MINUTES
Coburg Budget Committee
May 5, 2015 - 6:30 P.M.
Coburg City Hall
91136 North Willamette – Coburg

MEMBERS PRESENT: Linda Kroeger, Chairperson; Sharyl Abbaspour, Jerry Behney, Terry Dawson, Patrick Kocurek, Colleen Marshall, Jeffrey Milam, Don Nelson, Brian Pech, Stephen Perry, Ray Smith, Steve Stearns, Members; Jae Pudewell, Mayor.

MEMBERS ABSENT: None

STAFF PRESENT: Petra Schuetz, Bob Butler, Anne Heath, Larry Larson

RECORDED BY: Dan Lindstrom

1. CALL TO ORDER

Chairperson Linda Kroeger called the meeting of the Coburg Budget Committee to order at 6:45 p.m. She determined that there were no requests to adjust the Agenda and that no one was present wishing to present Public Comment.

Minutes Recorder C. Daniel Lindstrom called the roll, noted that all members were present, and stated that there was a quorum.

2. PUBLIC HEARING

Finance Director Anne Heath presented Resolution 2015-07, A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES. She explained that the annual resolution was required to be adopted for Coburg to be able to access State of Oregon funds. She listed the State funds that were involved. She identified city services required to be eligible for the funds. She said Coburg provided all seven of the services. She said the Resolution would be enacted by the City Council, but that the Budget Committee was required to hold a Public Hearing regarding it.

Chairperson Kroeger opened the Public Hearing and determined that there was no one present wishing to present testimony regarding Resolution 2015-07. She closed the Public Hearing.

3. ADDITIONAL BUDGET DOCUMENTS

Ms. Heath referred to an Agenda support document entitled "Line Item Detail" and reviewed information it contained; especially an item entitled "Debt Reserves."

Members discussed questions regarding the issues involved.

4. OLD BUSINESS

Chairperson Kroeger determined that there were no follow up questions from the April 21, 2015, meeting of the Committee.

5. INTER-FUND LOANS

Ms. Heath made a presentation, using overhead slides, regarding Fund Ending Balances related to the proposed fiscal year 2015-16 Budget Proposal. She explained accounting practices that created negative balances by subtracting all liabilities from all assets available in a Fund. She agreed that another term used for Fund Ending Balances was net worth.

Ms. Heath reviewed Inter-Fund Loans made to the General Fund in Coburg since 2008. She described issues related to the recording of their repayment, resulting in extraordinarily large negative General Fund balances. She said that it was projected that at the end of fiscal year 2014-15 the negative General Fund balance would be reduced to $228,961.

6. OVERHEAD ALLOCATIONS

Ms. Heath reviewed changes made to allocations from the General Fund to the various City Funds for services such as administration, facilities, economic development, planning, and City Hall debt service. She said that, in the past, allocations had been made manner for individual expenses in an inconsistent manner. She explained that the fiscal year 2015-16 Budget included an annual estimate of such costs in the categories of revenue, material and services, personnel services, capital outlay, and debt service. She said they were accounting estimates, as opposed to budget transfers, as occurred in the past.

Ms. Heath described how if such a methodology had been applied in the past, it was likely that each of the funds would have had a Budget adequate for its expenses. She said, for example, that the General Fund would be much healthier that it currently was. She explained that, although possible, it was not a best practice for changes to be made to allocations made in previous years, after finance records had been audited and accepted.

Members discussed problems related to allocations and possible solutions to them.

7. GENERAL BUDGET DISCUSSION

Jae Pudewell requested that a pie chart of City expenses be prepared, similar to the one for City revenue provided in the Budget presentation packet.

Ray Smith asked how donations made for the Police Department were recorded and managed. Ms. Heath stated that they were available upon request to the Department and would be reported and officially transferred to a special account at the end of the year.

Jerry Behney asked how recent changed made by the State Legislature to the Oregon Public Employee Retirement System (PERS) were being monitored and accounted for in Budget planning. City Administrator Petra Schuetz replied that she and representatives in all cities were closely following such developments through the assistance of the League of Oregon Cities. She said any changes would not take effect until six months into the next fiscal year.

Colleen Marshall said she was concerned that Budget proposals for staffing remained the same as in the current fiscal year. She explained that keeping the same levels ensured that the Police would remain under staffed and other current staff would continue to be overburdened without additional assistance.

Ms. Marshall said she believed the issue of adopting a Public Safety Levy to support Coburg Police should be brought to a vote of the citizens. Ms. Schuetz replied that such an issue was appropriately considered by the City Council. Mr. Pudewell stated that such an option would become the first priority of the City Council during 2015. He said he feared that, with the development of the Wastewater Project and the increased expenses it brought, that citizens were becoming weary of increased taxes. Mr. Behney said he agreed that the topic was an important one to consider and thanked Ms. Marshall for raising it.

Mr. Smith said that the proposed addition of a contract to provide police services to residents in the east hills outside City limits could produce a minimal increase in revenue. Don Nelson stated that he had a problem providing City services outside of the City limits, unless the expense of them was reimbursed. Mr. Smith replied that the proposal was modeled after similar situations in other municipalities and that attorneys representing the City and affected residents were closely monitoring it.

Mr. Behney asked if it would be possible to reduce the cost of public safety dispatch services provided to Coburg by Junction City. Ms. Schuetz replied with a review of discussions held with Junction City officials, explaining that the current fee was calculated on Coburg consuming fifteen percent of the dispatch services, plus extra costs, such as one-half of the Junction City Police Chief's salary and capital and software upgrade costs that Coburg also had to cover for itself. She said the negotiators from Junction City had been intractable, but that it was hoped that progress resulting in a reduction in the cost of the services could be made in the new fiscal year.

Terry Dawson moved, seconded by Ray Smith, to recommend that the 2015-16 Coburg City Budget presented be recommended to the City Council for adoption. The motion was adopted unanimously, 11:0, Jae Pudewell not voting because, as Mayor, he was not a voting member of the Committee.

Chairperson Kroeger expressed appreciation to Mr. Dawson for his substituting as presiding officer at the previous meeting of the Committee. She also thanked City staff for their hard work and diligence in preparing the Budget Proposal.

8. MINUTES

Mr. Dawson requested that the draft minutes of the April 21, 2015, meeting to reflect that Kathy Taylor did not attend as a staff member. Ms. Schuetz requested that the name of Larry Nelson reported as staff present be corrected to Larry Larson. Chairperson Kroeger determined that there was consensus to approve the requests.

Jerry Behney moved, seconded by Sharyl Abbaspour, to accept the minutes of the April 21, 2015, meeting of the Budget Committee, as amended. The motion was adopted unanimously, 11:0.

The meeting adjourned at 8:00 p.m.

APPROVED by the Budget Committee of the City of Coburg this 4th day of May, 2016.

Linda Kroeger, Chair

ATTEST:

Sammy L. Egbert, City Recorder