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4-30-2024



**CITY OF ROSEBURG/ROSEBURG URBAN RENEWAL AGENCY
BUDGET COMMITTEE AGENDA – MAY 7, 2024 – 6:00 PM
City Council Chambers, City Hall
900 SE Douglas Avenue, Roseburg, Oregon 97470**

Meetings may continue on May 8th and 9th until the Budget is adopted.

Public Online Access:

City website at <https://www.cityofroseburg.org/your-government/mayor-council/council-videos>

Facebook Live at www.Facebook.com/CityofRoseburg

Comments on Agenda Items and Audience Participation can be provided in person or electronically via Zoom. See Audience Participation Information for instructions on how to participate in meetings.

CALL TO ORDER 2023 Chair Mike Baker

ROLL CALL

Mike Baker	Shelley Briggs Loosley	Kylee Rummel
Stephen Krimetz	Tom Michalek	Patrice Sipos
Jerry Smead	David Mohr	Ruth Smith
Bryan Sykes	Ellen Porter	Andrea Zielinski
Jeffrey Weller		

1. **ELECTION OF OFFICERS – CHAIR AND VICE-CHAIR**
2. **APPROVAL OF MINUTES – May 9, 2023**
3. **PUBLIC HEARING – POSSIBLE USES OF STATE REVENUE SHARING FUNDS**
4. **PRESENTATION OF BUDGET MESSAGE**
5. **STAFF PRESENTATIONS - FUND BUDGET REVIEW**
 - A. General Fund

1. Revenues (35)	Finance Director Ron Harker
2. City Administration (41)	City Manager Nikki Messenger
3. Finance (43)	Finance Director Ron Harker
4. I.T. (45)	
5. Community Development (47)	Community Develop Director Stuart Cowie
6. Library (49)	Library Director Kris Wiley
7. Public Works (51)	Public Works Director Dawn Easley
A. Engineering (51)	
B. Administration (53)	
C. Facility Maintenance (55)	
D. Street Maintenance (57)	
E. Streetlights (59)	
F. Parks and Recreation (61)	
8. Municipal Court (65)	Finance Director Ron Harker
9. Police (67)	Police Chief Gary Klopfenstein
10. Fire (69)	Fire Chief Tyler Christopherson
11. Non-Departmental (71)	Finance Director Ron Harker

Tentative Approval of the General Fund

- B. Special Revenue Funds
 1. Grant Special Revenue (73) Finance Director Ron Harker
 2. Hotel/Motel Tax (76)
 3. Economic Development (85)

4. American Rescue Plan Act (89)
5. Assessment Improvement Fund (91)
6. Streetlights and Sidewalk (78) Public Works Director Dawn Easley
7. Bike Trail (81)
8. Golf (83)
9. Stewart Trust (93)
10. Library (87) Library Director Kris Wiley

Tentative Approval of the Special Revenue Funds

- C. Debt Service Funds Finance Director Ron Harker
1. Pension Obligation Debt Service Fund (95)

Tentative Approval of the Debt Service Fund

- D. Capital Projects Funds
1. Equipment Replacement (104) Finance Director Ron Harker
 2. Transportation Fund (97) Public Works Director Dawn Easley
 3. Park Improvement (101)
 4. Facilities Replacement (109)

Tentative Approval of the Capital Projects Funds

- E. Enterprise Funds
1. Airport (117) City Manager Nikki Messenger
 2. Water Service (122) Public Works Director Dawn Easley
 3. Storm Drainage (112)
 4. Off-Street Parking (115) Finance Director Ron Harker

Tentative Approval of the Enterprise Funds

- F. Internal Service Fund (136) Human Resources Director John VanWinkle

Tentative Approval of the Internal Service Fund

6. AUDIENCE PARTICIPATION

7. APPROVAL OF CITY OF ROSEBURG BUDGET & APPROVAL OF TAX RATE

Suggested motions:

- *I move to approve and recommend City Council adoption of the budget for the 2024-2025 fiscal year in the amount of \$109,703,516.*
- *I move to approve and recommend City Council adoption of property taxes for the 2024-2025 fiscal year at the rate of \$8.4774 per \$1,000 of assessed value for the permanent rate tax levy.*

8. PRESENTATION OF URBAN RENEWAL BUDGET

- A. General Fund (4) Finance Director Ron Harker
- B. Capital Projects (6)

9. APPROVAL OF URBAN RENEWAL AGENCY BUDGET

Suggested motion:

- *I move to approve and recommend Urban Renewal Agency Board adoption of the Urban Renewal Agency budget for the 2024-2025 fiscal year in the amount of \$4,980,438.*

10. GOOD OF THE ORDER

11. ADJOURNMENT

AUDIENCE PARTICIPATION INFORMATION

The Roseburg City Budget Committee welcomes and encourages participation by citizens at all our meetings. To allow the Budget Committee to deal with business on the agenda in a timely fashion, we ask that anyone wishing to address the Committee follow these simple guidelines:

Comments may be provided in one of three ways:

- **In person during the meeting in the Council Chambers, Roseburg City Hall, 900 SE Douglas Ave.**
- **Email by sending an email by 12:00 p.m. the day of the meeting to info@cityofroseburg.org**
- **Virtually during the meeting. Contact the City Recorder by phone (541) 492-6866 or email (info@cityofroseburg.org) by 12:00 p.m. the day of the meeting to get a link to the meeting.**

When providing comments in person, each speaker must provide their name, address, phone number and which item on the agenda they wish to speak on the Audience Participation Sign-in Sheet.

When providing comments virtually or by email, each speaker must provide their name, address, phone number and which item on the agenda they wish to speak in an email to info@cityofroseburg.org.

When participating virtually, log or call in prior to the start of the meeting using the link or phone number provided.

- When accessing the meeting through the **ZOOM link**, click “Join Webinar” to join the meeting as an attendee.
- When accessing the meeting through the **phone**, call the number provided.
- All attendees will be held in a “waiting room” until called on to speak.

Persons addressing the Budget Committee must state their name and city of residence for the record, including whether or not they are a resident of the City of Roseburg. All remarks shall be directed to the entire Budget Committee. The Budget Committee reserves the right to delay any action requested until they are fully informed on the matter.

TIME LIMITATIONS

With the exception of public hearings, each speaker will be allotted a total of 6 minutes. At the 4-minute mark, a warning bell will sound at which point the Chair will remind the speaker there are only 2 minutes left. All testimony given shall be new and not have been previously presented to the Budget Committee.

A total of 30 minutes shall be allocated for the “Audience Participation” portion of the meeting.

CITIZEN PARTICIPATION

- Anyone wishing to speak regarding an item on the agenda may do so when the Budget Committee addresses that item.
- Anyone wishing to speak regarding an item not on the evening’s agenda, may do so under “Audience Participation.”

PROVIDING COMMENTS

For each item in which speakers have requested to speak, the order will be as follows:

1. Speakers who attend in person will be called up to speak by the Chair in the order in which they signed up.
2. Speakers on Zoom (video or phone only) will be called on to speak by the Chair in the order in which they signed up. Each speaker will be brought in from the “waiting room” into the meeting to provide comments, then moved back to the “waiting room” after comments are provided.
3. Emailed comments to be read by the Chair

The Budget Committee reserves the right to respond to audience comments after the audience participation portion of the meeting has been closed.

The Budget Committee meetings are on Facebook Live and available to view on the City website the next day at: <https://www.cityofroseburg.org/your-government/commissions/budget-commitee/budget-committee-videos>.

The full agenda packet is available on the City’s website at: <https://www.cityofroseburg.org/your-government/commissions/budget-committee>.

**MINUTES OF THE MEETING OF THE CITY OF ROSEBURG/ROSEBURG
URBAN RENEWAL AGENCY BUDGET COMMITTEE
MAY 9, 2023**

Chair Mike Baker called the City of Roseburg/Roseburg Urban Renewal Agency Budget Committee meeting to order at 6:00 p.m. on Tuesday, May 9, 2023, in the Roseburg City Hall Council Chambers, 900 SE Douglas, Roseburg, Oregon.

ROLL CALL

Committee Members Present: Bob Scott, Ellen Porter, Kylee Rummel, Mike Baker, Brian Prawitz, Stephen Krimetz, Patrice Sipos, Jeffrey Weller, David Mohr, Bryan Sykes, Ruth Smith, Jerry Smead, Shelley Briggs Loosley, Kelly Peter, and Andrea Zielinski (6:12 p.m.).

Committee Members Absent: Knut Torvik

Others Present: City Manager Nikki Messenger, Finance Director Ron Harker, City Recorder Patty Hitt, Police Chief Gary Klopfenstein, Human Resources Director John VanWinkle, Public Works Director Dawn Easley, Community Development Director Stuart Cowie, Fire Chief Tyler Christopherson, Mayor Larry Rich, Communications Specialist Suzanne Hurt, and Management Assistant Autumn David.

ELECTION OF OFFICERS

Committee Member Prawitz nominated Committee Member Baker to serve as Chair. The motion was seconded by Committee Member Briggs Loosley and was approved with the following vote: Committee Members Baker, Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, and Weller voted yes. No one voted no.

Committee Member Prawitz nominated Committee Member Torvik to serve as Vice-Chair. The motion was seconded by Committee Member Briggs Loosley and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, and Weller voted yes. No one voted no.

APPROVAL OF MINUTES

Committee Member Scott moved to approve the minutes of the May 10, 2022, Budget Committee meeting. The motion was seconded by Committee Member Prawitz and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, and Weller voted yes. No one voted no.

PUBLIC HEARING - POSSIBLE USES OF STATE REVENUE SHARING FUNDS

At 6:02 p.m., Chair Baker opened the public hearing to take testimony regarding possible uses for State Revenue Sharing funds. Harker reported that the City was expected to receive approximately \$305,000 in unrestricted state revenue sharing funds which were allocated to offset General Fund expenses. As no one else wished to speak, Chair Baker closed the hearing at 6:04 p.m.

PRESENTATION OF CITY OF ROSEBURG BUDGET DOCUMENT AND MESSAGE

Messenger presented the 2023-2024 proposed budget and provided an explanation of the various funds included. The budget was separated into different types of funds; however, the General Fund would be discussed the most because city services are provided through that

fund and it is used to pay all personnel, with the exception of water department employees, who are paid through the Water Service Enterprise fund. Provided an explanation of assumed personnel costs versus actual costs incurred. All three bargaining units were in the negotiation process during budget preparation. The assumed cost of living increase was calculated at 4%; however, one unit had settled at 5%, and the other two contracts were still in negotiation. Explained the increase in health insurance costs. The original quote for health insurance increase came in at 18%; staff went out for competitive quotes and the current provider reduced their quote to 9% and eventually dropped to a 2.5% increase. PERS rates were a large portion of personnel costs and were set every two years. Explained other cost increases related to property and liability insurance and utilities.

Proposed staffing numbers remain the same at 172.35 FTE; however, the budget includes three new employees. The IT department was outsourced, which eliminated three employees and staff was requesting to add three new positions: Deputy Fire Marshal, Community Development Department Technician, and Homeless Coordinator. Messenger provided an explanation of why those position were needed. Due to growth seen in regards to homelessness, permitting processes, and business registrations, the limited number of staff assigned to these duties has started to impact the level of service that staff was able to provide.

The major revenue sources for the general fund include property taxes, franchise & other fees, interdepartmental charges, and intergovernmental revenues. Property taxes were projected to increase by 4.72% over the last year. Provided an explanation of the different transfer funds. There would be a new revenue line item this fiscal year as well as a new expenditure; this was due to the state passed opioid settlement agreement. Annual payments will begin to be distributed by the state. Roseburg was projected to receive \$400,000 in the upcoming year; funds were required to be spent on opioid related impacts.

Provided explanation of general fund resources. Expenditures from the general fund were as follows: 76% personnel costs, 19.5% materials and services, and 4.5% capital outlay/transfers. Expenditures were projected to exceed revenue by 8.03%, which was expected. The city has an ending fund balance policy to maintain a reserve balance of 20%. Staff has tried to work down to the 20%; however, due to staff openings, revenue has continued to be greater than expenditures. Staff would continue to budget to provide a level of service expected by Council; therefore, the budget projection would continue to show a deficit. The cities six year financial forecast projection has remained steady over the last decade.

STAFF PRESENTATIONS – FUND BUDGET REVIEW

City Administration Office – Messenger reviewed the City Administration Department budget, which shows a 41% overall increase. The largest increase was due to the addition of a Homeless Coordinator position. Additionally, the \$400,000 in expenditures for opioid related impacts were reflected in this budget. In response to Chair Baker, Messenger stated the Police Department had an officer assigned as a Homeless Liaison and hired an additional Community Service Officer. The Homeless Coordinator position would be in addition to those positions and would be tasked with outreach and coordination.

Some department accomplishments included:

- Worked with the Charter Committee to advance proposed updates to the City Charter which would appear on the May ballot.
- Secured grant funding for FY 22-23 operations of Gary Leif Navigation Center.

- Worked with Homeless Commission, Council, staff, City Attorney, and public to craft time, place, and manner regulations related to camping on public property.
- HR has run year round, continuous hiring processes across all departments.
- Retired City Recorder Amy Sowa recognized as OAMR Recorder of the Year.
- Engaged with community leaders on Diversity, Equity, and Inclusion work.

Finance Department – Harker provided department information showing a 6.7% increase for the department. The increases were due to standard increases to personnel costs and materials and services. There was a reduction in staff a year ago. The increase in materials and services is primarily due to increased GASB requirements, which requires reporting on leases through software based information technology agreements (SBITA).

The Finance Department is a support department for the entire city and provides financial analysis and reporting, budget development and management, the Annual Comprehensive Financial Report (ACFR), the Popular Annual Financial Report (PAFR), utility and assessment billing, treasury and debt management, grant administration, payroll, and accounting services.

Some department accomplishments included:

- Awaiting a 30th consecutive GFOA award for Excellence in Financial Reporting.
- Awaiting an 8th consecutive GFOA award for Outstanding Achievement in Popular Annual Financial Reporting
- Maintained an Aa3 credit rating from Moody's
- Updated the 6-year financial forecast

In response to Committee Member Mohr, Harker stated that the IT budget was separate from the Finance Department budget and would be the next item discussed.

Committee Member Weller requested clarification on the increase in contracted services, which were five times the prior year's budget. Harker stated the increase was due to the new GASB requirements for additional software and consulting services to meet those requirements. An explanation was provided as to why an increase in contractual services would be seen across most departments.

Committee Member Porter stated that regarding tools available within the report, the spreadsheets included were helpful and suggested, if possible, that miscellaneous contract services be presented in a spreadsheet format to summarize the information.

In response to Committee Member Mohr, Harker explained that costs for software services utilized by a specific department would be absorbed by that department's budget; however, software services that were used by all departments or widely used by multiple departments would be paid through the IT department budget, which was how it had historically always been handled.

IT Department – Harker explained the IT department was outsourced to a third party vendor, which was reflected by a significant change to the IT budget. The proposed budget projects a 6.6% increase. Explained how allocations have been restructured due to IT being outsourced. In the past there were several different contracts split into two categories and they would now be combined into one line item.

In response to Committee Member Porter, Harker explained that the total administrative department includes Administration, Finance, and IT combined.

Some department activities included:

- Support and maintain a network of:
 - User & service accounts
 - Desktop/laptops
 - Mobile devices
 - Virtual and physical servers
 - Storage area network storages
 - Cisco telephone devices
 - Wireless network with multiple access points.
- Support and maintain city radio and telecommunication systems
- Ensure network security
- Specialized application support
- Development and implementation of disaster recovery strategies of city data

Department accomplishments included:

- Effectively outsourced IT services at a cost less than previously budgeted for personnel and related support expenses; thereby, enabling greater investment in hardware and software.

In response to Committee Member Mohr, Harker explained the IT budget only addresses non-capital items; the non-departmental section of the fund was where capital outlay items would be presented. Several IT related capital improvements were included in the non-departmental section of the budget. In response to Committee Member Mohr, Messenger stated multi-factor authentication upgrades were included in the operational budget. The annual assessment and server upgrades were included with capital outlay items. IT would start by building three new servers and go from there. Expenses were budgeted based on IT recommendations on how the upgrades should be approached. Committee Member Mohr noted that based on his research, the amount spent on IT services was significantly lower than what other similar municipalities were spending. In response to Committee Member Mohr, Harker explained where software replacement items were located within the budget. The plan was for all of the critical updates identified in the assessment to be completed in the 2023-24 fiscal year. In response to Committee Member Smead, Harker stated software was leased, which was the most cost effective option. In response to Committee Member Sykes, Harker explained anything with a purchase price of \$5000 or more with an expected useful life over more than one year becomes capitalized.

Community Development Department – Cowie presented Community Development budget. The department consisted of six full time employees and struggled with retention over the last year. Recruitment has been ongoing and the department was hoping to reach full staffing soon. The department covers planning & building, economic development, historic preservation, and code compliance.

Some department accomplishments included:

- Processed roughly 400 site review applications, land use actions, and other permit actions.
- Secured RARE AmeriCorps member Nik Ramstad.
- With assistance from 3J Consulting, finalized the UGB Swap application
- Working with private firm Parametrix to adopt a new Bike Route Plan through TGM grant.

- With assistance from CCD & NeighborWorks Umpqua have helped to administer Community Development Block Grants (CDBG) funding involving COVID relief and housing rehabilitation projects.

Cowie shared information on permit activity over the past several years. The department budget shows an increase of 9%, which was due to a request for an additional staff member and the noted increase in permit activity.

Library Department – Wiley provided information about the department budget and the 16% increase. The Library operates with the equivalent of 3.5 full time employees. The increase was related to personnel expenses and materials and services. Costs for materials and service include building maintenance, insurance, AmeriCorps participant contract, collection materials, and software for library operations. Wiley reported that the library maintains a 40,000 square foot building that is shared with Douglas Education Services District who provides custodial services and the City supplies utilities; this cost is balanced out at the end of each year to ensure both parties are paying an equal amount. Utilities and materials have both increased which was reflected in the budget. The library applied for a RARE AmeriCorps participant for the next service term. The cost is \$25,000 with the RARE program, an increase over the cost of the previous AmeriCorps program. Staff applied for a \$10,000 grant to help offset the costs of the AmeriCorps program, and would find out in June whether the application was approved. Staff continued to use operating funds to purchase collection materials, and this funding serves as matching funds when applying for grants to fund materials. The library operates a number of software programs and there was a marked increase in dues and subscriptions because catalog costs were low during COVID and are being adjusted post-COVID and due to inflation. Staff plans to work with IT services to partner with Roseburg Parks and Recreation department on calendar software for meeting room rentals.

Some department accomplishments included:

- Replaced boiler
- Replaced front doors
- Expanded the Summer Reading Program
- Continued to support Dolly Parton's Imagination Library Program

Wiley reported circulation was approximately 60% children and teen materials, which was rare and reflects that the community was responding to outreach efforts to reach children and improve reading benchmarks. In response to Weller, Wiley confirmed the water utility budget was projected to be down 40%. This projection was based on what the library had spent so far this year; the City had only been operating the library for five years and staff was still learning about operating the building. Harker added that the projected costs for 2023/24 was greater than the actual costs for 2022/23. In response to Committee Member Mohr, Messenger clarified why several budgets contain two line items for contracted services. In response to Scott, Harker stated the Library Director was currently at a Step 8 in Range 10 of the non-represented employee pay scale.

Public Works – Easley presented the department budget. The mission of the Public Works Department was to provide quality public infrastructure at the lowest life cycle cost. Staff has a focus on providing quality services that lasts. Public Works was a collection of six core functions including, transportation, parks & recreation, storm drainage, airport, water, and building maintenance, which was executed by a total of 57.85 full time employees. Easley provided a breakdown of public works staff and stated the department budget was not requesting any new

personnel, but there were currently two open positions. The proposed budget was for \$26,953,877. The increase appeared large; however, it included 1.3 million dollars for a grant for the tennis courts. If the grant was unsuccessful those costs would be removed. Additionally, there was a \$4.2 million water project that may carry over to the following fiscal year. The Public Works budget consists of the general fund, special revenue funds, enterprise funds, and capital project funds.

The total Public Works Department general fund increase was 0.71%. The breakdown was as follows:

- Engineering – 2.54% decrease
- Administration – 3.33% increase
- Building Maintenance – 5.27% decrease
- Street Maintenance – 4.68% increase
- Streetlight – 5.19% decrease

In response to Committee Member Mohr, Easley stated cellular phones and meals and mileage were budgeted according to departmental needs. Messenger added that management employees have the option to receive a stipend for those expenses, so that would be included in personnel costs; however, if it was a city issued cell phone that would come out of that budget item; it was handled based on represented or non-represented employees and the departments need. Easley explained the meals and mileage budget was typically used for when employees go to training courses and conference. The amount budgeted for each division was based on the level of skill required for the employees. The department values training and there were numerous employees with certifications that require continuing education and annual training. In response to Committee Member Mohr, Messenger confirmed the City had an established policy for training and travel expenses.

The total Parks Department general fund increase was 4.40%. The breakdown was as follows

- Parks Administration – 9.79% increase
- Parks Maintenance – 3.58% increase

In response to Committee Member Weller, Easley stated the increase in personnel contracted services was due to additional temporary employees to assist with camp clean-ups. Messenger clarified that the City was looking at possibly contracting out some of the parks clean-up activities to relieve some of the parks staff of those duties. Committee Member Mohr questioned how the time, place, and manner impact the parks budget. Discussion ensued. Messenger stated expenses associated with cleanups that are non-personnel related come out of the City Manager Administrative budget. \$75,000 was budgeted for 2022/23 for abatement costs which covers work crew costs and dump fees and expenses through April 2023 were around \$50,000; however, personnel costs were not tracked or included in that amount. Chair Baker questioned if tracking personnel costs would be beneficial. Discussion ensued. Messenger stated that staff could account for the personnel time spent on clean-ups, if there were a need. Committee Member Peter questioned that given the new position for a Homeless Coordinator, would it make sense to create a separate budget that captured all of the costs associated. Messenger stated staff tried to accomplish that by putting those expenses into the City Manager budget and this specific expense probably should have been located there. An action could be taken to move it, but at the end of the day it was all coming out of the general fund. Committee Member Mohr commented that in 2022 there was around \$20,000 in vandalism and the current projection was for \$20,000 and questioned if staff felt that was

enough to cover expenses related to vandalism moving forward. Easley responded that vandalism expenses were not over budget this year; therefore, staff did not see a reason to increase that budget item. Messenger added if damage were significant enough to results in an insurance claim, that expense would come out of the non-departmental budget.

Some department accomplishments included:

- Water standby power project was near completion
- Stephens Street grind & inlay project increased bicycle connectivity in the community
- Parks & Recreation applied for two grants: LGGP – Stewart Park Tennis & Pickleball Courts and Two for the Trails – Sunshine Trails
- Able to resume recreation programming halted during COVID – Low Impact Fitness – numbers exceeded pre-COVID attendance within the first week
- Hired 7 employees across divisions
- Replaced 24 ADA ramps

Municipal Court – Harker discussed the department budget would see a 0.89% decrease in personnel services. Materials and services expenses were projected to remain the same. There were no proposed staffing changes and this was a status quo budget.

Some department activities included:

- Record and case management
- Docket management
- Subpoena issuance
- Jury panel management
- Prisoner management
- Collection management
- Driver license suspension coordination with DMV

Some department accomplishments included:

- Implementing video arraignment to enhance court room safety and improve processing of cases of persons in custody.

In response to Committee Member Scott, Harker reported the \$5000 paid to banks were for transaction fees due to credit card processing. Porter questioned if that cost was passed along to the customer. Harker stated the City covered the costs of the transaction fees; they were not passed along to the user.

Police Department – Klopfenstein reviewed the department budget showing a 6.08% increase overall. The department was not requesting an increase to staffing levels. Increases were a results of increased personnel expenses, dispatch services, jail services, and insurance.

Some department achievements included:

- Created a Homeless Liaison position
- Hired four Police Officers and a Community Service Officer
- Continued to implement lethality assessments on domestic violence incidents
- Continued to participate in community events, such as Shop with a Cop, Dress a Child, and Coffee with a Copy.

In response to Chair Baker, Klopfenstein stated that like many agencies department staffing levels were down and recruitments had been ongoing. Discussion ensued. Messenger added

that if the department were to get fully staffed and had a good candidate to bring on board they would potentially over staff.

In response to Committee Member Mohr, Klopfenstein stated the department still had a line item for a K9 officer; however, while staffing was down it was not possible to have someone in that position. Additionally, the department was down to one School Resource Officer until staffing levels increased.

Fire Department – Christopherson provided information for the department budget showing a 6.82% increase overall. The increase was due to increases in personnel expenses and materials and services. The budget proposed the addition of one full-time Deputy Fire Marshal position.

Some department activities included:

- Fire suppression
- Emergency medical services
- Fire prevention
- Hazardous materials response
- Records management
- Emergency management/preparedness

Some department accomplishments included:

- Personnel
 - Chief promotion
 - Assistant Chief promotion
 - 1 – Battalion Chief promotion
 - 2 – Lieutenants promoted
 - 2 – Driver Engineers promoted
 - Firefighter completion of probation
 - 3 – recruit Firefighters hired
- Installation of cameras at both fire sub-stations was completed to improve increased security of critical infrastructure. Beginning stages of station three security fencing has begun
- Improved water rescue capabilities with the purchase of enhanced equipment. Firefighters trained collaboratively with neighboring agencies to enhance interoperability.
- Community education and outreach resumed after COVID restrictions were lifted.

In response to Committee Member Porter, Messenger stated this portion of the budget included expenditures, revenues were listed in the revenue line items. Messenger added that staff was notified last week that the City did not receive the grant for the Deputy Fire Marshal position; however, staff was still recommending moving forward with the additional position. In response to Scott, Christopherson stated calls increased by 1500 over the previous year, which was the largest increase seen in 20 years. In response to Chair Baker, Christopherson stated that approximately 94% of calls are medical. In response to Committee Member Peter, Christopherson confirmed fire and police used the same dispatch service, and the police department had a higher level of service calls.

Non-Departmental – Harker presented the non-departmental fund which consists of capital outlay, transfers, and other requirements as presented in the proposed budget. Capital outlay

showed a 332% increase, which was attributed directly towards IT capital upgrades and needs as identified through the IT assessment. Transfers showed a 16.8% increase, which was related to transfers to the equipment replacement funds. Harker explained that the City maintains a 5-year projection for major replacements for equipment and vehicles. Transfer funds are held outside the general fund so that transfers can occur seamlessly without affecting the general fund. Costs have increased which were reflected to support that 5-year capital outlook. There was no change to the park improvement fund or facilities improvement fund. There was a slight decrease to the off-street parking fund due to a lease on parking lot utilized by U-Haul. Other requirements showed a 21.3% decrease, which includes City Council projects, FSA administrative charges, and Thrive Umpqua. Insurance deductibles, sobering center, and 4th of July contributions showed no change.

In response to Committee Member Prawitz, Harker confirmed the increase to the capital outlay fund was primarily due to hardware around IT investments. This would address the critical items that were identified in the recent IT assessment, and staff would continue to evaluate based on need and effectiveness. Harker added that the capital outlay fund tends to fluctuate yearly based on projects. Discussion ensued.

Committee Member Prawitz moved to tentatively approve the General Fund. The motion was seconded by Committee Member Krimetz and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, Weller, and Zielinski voted yes. No one voted no.

SPECIAL REVENUE FUNDS

Grant Special Revenue – Harker provided information regarding grant funds used for projects. This fund accounts for General Fund grant expenditures. Grants are also identified in special funds, such as the Library Special Revenue fund; therefore, not all grants are identified here. The proposed budget includes \$6,030 in matching funds and no general fund transfers were proposed this year. There was \$4.756 million total expenditure for grant special revenue funds. Current grants included:

- \$663,500 State – Navigation Center (carry over)
- \$80,350 Federal – HUD (CDBG) – Reality Kitchen (carry over)
- \$4 Million State – Med Ed Grant (carry over)
- \$12,060 Fed – DOJ – Police Bullet proof vests (\$6,030 matching funds)

Committee Member Sykes questioned if the Med Ed grant was same project that has been being worked on for several years. Discussion ensued. Messenger confirmed the \$5 million in funding was received in August 2022, and the majority of those funds had not been spent.

Hotel/Motel Tax – Harker discussed the Hotel/Motel Tax Fund that was set for 8%. Tax revenue projected at 1.9 million was based on current historical trends. The current economy has significant impact on the lodging industry. Revenue allocation was established by ordinance where 57.25% was to be used for tourism, 32.89% for streetlights, signals, and sidewalks, and 9.86% for economic development. The tourism portion allocated was \$787,500 for the tourism promotion provider and \$325,000 for City Commission and other. The budget showed a \$250,000 transfer out of the park improvement fund, which could be used toward improvements that would allow for tournaments and create tourism. Committee Member Mohr asked how the City measures return on investment for tourism promotions and contracted services. Discussion ensued. The return on investment for tourism promotion and contracted services was difficult to gauge as it is difficult to know how much tourism dollars are brought in from the

DMO Anvil Northwest. Discussed different revenues within the fund and data tracking methods. Hotel vacancies have been low in the area over the last two years. Committee Member Prawitz shared that Anvil Northwest provides a report at every Economic Development Commission meeting, which provides information on those tracking methods. In response to Weller, Harker explained when the 2022/23 budget was prepared, the terms of the DMO contract were being finalized and ultimately the \$500,000 budgeted last year became the base of the contract. The term of the final contract provides the base of \$500,000 agreement, a 3% contractual increase, plus 15% which was not reflected in the budget last year. Messenger added with the past DMO contract the Chamber of Commerce received 85% of revenue generated. Discussion ensued. Committee Member Smith asked how the City projects revenue with two motels on Stephens Street being sold and converted to transitional housing. Harker explained what was considered short term (less than 45 days), when that duration exceeds the 45 day limit, the property becomes exempt from the hotel/motel tax. Committee Member Krimetz questioned whether the City had done a cost benefit analysis on tourism based on economic development. Messenger replied that those rates are defined by state statute, which does not allow them to be adjusted. Additional percentages added to the hotel/motel tax would go directly to tourism. In response to Committee Member Peter, Harker confirmed the hotel/motel tax does encompass Bed and Breakfasts and Airbnb's.

Economic Development – Harker presented the Economic Development budget which was supported by transfers from the hotel/motel tax fund and was projected at \$183,702. With the dissolution of the Downtown Roseburg Association and termination of the contract with the Partnership, committed annual expenditures have been eliminated; however, staff recommended the budget continue to appropriate for the expense. Projects were budgeted at \$252,500 for materials and services and Capital Outlay at \$50,000. The fund could be utilized if the City establishes community partnerships. Committee Member Smead shared information about Wenatchee, WA generating revenue through its wine industry by moving tasting rooms to their downtown area. Messenger commented that the downtown area seemed to be moving in that direction with three wine tasting destinations in downtown Roseburg.

American Rescue Plan Act (ARPA) – Harker presented the ARPA budget. The American Rescue Plan Act (ARPA) was signed into law in March 2021. The City received \$5.2 million in two portions; the first half was received in FY 2021-22 and the second half in FY 2022-23. The funds need to be fully committed by December 2024 and spent by December 2026. Harker explained when the funds were initially dispersed heavy restrictions were placed on how they could be used. However, it was determined that funds received up to \$10 million was considered revenue loss and could be spent on anything that the City would use to fund its normal operations.

The City declared the entire \$5.2 million as loss revenue. The funds are therefore unrestricted; however, there were still reporting requirements for the use of the funds. Staff continues to identify the best use for ARPA funds. The funds have supported several projects for safety, janitorial work in the parking garage, parking and other purchases. FY 2023-24 appropriations include \$1.3 million for materials and services and \$1.75 million for Capital Outlay. \$50,000 was budgeted as transfer to the General Fund to be used should the City incur pandemic related personnel expenses. The majority of the balance was currently uncommitted. Discussion ensued. Messenger stated staff was trying to be thoughtful with how the funds were spent and have had discussions with Council about some of the funding needs. In response to Committee Member Prawitz, Messenger stated just under \$50,000 annually has been spent on the parking garage janitorial and security services. Committee Member Sykes questioned if

staff had considered an emergency grant program to make those funds available to the community should there be another pandemic or economic event. There were no current plans at this time. Millions of dollars in funding was distributed through CCD during the pandemic, so that had not been considered; however, it was possible if there became a need. In response to Committee Member Weller, Messenger stated the \$1.5 million labeled building would include any capital expenses related to a City building. Discussion ensued. The funds provide a resource and there were some projects under consideration for existing City buildings.

Assessment Improvement Fund – Harker presented the Assessment and Improvement fund. The fund finances the construction of LIDs (Local Improvement Districts) and derelict building mitigation expenses, including costs associated with foreclosures. The fund allows the City to eliminate bank financing costs for LIDs and benefited property owners share in project costs. There is a beginning fund balance of \$1.714 million. Historically the City has always budgeted \$1 million for potential LID projects, which have not been utilized for several years. The budget proposes that \$140,000 be allocated for derelict building mitigation and foreclosure activities that carry liens. Foreclosure costs include attorney fees and title company costs. Discussed the purpose and utilization of LIDs. Messenger stated the City does allow for single lot LIDs; however, due to staffing shortages those improvements have not been made. Discussion ensued. In response to Committee Member Mohr, Messenger confirmed unused funds carry forward to the next fiscal year and do not get transferred to a different fund. Chair Baker questioned why the interest income was higher than previous years. Harker explained that this was due to increased interest rates, which have increased interest income.

Public Works Special Revenue Funds – Easley discussed the funds, which included:

- Streetlight and Sidewalk Fund – 25% increase
- Bike Trail Fund – 1.72% increase
- Golf Fund – 5.45% increase
- Stewart Trust Fund – 0% increase

Easley explained revenues to the Streetlight and Sidewalk fund come from a 32.89% transfer from the Hotel/Motel tax set by ordinance. Projects in this fund include ADA ramp improvements on NW Kline and SE Stephens. The revenue source for the Bike Trail fund is from 1% of the gas tax mandated by the state. Revenues and expenses from the Sunshine Trails grant are included in this fund. The Golf Fund revenue is made up of ground lease for a cell tower and monthly payment from the concessionaire. The Golf Fund increased slightly to \$70,860 for anticipated increases in utility costs and capital outlay. The Stewart Trust Fund is used for improvements to the City's American Legion baseball field and Stewart Park. The fund is flat year over year at \$30,000, and there were no planned improvements for this fiscal year. In response to Committee Member Krmetz, Easley stated the cost of traffic lights depends on the project and could reach in excess of \$500,000. Staff often applies for grants to help mitigate those costs.

Library Special Revenue Fund – Wiley presented the library special revenue fund which supports programs, collections, and special projects. The fund includes donations, memorials, and grants that are used specifically for the library. Staff adjusts projects based on grants received or not received. The fund includes a proposed increase of 6.67%. Annual projects include the Summer and Winter Reading Programs and the second Roseburg Reads program. A major project this year is revamping the Ford Room to include technology that will allow users to simultaneously have an in-person audience, Zoom audience, and livestream on a platform such as Facebook Live. A grant was received to create a request for proposals for the Ford

Room upgrades, which was reflected in the proposed budget. Discussion ensued. Wiley clarified the grant funds would be used to create the specifications for the RFP and the equipment and implementation would likely be part of the next budget cycle. All projects within the Library Special Revenue Fund are driven by grants and donations.

In response to Committee Member Weller, Messenger confirmed the verbiage on the Stewart Trust Fund should state that no projects have been programmed. Staff would make this correct in the final version of the budget.

Committee Member Prawitz moved for tentatively approve the special revenue funds. The motion was seconded by Committee Member Krimetz and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, Weller, and Zielinski voted yes. No one voted no.

DEBT SERVICE FUNDS

Harker explained that in 2013, Pension Obligation Bonds (POBs) were issued as part of a strategy to provide long-term operational stability and sustainability. By replacing a portion of the City's unfunded actuarial liability with POBs, gross savings of more than \$1.041 million would be realized over 15 years. This reduced the employers PERS rate by 4.25%. The City charges itself 4% internally to manage the payback on the bond. The bond would mature in 2028 and the City would be relieved of that debt. Principle and interest due in 2023-24 is \$547,484.

Committee Member Scott moved for tentatively approve the Debt Service Fund. The motion was seconded by Committee Member Weller and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, Weller, and Zielinski voted yes. No one voted no.

CAPITAL PROJECTS FUNDS

Equipment Replacement Fund - Harker presented the Equipment Replacement Fund, which provides funding for major vehicle and equipment acquisitions. The City maintains a 5-year replacement schedule, which minimizes budget fluctuation. The proposed expenditures for 2023-24 was \$818,459. Transfers were made every year to this fund and the 2023-24 General Fund transfer was \$960,000.

Public Works Capital Project Funds – Transportation – Easley discussed the 3.34% decrease for the Public Works Transportation Fund. The beginning fund balance was \$4,758,635 and staff was requesting \$2,597,146 for this budget cycle. Revenue sources for the fund were from franchise fees, Surface Transportation Block Grant funds, gas tax, and system development charges. Overlay projects included in this fund include Pine Street near SE Rice Avenue and Stewart Parkway from NE Airport Road to NE Stephens.

Public Works Capital Project Funds – Park Improvement – Easley presented Public Works Park Improvement. The funds shows a significantly increase, which was due to a large grant staff was applying for, which would provide funds to improve the outdoor tennis and pickle ball courts. The fund received a transfer of \$250,000 from the hotel/motel fund, which would be used to work with user groups to make improvements to sports fields to attract tournaments to the community and increase tourism. In response to Chair Baker, Messenger stated there was a proposed transfer from the Tourism fund to the Park Improvement fund, because improvements that could greatly benefit our parks and increase tourism have been identified. The funds would transfer should appropriate projects be identified. Discussion ensued.

Public Works Capital Project Funds – Facilities Replacement – Easley explained the Facilities Replacement fund includes a proposed increase of less than 1%. The revenue source for this fund is a transfer from the General Fund used to maintain City owned facilities. There was a beginning balance of \$251,591 and an estimated ending fund balance of \$201,404. The primary project identified for this year was improvements to the Parks Maintenance shop. In response to Committee Member Peter, Harker confirmed the revenue source from this fund is from a transfer from the General Fund, it was incorrectly listed in the proposed budget as coming from the Library Special Revenue fund.

Committee Member Prawitz moved to tentatively approve the Capital Projects Funds. The motion was seconded by Committee Member Sipos and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, Weller, and Zielinski voted yes. No one voted no.

ENTERPRISE FUNDS

Airport Fund – Messenger presented Airport Enterprise Fund, which operates self-sufficiently and does not receive transfers from the General Fund or rely on property taxes for funding. There would be a 10.34% decrease from last fiscal year at \$959,665. The fund varies by year depending on grant projects. Projects planned for this fiscal year were the Taxiway Extension Design, Standby Power and Security, and Fencing Improvements. Revenues are projected at \$851,664, which include lease fees and fuel flowage fees. The ending fund balance is estimated at \$785,218. Staff was intentionally keeping the fund balance building to plan for potential projects in future years.

Water Fund – Easley explained this fund was broken into four sections to include:

- Water – Beginning fund balance of \$9,525,509 and projected revenues of \$8,264,538.
- Production – 6.46% increase
- Transmission and Distribution – 3.77% increase
- Administration – 9.70% decrease

The increase was primarily due to personnel costs, inflation on materials and supplies, and fuel costs. The water service fund is responsible for domestic drinking water. Revenue sources include connection fees, system and development charges, and service charges. Due to increased costs of production and maintenance of the water system, a 5% rate increase was proposed. The decrease in the Administration budget was associated with the Water Master Plan update being pushed to the next fiscal year to incorporate the Urban Growth Boundary swap in the plan. Upcoming projects include

- Main Replacements: Stephens/Pine & Vine Street
- Plant Improvements: Polymer Mixer & TBD
- Transmission Main: 24" Isabell Ave. – Newton Creek Drive

In response to Committee Member Weller, Easley stated the City pays franchise fees to the City, because there is a public utility in the right away, similar to how the City pays water fees.

Storm Drainage – Easley presented the Storm Drainage fund, which shows a slight increase of 1.23%. The beginning fund balance was \$6,351,962 and the estimated ending balance was \$6,447,698. Capital project includes a large grant funded storm drain project on Calkins and Troost. Other planned projects included:

- Open-cut Pipe Replacement

- Cured in Place Piping
- TMDL Implementation

Off-Street Parking Fund – Harker presented the off-street parking fund, which was intended to be self-supporting, but they are often supplemented by transfers from other revenues. Off-street parking is not currently self-supporting and ARPA funding has been used to offset some of those deficits. In January 2022, the City executed a new parking enforcement services contract. When taking a look at the expenditures and revenues, it was realized that modifications were needed. Staff has gained a better understanding of the revenue that would be generated and how the program would work. There is a reduction in revenues which is reflective of what was received. Operating revenues were estimated at \$122,900 and operating expenditures were at \$127,240. Expenses would be greater than what was available to be budgeted out of this fund; therefore, staff would recommend utilizing ARPA funds to cover this deficit until the parameters change. Discussion ensued. Staff has not had the capacity to tackle the situation yet and there was no current timeline. Committee Member Mohr asked for clarification on how the fund was balanced out and how the difference would be handled. Harker stated there would be a gap between revenue and expenditures, and there was a need to reevaluate the program. The small parking area downtown would not generate the revenue expected to cover the program and parameters would need to change to make the program self-sustainable. Decisions will need to be made by Council on where those funds come from based on priority.

Committee Member Prawitz moved to tentatively approve the Enterprise Funds. The motion was seconded by Committee Member Smith and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, Weller, and Zielinski voted yes. No one voted no.

INTERNAL SERVICE FUND

VanWinkle discussed workers compensation and how the City was self-insured. The purpose for the fund was to cover on the job injuries. The City is liable up to \$500,000 per occurrence for general services and \$750,000 for public safety. Claims in excess of that are covered up to the statutory maximum through private insurance. Safety programs were in place to reduce work related accidents and injuries. The fund has a proposed ending balance of \$782,139 and resources of \$245,460 was expected from other funds based on premium rates and current claim estimates. Anticipated expenses were \$439,091, based on activities and claims history. The City has been self-insured since 1987, but was exploring alternative options.

Committee Member Prawitz moved to tentatively approve the Internal Service Fund. The motion was seconded by Committee Member Krimetz and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, Weller, and Zielinski voted yes. No one voted no.

AUDIENCE PARTICIPATION

No one asked prior to the meeting to participate.

APPROVAL OF CITY OF ROSEBURG BUDGET AND TAX RATE

Committee Member Krimetz moved to approve and recommend City Council adoption of the budget for the 2023-2024 fiscal year in the amount of \$104,307,207, and to approve and recommend City Council adoption of property taxes for the 2023-2024 fiscal year at the rate of \$8.4774 per \$1,000 of assessed value for the permanent rate tax levy. The motion was

seconded by Committee Member Weller and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, Weller, and Zielinski voted yes. No one voted no.

PRESENTATION OF URBAN RENEWAL AGENCY BUDGET

Harker shared the proposed Urban Renewal Agency budget which totals \$2,890,918. The City established a new urban renewal area for the Diamond Lake area. The primary revenue source was from tax increment revenues. \$799,000 was anticipated to be received during the next year, transferring \$800,000 to the UR Capital Fund.

Fund 351 for the East Diamond Lake area had a beginning fund balance of \$987,917, with \$405,000 for Capital and Non-Capital projects. Of those projects, \$205,000 was for contracted services for the housing incentive program and \$200,000 for Capital Improvements that were still to be determined.

APPROVAL OF URBAN RENEWAL AGENCY BUDGET

Committee Member Prawitz moved to approve the Urban Renewal budget for the 2023-2024 fiscal year in the amount of \$2,890,918. The motion was seconded by Committee Member Briggs Loosley and was approved with the following vote: Chair Baker; Committee Members Briggs Loosley, Krimetz, Mohr, Peter, Porter, Prawitz, Rummel, Scott, Sipos, Smead, Smith, Sykes, Weller, and Zielinski voted yes. No one voted no.

GOOD OF THE ORDER

Prawitz thanked everyone for their attendance and participation in the budget discussion.

Meeting adjourned at 9:29 p.m.

Autumn David

Autumn David

Management Staff Assistant