



City Budget Committee Meeting

May 18, 2021 6:00 P.M.

Coburg City Hall

91136 N Willamette Street

Via Virtual Conference

MEMBERS PRESENT: Linda Kroeger, John Fox, Patty McConnell, John Lehmann, Nancy Bell, Sharon Taylor, Todd Waters, Terry Dawson, Jeffrey Milam.

MEMBERS ABSENT: Marcus Alexander, Kyle Blain, Paul Thompson.

STAFF PRESENT: Ray Smith, Mayor; Sammy Egbert, City Recorder; Anne Heath, City Administrator; Mandy Balcom, Court Administrator; Brian Harmon, Public Works Director; Tim Gaines, Finance Director; Larry Larson, Chief of Police.

RECORDED BY: Jayson Hayden, Lane Council of Governments (LCOG).

1. CALL TO ORDER

Mayor Smith called the meeting to order at 6:01 P.M.

Mayor Smith welcomed members and staff and began by stating that the meeting was being held via webinar with audio and video recording. To participate in the meeting you must have registered with the City prior to the meeting. If the meeting were disrupted a 5 minute recess would be taken and if that did not correct the issue the meeting would be rescheduled.

Mayor Smith gave some Zoom tips, including muting when not speaking and remembering that the meeting was live and recorded. To get the chair's attention he said to press the raise hand button in Zoom or place your hand in front of the camera.

He explained that voting would be done by show of hands. If a member did not have a camera they would be called on directly after the visual vote.

2. ROLL CALL

Ms. Egbert called roll and a quorum was present.

3. MAYOR'S WELCOME

Mayor Smith reminded the Council that the Mayor did not vote unless there is a tie. He explained that the governing body and an equal amount of citizen representatives made up the Budget Committee, and that the Mayor was not a member and only ran the meeting.

Mayor Smith began a presentation outlining the following Council goals:

- Livability, Health, and Vitality
- Utilities and Infrastructure Capacity
- Dynamic Operational Capacity
- Responsible Fiscal Stewardship
- Strategic Planning
- Economic Development
- Citizen Committees and Commissions

He added that citizen committees and commissions were vital for two-way communication with the community.

Mayor Smith shared an illustration of the project list, outlining which agency is involved with each project.

Mayor Smith showed an illustration describing priority-based budgeting. He described staff presentations to the Council at yearly retreats which included staff wish lists, issues and concerns, and detailed information on how the City was operated. He explained that the Council then compared their goals with information gathered from staff to determine project priority. He said that the budget was then presented to the community.

Mayor Smith then shared a list of projects not on the priority list from last year, noting that the pandemic caused many issues. He explained that the Declaration of Emergency created changes in City Hall operations and in interaction with the public, and the effect on how public meetings were held. He noted the change in interaction with partners, that the bigger agencies in Lane County were probably more hampered by the pandemic. He said that Ms. Heath and others had to spend a lot of time writing up and meeting evolving state OSHA requirements and policy updates. He shared that Chief Larson had reviewed current policing policies, making sure to keep up with national standards and how Coburg can improve.

Mayor Smith added that Coburg police were called to the McKenzie River wildfire, describing how police had to monitor the area and deal with animal recovery, spending well over a couple hundred hours of time there.

Mayor Smith stressed the focus on supporting local businesses which were hanging on with community support.

Mayor Smith outlined the importance of Zoom meetings and hoped to return to normality soon but noted the benefit of increased attendance.

Mayor Smith shared that City revenues were stable, commending Ms. Heath's work in watching these numbers through the year.

Mayor Smith explained that strong community leadership was due to the current group of councilors, commending their good decision-making and constructive discussions. He added that City staff were all working and healthy, noting their hard work maintaining the safety of their work environment and the safety of the community.

Mayor Smith said that projects were moving forward but noted that restrictions on other agencies and contractors were a hindrance.

He explained that the City's partners were working together to address challenges in transportation and annexation. He said that City services were continuing uninterrupted and applauded the staff for their hard work.

Mayor Smith noted that downtown businesses were still hanging on and urged the community to continue supporting them.

Mayor Smith shared an illustration describing what the Budget Committee does, explaining that committee members should represent the citizens, hear the budget message, review the proposed budget, and ask questions of the staff.

He shared a slide of what the Committee does not do, noting that the Mayor is not a member of the governing body and does not vote unless to break a tie. He added that the Committee does not decide policy, salaries and contract terms, or if a service or program will be provided. He said the Committee does not have the final vote on the adopted budget, noting that state law required this to be handled by the City Council.

Mayor Smith outlined the budget process on Zoom, reminding members to give the Chair a chance to see and recognize them and to mute when not talking. He explained that staff would not give presentations in their entirety but would ask the Budget Committee for questions or statements on each slide presented. He added that questions not related to the department would be recorded and answered later. He again stressed the importance of raising hands, making yourself visible to the Chair, and keeping yourself muted.

Mayor Smith thanked the Committee for their service to the City and thought that the City was in a good position after the pandemic and would have a good year.

4. ELECTION OF BUDGET CHAIR & VICE CHAIR

Mayor Smith explained the Oregon revised statutes which required that at the first meeting a presiding officer was to be elected from the members, noting that the Chair and Vice Chair could be any member of the committee, governing body, or elector.

Mayor Smith asked for any discussion. Hearing none, he offered to entertain a motion to elect a Chair.

MOTION: Ms. Taylor moved, Mr. Dawson seconded a motion to elect Linda Kroeger as Chair of the Budget Committee for the 2021 meetings. The motion passed unanimously.

Chair Kroeger asked for a motion to elect a Vice Chair.

MOTION: Mr. Lehmann moved, Mr. Milam seconded a motion to elect John Fox as Vice Chair of the Budget Committee for the 2021 meetings. The motion passed unanimously.

5. BUDGET MESSAGE

Ms. Heath began her presentation on the budget message, noting that the full budget message from each department was included in the book provided. She explained that the meeting would touch on important elements and goals and added that she wanted to avoid duplicating any information and Zoom fatigue.

6. BUDGET BINDER MATERIALS REVIEW

Ms. Heath shared a slide comparing audited statements from 2015-2020. She said the net position of the City had increased, along with the general fund balances and cash and investments. Ms. Heath noted that capital assets had decreased due to sewer work and depreciation in 2014 and 2015. She shared that debt had significantly decreased, partly due to refinancing City loans. She said that taxes had increased while land use development fees had fluctuated depending on what developments were going on. She noted there were no loans or expenses due to other funds in 2020 and that contingency reserves were at \$900,000. Ms. Heath added that the City was continuing a good trend, noting several substantial projects that had been saved up for including the water fund and park projects.

Ms. Heath shared work plan highlights, explaining the process for determining when a new staff member is needed. She said that staff being overwhelmed was a good indication, but that growth was also considered.

She outlined last year's investment in the community buildout scenario plan and the need to look at how the plan would affect each department, including the growth of residential home development and the annexation of the eastside property. She said that the focus this year was to look forward and stressed the importance of tracking how much time is spent on things such as public works calls and police activity which would help inform the need for more staffing.

Ms. Heath described the focus on completion of planned capital projects such as water and possible streets and parks projects. She stressed the importance of improving communications with the community by notifying citizens through newsletters, utility billing, and social media, and described a new platform called Civic Ready which would push information to citizens who opt-in via text message. Ms. Heath said that addressing the transportation concerns with regional partners was an important goal. She described the upcoming City Hall maintenance, much of which had been held off.

She explained that the Council was working to implement the Transportation Utility Fee (TUF), the first reading of which would be in June and the second in July, adding that the community would receive informational brochures again.

She said that the committees and commissions had done their own work plans this year, mimicking the staff's work plan.

She explained that planning for community resiliency continued to be important, noting solar panels for City Hall and public works buildings, and emergency fuel storage.

Ms. Heath described updates to the development code and their alignment with the transportation plan.

She shared that Coburg had been accepted into a grant program along with LCOG and the cities of Eugene and Florence which would provide a broadband analysis and plan. She added that they were working on planning with an independent broadband company that had leased fiber into Coburg but that this would depend on federal funds being made available.

Ms. Heath stressed the importance of economic development through supporting Main Street, recovering businesses, and making sure festivals and visitors were returning.

7. PROPOSED FY2021-22 BUDGET REVIEW

Ms. Heath shared a short form of the overall budget from 2021-2022, noting that the \$15,287,000 budget was \$3.3 million more than last year due to capital projects, including \$3.083 million in water projects alone. She showed \$1.5 million in street projects if they went forward and the TUF were implemented, noting that streets were listed under materials and services as street repair could not be capitalized. She explained that the \$2.2 million increase in expenses included the \$1.5 million in street repair. She noted that an increase in allocations, both in public works salaries and in allocations from the funds that utilized a majority of the administration, was due to the amount of public works projects going on. Ms. Heath showed a \$1.1 million contingency which was \$450,000 more than the previous year, and an ending fund balance increase of \$450,000. She explained a slight budget adjustment was mainly to cover staffing costs and capital projects that were pushed back from last year due to Covid. She noted that a supplemental budget was not needed as there were enough contingency funds.

8. DEPARTMENT PRESENTATIONS & OVERVIEW

- **Administration**

Ms. Heath shared a slide showing administration goals which emphasized maintaining staff capacity that matched the essential service needs of the City and maintaining City Hall. She explained the need to continue building leadership at every level, supporting department directors, and improving communications while representing the community at a regional and state level. Ms. Heath said that the City was considering rebranding the City logo.

Ms. Heath outlined the City Recorder priorities which included providing support to the Mayor and City Council and coordinating public meetings. She added that the largest record request in city history had involved weeks of work for Ms. Egbert and that office administration maintaining customer service was a priority.

Ms. Heath explained that an administrative assistant had been budgeted for last year but had not yet been hired due to Covid and that a full-time position was again in the budget. She added that records retention was being worked on and that they were moving to online payment options for utility billing.

Ms. Heath hoped to continue FEMA training for staff and to continue growing the citizens response team, stressing the importance of emergency fuel storage and emergency drills. She noted the priority of pursuing mutual agreements with other agencies and continuing to stock the response trailer.

- **Planning & Economic Development**

Ms. Heath shared a slide outlining planning and economic development and described an internal position posting for Staff Planner, noting that there was already a candidate with a master's degree in planning on the staff. She said the transportation system plan was being updated and the storm water master plan was continuing, adding that a committee had also been working on code development.

Ms. Heath explained that the goals of the Planning Commission included becoming more educated about planning and land use in Oregon and also educating the community on land use. She added that the Heritage Committee had its own goals this year. Ms. Heath said they were also working on tightening up planning department processes and procedures.

- **Finance**

Mr. Gaines began his presentation on the finance department, outlining the goal of implementing new financial software to maximize staff efficiency. He also wanted to improve the accounts payable process. He shared that a wage study for the City had been completed but had not yet been analyzed before being presented to council. Mr. Gaines expressed the desire to improve equipment processing and the process to determine necessary tool purchases or free products when available. He noted the importance of retaining employees in a small city.

Mr. Gaines wanted to make sure that tracking capital projects was as easy as possible and that they were more visible to the public. He added the need to examine their banking services to make sure they were getting the best value. He explained that the increased efficiency required by a small city was due to a lack of staffing available.

Mr. Lehmann asked if software improvements were in the budget, Mr. Gaines answered that it would take at least 12 months to implement new software, so a price was not available yet, and that budgeting was for support for the current software.

Mayor Smith thanked Mr. Gaines for his presentation.

- **Police Department**

Chief Larson began his presentation on Police Department goals and priorities. He outlined some challenges from the past year, including moving to a new dispatch center and adjusting policies to meet changing national standards.

He shared that the department needed a new patrol vehicle to continue to keep the fleet up to date and added that new Surface Pro tablets were needed in order to run the new dispatch system in patrol cars.

Chief Larson updated the Committee on the training budget, noting that the cost of ammo had gone up and explaining the need for continuous costly training courses.

Vice Chair Fox asked for more detail about the legislative reforms and policies, whether they were national, state, or local policies. He asked if coffee with a cop was still being used to connect with the community. Chief Larson responded that use of force policy regarding chokeholds had to be redone, as well as bias-based policing, de-escalation training, and ethics requirements had all changed. He added that he would love to begin coffee with a cop again.

Vice Chair Fox asked if staffing Harrisburg with reserve officers was a challenge, Chief Larson answered that it was, and that around 80% reserves were covering it at that time.

Mr. Lehmann hoped that a new vehicle was being proposed for this year, Chief Larson agreed and said that a new Dodge Charger had been purchased with a \$22,000 donation in 2017 and wanted to buy a vehicle every couple years. Mr. Lehmann asked the price range of these vehicles and Chief Larson answered that \$55,000 was standard.

Mr. Lehmann asked about the -\$61,000 under police capital overlay on the proposed budget for 2021-22. Ms. Heath answered that this was for the new vehicle and services. She clarified that it was listed as a negative number because it was an expense.

Vice Chair Fox asked how many miles the used cars purchased from Lane County Sherriff had, Chief Larson responded mostly over 100,000 miles as that was what could be afforded.

Mayor Smith thanked Chief Larson for his presentation.

- **Municipal Court**

Ms. Balcom began a presentation on the Coburg Municipal Court goals and priorities. She explained that the largest goal was to continue with court operations as much as possible with Covid restrictions. She said that the increase in workload now that there were 4 full-time officers meant bigger court dates but not necessarily more citations as there were orders regarding citations from the Governor and DMV in place. She noted that unpredictable court date lengths may lead to an increased budget for staff time and resources.

Ms. Balcom said that one of the biggest concerns was keeping the court in compliance with legislature rulings and state destruction and purging requirements, adding that scanning could not be done during much of Covid as she did not have a scanner at home. She explained that their system was temporarily down after an update. She added that a temp administrative assistant had been helping to catch up with a backlog of cases needing to be purged.

Ms. Balcom hoped to return to in-session education conferences in October but noted that some online networking had been done regarding important legislative updates as well as online training classes through other agencies.

Ms. Balcom said work was continuing to write down the basic standards of operation (SOP) and hoped to be done scanning by the end of fiscal year 2022.

She said that an extended 1-year contract had been presented to Jesse London and his firm to continue prosecutorial services through June 30, 2021 which will come to Council this June.

Ms. Balcom said that an additional \$2500 had been budgeted in professional services in case an additional staff member was needed in the future, and that there was the possibility of using a temp to help with the scanning project. She added that she was continuing to monitor the court budget and that there were no other large increases.

Mr. Lehmann asked how the new office improvements had improved efficiency and effectiveness, and how many hours per week were being considered if additional permanent staff were needed. Ms. Balcom answered that she had not yet considered a new permanent staff member, and that the new office had more room to organize and store all cases in-office. She liked the fact that she now had a view of the front door which helped seeing when someone came in.

Mayor Smith liked the new office and noted that the old one was unsafe.

- **Public Works**

- **Parks Department**

Mr. Harmon began his presentation about the Parks Department. He said that a new shop for all 4 departments was a reoccurring need, and that the training of younger crew members was improving, saying that he was now comfortable with the current crew.

He explained that due to Covid, much more cleaning was being done, especially in public buildings.

Mr. Harmon outlined the update and repair of the Pavilion Park roof and kiosk later this fall, noting that they had budgeted a little capital for that.

He said that they were continuing to foster a working relationship with the Parks and Trees Committee and commended their hard work, noting that work parties took place every month. He said that a tree sub-committee would do an analysis of trees and that a retired arborist had been helping out.

Mr. Harmon explained that lines of capital had been taken out for new equipment and upgrades, and for the Parks and Tree Committee to use in future park projects. He said that the upgrades to the wooden structures at Johnny Diamond Park were mostly built by Public Works.

- **Sewer Department**

Mr. Harmon said that crew training had been going well and that time was being set aside to train on specific topics during the monthly safety meeting.

He explained that preparation and planning was being done for the tank replacement at Premier RV for the next fiscal year.

He explained that the new hire in July was due to increasing workloads in inspections and tank maintenance.

Mr. Harmon talked about anticipating staff capacity for future development and said they were looking at changes to Public Works which would allow more time for wastewater related activities. He added that a growing city required a growing staff.

Mr. Harmon shared an image of an electrical panel used for training.

Mayor Smith asked about the replacement tank at Premier RV and Mr. Harmon answered that it would be replaced with 3 smaller tanks and would be partially paid for through system development charges (SDC) but that there was also capital money to set aside.

Vice Chair Fox asked if there was a life expectancy for the replacement septic tank pumps and Mr. Harmon explained that they were 15-year pumps but that may be shorter due to the lack of maintenance done. He added that they would ramp up tank line maintenance in the next couple years.

Mr. Lehmann recommended that the Council members schedule a visit to tour the Public Works building and septic plant, and to visit the new acreage purchased for a third well to discuss their vision for the Public Works building. Mr. Harmon noted that he was just waiting for permission to allow facility tours.

Mayor Smith asked for any questions about Public Works and recommended that all decision-makers tour the facilities. He commended Mr. Harmon and his crews for their dedication.

- **Streets**

Mr. Harmon explained that they were waiting on new financing for the new operations building.

He noted the importance of the traffic and safety plan to add crosswalks across Willamette Street and Pearl Street and collector street improvements, much of which depended on the TUF.

He noted that one thing listed in the TUF was a new street sweeper, and that this was the first city he had worked at that didn't have their own street sweeper.

Mr. Harmon added that work was continuing on leaf pickup, pothole repair, capital projects, and maintenance.

Mr. Harmon shared a slide comparing a new street to one that needed rebuilding.

He shared that one advantage of Covid was that they were able to create a pavement management program which made managing projects and preventative maintenance, as well as the budgeting process easier, on top of allowing for geographic information system (GIS) mapping.

Mr. Harmon shared a slide showing pothole damage.

Ms. Heath added that the budget reflected both TUF revenues and street repair expenses, and needed to be anticipated. She shared that the cost of street repairs was initially \$2.5 million but that it had begun to go up. She added that the City received \$750,000 to help with collector street repairs, which needed to be spent around 2023.

Ms. Heath said they were also seeking funding for McKenzie Street between Willamette Street and the park, and that the Council would have a first reading of the TUF ordinance on June 8th with a second reading in July, when they would also set the price for residential and business units. She thought that it was the Council's intention to set the lowest price possible while also considering the funds needed for the TUF.

Ms. Heath explained that if a revenue stream could be established then they could get bonds to cover costs of repair upfront, and that sooner was better as the price of capital projects was rising quickly and they wanted safer streets for residents.

Ms. Heath added that a second edited information brochure would be distributed to the community prior to the June meeting, as well as information in the newsletter and on social media.

Mr. Lehmann asked who would decide on a priority schedule for projects if the TUF was passed, Ms. Heath responded that all committees, staff, and councils would likely work together but that some project parts would have timelines depending on funding. She added that they anticipated writing a regional grant for Roberts Road which would push it out to 2024. She also said that some projects such as road preventative maintenance would need their priority determined by the Council.

Mr. Waters asked how high of a priority employee retention was, Mr. Harmon said that it was the highest priority as training new employees took 6-8 months and added that morale had been the highest he had ever seen. Mr. Waters asked if the proposed budget gave enough resource to attract and retain talent. Mr. Harmon explained that he was very open with crewmembers and that they talked at length about their needs and wants, adding that the crew was understanding about the timeline of getting a new shop. He believed that crews were well-compensated, including with top-of-the-line gear.

Ms. Heath added that the salary survey was complete but that she was still waiting on comparisons from other cities. She noted that working for Coburg in particular was important to employees, as well as time off, benefits, and quality of work as a team. She said the City would be taking an overall review of benefits and salaries which would be part of a Council work session once the salary survey was finished, but she added that flexibility was known to be important.

Mayor Smith explained that finding comparable salary surveys was difficult as Coburg was one of the smallest cities in Oregon with a police force. He expressed concern about being next to a large metropolitan area and the effect that would have on employee retention and consults, adding that replacing employees was expensive and it took years to train new people.

Chief Larson said that retaining police officers was a high priority, noting that Eugene offered a \$8500 signing bonus for officers, and added that retirement and officers leaving for other agencies created a high demand for officers. He explained that it took a total of around \$100,000 to replace an officer, and that new officers required 18 weeks of academy as well as an 18-month probationary training period.

Mayor Smith explained that the unique nature of Coburg's sewer system meant that training new employees was difficult, and that retention was a top priority for him. He said to keep up the good work and to continue supporting these employees.

- **Water Department**

Mr. Harmon shared that water projects were moving forward and that the production well system was but that the auto-dialer was no longer working and they relied on the public to report main breaks. He commended the crew's work on housekeeping and maintenance at well sites and recalled a situation where a mouse had gotten into an electrical cabinet, causing an outage and leading to the backup generator being used for over 24 hours. He added that a third well would be important for redundancy as both existing wells ran on the same power.

Mr. Harmon outlined the replacement of old water lines and described two recent water main breaks.

He explained that they tried to model Public Works after a fire department by always training and drilling crewmembers.

He hoped that master projects would be completed soon, noting that the scarcity of a certain type of pipe was starting to decrease.

9. QUESTIONS FROM THE BUDGET COMMITTEE

Chair Kroeger asked Ms. Heath for her closing presentation.

Ms. Heath outlined the budget binder, explaining that it included the overall budget message and each department's budget message, as well as information about Oregon budgeting rules and supplemental project information. She said that the salary scale used to create the budget was included, as well as the City debt schedule, noting that nearly \$2 million had been dropped from the debt schedule. She added that a list of allocations to each department and a capital project list were included, as well as 2 different budget summaries and an overall budget detail sheet.

Mr. Lehmann asked how much overtime the staff did in a year and if new positions would lower the cost of overtime. He wondered if flex time and trading time helped avoid overtime. Ms. Heath explained that overtime was budgeted through the payroll system by adding up all overtime and dividing by the amount of pay periods, which showed that both Public Works and the Police Department had an average of 2.5 overtime hours per pay period per employee. She added that certificate pay was also budgeted, and that flex time was allowed to all employees. Ms. Heath noted that police and Public Works were moving to 4/10 schedules and added that being a small city allowed for flexibility. In response to inquiry from Mr. Lehmann, Ms. Heath confirmed that there was a minimal amount of overtime and that it was already budgeted in.

Ms. Heath shared an ending slide with the message of staying the course. She explained that the current 5-year budget cycle was full of capital projects and required close attention to budget, projections, and growth.

Chair Kroeger asked for any further questions regarding the budget, suggesting that questions between meeting be sent to Ms. Heath. Ms. Heath added that she would send both questions and answers to everyone.

Chair Kroeger asked if the budget spreadsheets in the binder were final, Ms. Heath said she was aware of 2 changes needed; a \$10,000 budget for a new mower now needed \$15,000, and that a quote for the Lane county dispatch had added a 3% growth.

Vice Chair Fox asked if the sum of fiscal year 2021 final was projected through the end of June on the proposed budget, Ms. Heath said yes. Vice Chair Fox suggested that it was helpful to compare the budget to last year and Ms. Heath said she would bring that data the following week.

Vice Chair Fox asked why only \$1500 was budgeted for reserve officers if 80% of the Harrisburg was reserved officers. Ms. Heath answered that the \$1500 was budgeted in case of special projects that needed a reserve officer such as helping in the evidence room. Mayor Smith added that reserve officers were unpaid and recommended thanking them for volunteering as they were a huge benefit to the City.

Mr. Waters asked if the new logo would be a City logo or just used for local businesses. Ms. Heath answered that the bicycle logo was a result of branding done by the Main Street Project and that the City was considering adapting or incorporating that logo. Mr. Waters asked if this decision would be made at the council level or by a citizen's committee, Ms. Heath said that this had not been decided yet.

Chair Kroeger shared that the following week's URA budget meeting would begin at 6 P.M. followed by a Budget Committee meeting at 6:15 P.M. to decide if the budget was ready to recommend to City Council. She noted that Ms. Heath would bring the changes to the budget spreadsheet as well as any questions received before then. Ms. Heath agreed to bring back budget to actual figures for 2021 as well as any budget changes before finalization.

Mr. Taylor asked how they would get updates on changes and the URA budget. Ms. Heath responded that the URA budget packet would be sent out soon, and they will try to send budget changes before the next meeting. She added that the overall budget summary sheet would also be updated.

Mr. Lehmann complimented Ms. Heath and staff on their efficient presentations.

Mayor Smith thanked the staff for putting this document together and coordinating the meeting despite technical difficulties. He offered to host calls again in the future.

Chair Kroeger asked for any further questions.

10. ADJOURNMENT

Hearing no further discussion, Chair Kroeger adjourned the meeting at 8:11 P.M.

APPROVED by the Budget Committee of the City of Coburg on this 25th day of May 2021.




Linda Kroeger,
Budget Committee Chair

ATTEST:


Sammy L. Egbert, City Recorder