \$1,172,510. Projects proposed include \$100,000 for predesign on biosolids storage and \$210,375 to complete the screw press project and storage buildings. The

fund contains a transfer to the General Fund of \$17,771 for administrative costs and a contingency of \$844,364.

Public Works Director Dave Sukau explained there is significant progress being made in the Waste Water Department. He explained right now our treatment plant is overwhelmed with biosolids and Kevin has come up with a new system to help alleviate that. He explained basically we are going to turn it into a solid product that we will store in a building at wastewater and when the time comes at the end of the summer we will go out and spread it out on the land. He stated that is a big step for the City. He explained another thing staff is going to get very aggressive about is I & I, which is basically rainwater getting into the sanitary lines and it is overwhelming the treatment plant in the winter time. He explained in this fund we are also going to be purchasing some equipment to make this whole process happen like a forklift and a tractor.

Treatment Plant Supervisor Kevin Turner explained there is almost \$400,000 of the \$564,000 that is dedicated to the biosolids process.

Brandon Lesowske asked if the waste water treatment plant is running at full capacity.

Treatment Plant Supervisor Kevin Turner replied with sludge we are beyond capacity.

Brandon Lesowske asked with the growth happening what type of long term operational and infrastructural needs do you expect you will need.

Treatment Plant Supervisor Kevin Turner replied we are just about complete with our Facility Plan. He stated it looks like we will see an increase in our peak flow to about 5.2 million, where 20 years ago it's 3.5 million so we will see a significant increase, but there are some capacity issues with the existing equipment. He stated the sludge part of it will give us some relief so we can buy some time and transition.

City Manager Sykes stated the good news is we are making pretty good progress in that area with the biosolids system.

GO Water & Wastewater Debt Service Fund

Finance Administrator Jill Herr went over the GO Water & Wastewater Debt Service Fund. 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 resources in this fund cannot be used for any other purpose. Vision for the year: Continue to make payments on the General Obligation Bonds that will mature in 2020. Budget notes: The Debt Service fund is projected to have \$26,372 as cash carry over. The City anticipates receiving revenue of \$44,632, mostly from property taxes. The collection rate for property taxes is 93% and the assessment rate for this fiscal year is .077 per \$1,000. The total fund revenue is \$71,154. The total expenditure in the fund is \$51,154. The loan payment is \$50,837 per year and matures in 2020, contingency is budgeted at \$317.

Airpark Water Improvement Debt Service Fund

Finance Administrator Jill Herr went over the Airpark Water Improvement Debt Service Fund. 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. Vision for the year: The fund will make loan payments for the West Lane water line. Budget notes: The fund has a beginning cash position of \$90,656. The fund anticipates \$18,560 from the Port of St. Helens. There is one loan associated with the Airpark Water line project, which matures in 2018. Expenditures in the fund total \$109,216. There will be a final debt service payment in the amount of \$30,318 and a transfer in the amount of \$77,382 to the water fund to close out the fund.

Finance Administrator Jill Herr explained the next tab is the schedule of all of our debt.

Finance Administrator Jill Herr explained the next tab shows the transfers.

Finance Administrator Jill Herr went over the notes she took during the Budget Committee meeting ~ the pool is on the short list for a work session, history of prediction chart, and the transient tax related to the RV Park.

Joel Haugen, along with several committee members thanked Jill for her work on the budget.

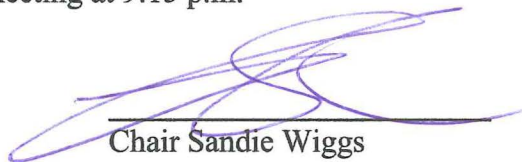
Rich Riffle moved, and Rita Bernhard seconded the motion to recommend the 2017-2018 Budget to the City Council. Motion passed (11-0). Scott Burge, aye; Teresa Keller, aye; Rita Bernhard, aye; Rich Riffle, aye; Brandon Lesowske, aye; Megan Greisen, aye; Sandie Wiggs, aye; Natalie Sanders, aye; Michelle Brown, aye; Joel Haugen, aye and Ty Bailey, aye.

Calendar Check

No further Budget Committee meetings needed this year.


Adjournment

Chair Sandie Wiggs adjourned the meeting at 9:15 p.m.



Chair Sandie Wiggs

Attest:



Susan M. Reeves
City Recorder