CITY OF ROSEBURG/ROSEBURG URBAN RENEWAL AGENCY BUDGET COMMITTEE AGENDA – MAY 11, 2021 – 6:00 PM

Meetings may continue on May 12 and 13 until the Budget is adopted.

Electronic Meeting

Public 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 electronically via Zoom. See next page for instructions on how to participate in virtual meetings.

CALL TO ORDER 2020 Chair Knut Torvik

ROLL CALL

Mike Baker Beverly Cole Bob Cotterell Sheila Cox Alison Eggers Stephen Krimetz Sheri Moothart Kelly Peter Brian Prawitz **Bob Scott** Patrice Sipos Jerry Smead Bryan Sykes Knut Torvik Jeffrey Weller Andrea Zielinski

- 1. ELECTION OF OFFICERS CHAIR AND VICE-CHAIR
- 2. APPROVAL OF MINUTES May 12, 2020
- 3. PUBLIC HEARING POSSIBLE USES OF STATE REVENUE SHARING FUNDS
- 4. PRESENTATION OF BUDGET MESSAGE

1. Revenues *(35)*

5. STAFF PRESENTATIONS - FUND BUDGET REVIEW

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Δ	General	Fund

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2.	City Administration (41)	ACM/ City Recorder Amy L. Sowa
3.	Finance (43)	Finance Director Ron Harker
4.	I.T. (45)	
5.	Community Development (47)	Community Develop Dir Stuart Cowie
6.	Library (49)	Library Director Kris Wiley
7.	Public Works (51)	Public Works Director Brice Perkins
	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

Finance Director Ron Harker

Police Chief Gary Klopfenstein

Finance Director Ron Harker

Fire Chief Monte Bryan

Tentative Approval of the General Fund

Police (67)

Fire (69)

B. Special Revenue Funds

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

Non-Departmental (71)

6. Golf (83) 7. Stewart Trust (89) 8. Library (87) Library Director Kris Wiley Tentative Approval of the Special Revenue Funds C. **Debt Service Funds** Finance Director Ron Harker 1. Debt Retirement Fund (91) Pension Obligation Debt Service Fund (93) Tentative Approval of the Debt Service Fund Capital Projects Funds D. Equipment Replacement (102) Finance Director Ron Harker Assessment Improvement (107) 2. 3. Transportation Fund (95) Public Works Director Brice Perkins 4. Park Improvement (99) 5. Facilities Replacement (109) Tentative Approval of the Capital Projects Funds E. **Enterprise Funds** 1. Airport (117) City Manager Nikki Messenger Water Service (122) 2. Public Works Director Brice Perkins 3. Storm Drainage (112) Off-Street Parking (115) Finance Director Ron Harker Tentative Approval of the Enterprise Funds Internal Service Fund (136) Human Resources Dir John VanWinkle Tentative Approval of the Internal Service Fund 6. **AUDIENCE PARTICIPATION** APPROVAL OF CITY OF ROSEBURG BUDGET & APPROVAL OF TAX RATE 7. Suggested motion: I move to approve and recommend City Council adoption of the budget for the 2021/2022 fiscal year in the amount of \$80,302,808, and approve property taxes for the 2021/2022 fiscal year at the rate of \$8.4774 per \$1,000 of assessed value for the permanent rate tax levv. PRESENTATION OF URBAN RENEWAL BUDGET 8. Α. General Fund (4) Finance Director Ron Harker B. Capital Projects (6) APPROVAL OF URBAN RENEWAL AGENCY BUDGET 9. Suggested motion: I move to approve and recommend adoption of the Urban Renewal Agency budget for the 2021/2022 fiscal year in the amount of \$1,457,836. 10. **GOOD OF THE ORDER** 11. **ADJOURNMENT**

Public Works Director Brice Perkins

Streetlights and Sidewalk (78)

Bike Trail (81)

4.

5.

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:

To provide comment during virtual meetings, contact the Assistant City Manager/City Recorder by phone (541-492-6866) or email (info@cityofroseburg.org) by 3:00 p.m. the day of the meeting. Provide your name, address, phone number and which item on the agenda you wish to speak. You will then be provided with a link and phone number to the Council meeting. 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**, you will be asked to enter your email and name. After entering your email and name, 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 address 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 Chair addresses that item or on a matter not on the evening's agenda, may do so under "Audience Participation."

PROVIDING COMMENTS

If you join the meeting via Zoom, please <u>select the "raise hand" button</u> when the Chair calls for speakers. You will be moved out of the "waiting room" to speak. After you have provided your comments, you will be moved back into the "waiting room".

If you join the meeting on the phone number you provided to the Assistant City Manager/City Recorder, you will be brought into the meeting to speak when the Chair calls for speakers, then moved back to the "waiting room".

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: <a href="https://www.cityofroseburg.org/your-government/commissions/budget-committee-budget-budget-committee-budget-budget-budget-budget-budget-budget-budget-budget-budget-budget-budget-budget-budget-budget-budget-budge

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

MINUTES OF THE MEETING OF THE CITY OF ROSEBURG/ROSEBURG URBAN RENEWAL AGENCY BUDGET COMMITTEE MAY 12, 2020



Chair Knut Torvik called the City of Roseburg/Roseburg Urban Renewal Agency Budget Committee meeting to order at 6:13 p.m. on Tuesday, May 12, 2020, electronically via Zoom in Roseburg, Oregon.

ROLL CALL

<u>Committee Members Present</u>: Mike Baker, Beverly Cole, Bob Cotterell, Sheila Cox, Alison Eggers, Linda Fisher-Fowler, Ashley Hicks, Brian Prawitz, Bob Scott, Patrice Sipos, Jerry Smead, Bryan Sykes, Knut Torvik, Jeffrey Weller and Andrea Zielinski.

Committee Members Absent: None

Others Present: City Manager Nikki Messenger, Finance Director Ron Harker, City Recorder Amy Sowa, Police Chief Gary Klopfenstein, Human Resources Director John VanWinkle, Community Development Director Stuart Cowie, Fire Chief Gary Garrisi, Library Director Kris Wiley, Public Works Director Brice Perkins and Management Assistant Koree Tate.

ELECTION OF OFFICERS

Committee Member Baker nominated Committee Member Torvik to serve as Chair. Motion was seconded by Committee Member Cox and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no. Committee Member Cox nominated Committee Member Baker to serve as Vice-Chair. Motion was seconded by Committee Member Hicks and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

APPROVAL OF MINUTES

Committee Member Baker moved to approve the minutes of the May 14, 2019 Budget Committee meeting. The motion was seconded by Committee Member Cox and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

PUBLIC HEARING - POSSIBLE USES OF STATE REVENUE SHARING FUNDS

At 6:17 p.m., Committee Chair Torvik opened the public hearing to take testimony regarding possible uses for State Revenue Sharing funds. Mr. Harker reported the liquor taxes came in two amounts and was shared with other communities based on a complex formula. The City should receive \$270,000 which would go to the general fund. In response to Committee Member Hicks, Mr. Harker confirmed there was an increase of funds due to an increase in the City's population, and the core revenue for alcohol had increased for the state as a whole. As no one else wished to speak, the hearing was closed at 6:19 p.m.

PRESENTATION OF CITY OF ROSEBURG BUDGET MESSAGE AND FUND BUDGET REVIEW

Ms. Messenger thanked committee members for their time with the budget process. The proposed budget was based on maintaining existing service levels and advancing work on Council goals which included:

- 1. Develop and implement policies to enhance housing opportunities.
- 2. Implement transportation funding policies to meet identified community needs.
- 3. Enhance community livability and public safety.
- 4. Take a proactive role in community economic development and revitalization.
- 5. Update and implement the City's Émergency Preparedness Plan.
- 6. Explore strategies to address issues related to unhoused individuals within the community.

The City was able to maintain current service levels and limit overall general fund increases to just under 2%.

Mr. Harker explained this was a status quo budget with very few modifications and a slight change in staffing. In response to Committee Member Weller, Mr. Harker explained some of the transitions that occurred included the City Manager position and bringing in a new Communications Specialist. Accrued vacation payout when the previous City Manager retired and budgeting a higher than needed amount for the new Communications position accounted for the cost difference.

Mr. Harker stated PERS would continue into the second year at the current rate and would not show an increase. The general fund reserves had been decreasing over the years. The initial reserve was very high so they started to purposely decrease the rate, but noted they would need to monitor and be cognizant in the future moving forward. Property taxes were most important for the general fund and had a 4.1% increase over last year. Mr. Harker discussed the budget process and how the City was in an unprecedented time with nothing to fall back on historically to work through the COVID-19 pandemic. There was little data to know what impacts might occur due to COVID-19, but some things could be:

- Fewer people paying their property taxes completely or at all.
- Building permits could decrease.
- Fewer traffic citations or parking ticket revenue.
- Recreation fees could decline.
- Lodging taxes have decreased and it was unknown how long the decline could last.
- State shared gas taxes decreased due to spending more time at home.

For the other side of the spectrum, water and gas could see an increase with more people staying at home along with possible alcohol and tobacco increases. The next quarter would provide evidence of the impact felt regarding changes to funds received. This would not impact the general fund, but the economy was being hit the hardest.

STAFF PRESENTATIONS – FUND BUDGET REVIEW

<u>City Manager's Office</u> - Ms. Sowa reviewed the City Manager Department budget showing a 4.3% overall decrease. The largest decrease was in Materials and Services at 16% due to moving the transit district funding to the non-departmental fund. Some accomplishments included transitioning a new City Manager, hiring a new Communications Specialist, new

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electronic HR filing system, implementing online sales process for surplus equipment and supplies, becoming a Blue Zones approved work site and hiring Anvil NW as new Destination Marketing Organization. In response to Councilor Hicks, Ms. Messenger explained the City would partner with CCD Business for their loan program to help local businesses recover from the COVID-19 pandemic. Business Oregon was offering a one to one match and Ms. Messenger was working to find the best solution to help people get back to work while continuing to review opportunities. Committee Member Prawitz wanted to know if the City anticipated Federal funds for grant opportunities. Ms. Messenger explained federal funds could be an option, but until it became available she would need to see how best to use the funds.

<u>Finance Department</u> – Mr. Harker provided department information showing a 3.5% increase for the department. Some accomplishments included the 27th consecutive GFOA award for Excellence in Financial Reporting, completed final closeout of North Roseburg Urban Renewal Area, updated 6-year financial forecast and prepared for implementation of GASB Statement No 87 Leases.

IT Department – Mr. Harker explained the department was operated by 2.5 FTE and had a 1.3% budget increase. Some accomplishments for the year included: replaced all virtualization server hosts, replaced police and fire mobile data computers, upgraded computers in multiple departments, updated security cameras at Public Safety Center, rolled out new City website and worked on Water System's telemetry upgrade project. In response to Committee Member Hicks, Mr. Harker explained the camera system for the Council Chambers was not included because it was part of the current fiscal year. The parking garage was not scheduled to obtain security cameras and would need discussed further. Committee Member Hicks asked if the City Councilor iPads were on a scheduled rotation. Mr. Harker stated the IT Department maintained the schedule for computer or iPad upgrades; he would need to consult with IT before supplying an answer to her question.

Community Development Department – Mr. Cowie discussed the department budget that included a 1.1% increase. Some accomplishments for the year included: completed and City Council adopted Transportation System Plan and Housing Needs Analysis, updated Land Use Development Regulations, helped facilitate system development charge buydown program for a 68 unit Deer Creek Apartment complex and 89 unit Oak Springs Apartment complex, finalized Head Start Program grant, completed design phase of wayfinding sign project and processed approximately 400 site review applications. Committee Member Hicks asked why the budget for abatement showed a decrease last year and an increase in the new budget, why the increase was not more, and if incentives would be available for South Stephens Street to encourage people to fix the area. Mr. Cowie explained the increase in abatement a couple years prior was due to demolition of two derelict homes that were considered dangerous; no buildings were demolished last year. The incentive funds were for the new Diamond Lake Urban Renewal District area and not anticipated in other locations outside that District.

<u>Library Department</u> – Ms. Wiley provided information about the Library budget and the 7.2% increase. Staff levels had remained the same, but the increase in the budget was due to materials and services. The budget was supplemented with grants and donations to help purchase collection materials and manage two e-book platforms. Some accomplishments for the year included: surpassed 100,000 visitors, opened maker space, maintained volunteer program, launched Imagination Library with 600 children registered, 5,600 card holders,

135,000 library check-outs and launched their first summer reading program with 73 events. Committee Member Scott alerted the Committee he had written and submitted several pages of questions about the cost of the Library versus public safety and felt it was a lot of money out of the general fund that could be used for the police, fire and public works budget.

In response to Committee Member Weller, Ms. Wiley explained utility fees and insurance did increase and after being open a year, she now realized the costs associated with keeping the building open. Committee Member Weller added that the cost seemed to be a large jump from the previous two years. Ms. Wiley noted that the Library was only opened for half a year in FY2018/2019. Mr. Harker explained an appropriation transfer was approved at a Council Meeting and was not reflected in the current budget. It was a greater expense than what was initially expected. In response to Committee Member Prawitz, Ms. Wiley confirmed some costs were shared with Douglas ESD. The City paid for utilities while Douglas ESD paid for custodial services and supplies and at the end of the year the costs were compared to see if one party paid more than the other. Mr. Harker added that they would not see an adjustment in those accounts because those responsibilities were reconciled at the end of the year. Committee Member Scott added he wanted to make a recommendation to modify the budget and thought the Library funding should be cancelled and have all the funds go to Public Safety. Chair Torvik advised that would be an amendment to the motion when they were ready to take action on the general fund.

<u>Public Works</u> – Mr. Perkins stated the department's mission statement was to provide quality public infrastructure at the lowest life cycle cost. The total Public Works general fund was projected to increase 1.31% and Parks general fund to increase 2.68%. The breakdown was as follows:

- Engineering 1.2% increase
- Administration 2.46% increase
- Building Maintenance 2.48% increase
- Street Maintenance 1.15% increase
- Streetlights no increase
- Parks Administration 0.78% increase
- Parks Maintenance 3.02% increase

Some accomplishments from the year included: replaced signal heads at 6 intersections, installed countdown pedestrian signals, completed airport runway edge lighting project, installed 3 electrical vehicle charging stations, completed phase 3 of Water Treatment Plant SCADA system upgrade, completed phase 3 of Downtown Street Lighting improvements, replaced ADA ramps, installed new water main, replaced chlorination system at Water Treatment Plant, replaced electric fueling at airport and completed slurry seal project. Mr. Perkins explained how slurry seals were used to extend the life of pavement for 5-7 years for a smaller cost. Committee Member Weller questioned why the contracted services for parks maintenance no longer showed an expense. Mr. Perkins explained the City had trouble hiring seasonal employees and decided to use a temp agency instead which moved the cost to materials and services.

Committee Member Weller noted that salary and wages were down and independent contractor costs had increased. He was concerned that the department was increasing more than others. Mr. Harker explained it was important to realize the cost associated with 4 | Page- 05/12/2020 Budget Meeting Minutes

employees for health insurance and merits. Using a temp agency just changed the line item from which it was used. In response to Committee Member Cotterell, Mr. Perkins did not have information readily available in regards to charging station utilization. In response to Committee Member Hicks, Mr. Perkins confirmed the increase for lodging and registration was for the GIS Technician to keep current with versions of software and would not be a continued cost.

<u>Municipal Court</u> – Mr. Harker discussed the department budget would see a 2.8% increase. The prosecuting contract would expire soon and would need renegotiated with a possible increase. Some accomplishments for the year included: transferred court records to Laserfiche for ongoing maintenance and retrieval with integration to the court software and greatly reduced backlog of accounts to be transferred to collections.

<u>Police Department</u> – Mr. Klopfenstein reviewed the department budget showing a 0.3% increase. There was a decrease for materials and services after negotiating the dispatch service fee, and there would be a one-time supply purchase for new ERT helmets and communication gear. Some accomplishments for the year included: five new recruits graduated to solo status, worked with Peace at Home for domestic violence victims, improved response to unhoused and camp cleanups, and continued to work with Adapt/Compass for the Mobile Crisis Program.

<u>Fire Department</u> – Mr. Garrisi provided information for the department budget showing a 0.90% increase. Some accomplishments for the year included: participated in several wildland urban interface deployments including Mendocino County Fire and MP 97 fire, designed and purchased new Incident Command Vehicle, purchased new self-contained breathing apparatus to meet OSHA guidelines, continued multi-agency training, implemented automatic aid agreement with Douglas County Fire District No. 2 and worked cooperatively with City staff to plan use of Emergency Communication Center during a citywide disaster.

Committee Member Scott referenced his questions sent prior to the meeting and made the statement that someday in the future there would be a need for growth in the department and another fire station in the Costco area to reduce response time. Committee Member Sipos wanted to know if the Department had budgeted enough in case there was a secondary COVID-19 outbreak. Mr. Garrisi explained his department had done a great job handling the COVID-19 pandemic, but predicting was difficult. This was an unknown and the City had not dealt with this before, but they were in a good position and knew some things could be reimbursable. In response to Committee Member Hicks, Mr. Garrisi said the water utility cost increased due to the water rate increase projected for the upcoming year.

Non-Departmental – Mr. Harker discussed capital outlay, transfers and other requirements. Capital outlay showed a 64% decrease and was not tied to one specific project, but funds set aside for improvements throughout the year. Transfers showed a 16% increase due to the previous Urban Renewal District sun setting that had been forecast for many years. Other requirements showed a 704% increase. This was a new section where costs were previously within the City Manager's Department that included annual contributions.

Committee Member Cotterell said he understood why the City contributed to the 4th of July Celebration, but since it moved to the Douglas County Fairgrounds, he was not sure it was up to City taxpayers to continue paying for the event through the City. Committee Member Hicks

discussed her concern to build an IT Communication building on Reservoir Hill for fear of fires or vandalism. Mr. Harker explained it was important to have equipment there for the trajectory of the wireless signals. Equipment was currently isolated on the tower, but more was needed for telemetry work and camera systems. It would be a concrete building that would be secure and services could not be provided without being housed at that location.

Committee Member Hicks expressed concern the Sobering Center had not secured funds to open, so the money from the City was just sitting there and not being used for Public Safety. She also agreed with Committee Member Cotterell in regards to providing money for the 4th of July and that it should be for citizens of Roseburg. Ms. Messenger explained the line items were not new, but moved from the City Manager and Police Departments to non-departmental in order to be more transparent. If the funds were not spent, they would roll over to the general fund. Chair Torvik said the Sobering Center was a discussion item for Council, not the Budget Committee and the 4th of July was a moot point as it was not likely to take place this year.

Committee Member Eggers moved to tentatively approve the General Fund. The motion was seconded by Committee Member Fisher-Fowler and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. Committee Member Scott voted no.

Committee Member Scott moved to amend the General Fund by removing the Library fund of \$494,585 to use for Public Safety and close the Library on June 1, 2020. The motion died for a lack of a second.

SPECIAL REVENUE FUNDS

Mr. Harker explained money for special revenue came from transient lodging tax and the City could expect to see some issues from the COVID-19 pandemic.

Public Works Special Revenue Funds – Mr. Perkins discussed the funds which included:

- Streetlight and Sidewalk Fund 16.04% increase
- Bike Trail Fund 62.5% increase
- Golf Fund 0.54% increase
- Stewart Trust Fund 31.25% decrease

In response to Committee Member Prawitz, Mr. Perkins explained the Sunshine Park Trail was a \$260,000 project that was grant dependent. In response to Committee Member Weller, Mr. Perkins confirmed the City rented the street lights and had a contract for their maintenance. The cost includes the traffic supply upgrade project and power supply for the signals. Committee Member Hicks informed Staff the shade cover at the skate park was removed and wanted to see something included in the budget to have it replaced.

<u>Grant Special Revenue</u> – Mr. Harker provided information regarding grant funds used for projects, including those for library improvements. A General Fund transfer was not proposed for this year. Current grants included:

- \$100,000 Federal Business Development Education
- \$12,500 State Historic Office -Certified Local Government
- \$600,000 Federal Department of Justice Mobile Crisis Intervention
- \$5,000 Cow Creek Tribe Police Training Equipment
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- \$6,500 Federal Department of Justice Police Bullet Proof Vests
- \$25,000 Private Grant Police Tactical Equipment

<u>Hotel/Motel Tax</u> – Mr. Harker spoke about the impact of the COVID-19 pandemic. Changes would be seen during the next quarter and would reflect the time in which stay at home orders were in place. Tax revenue projected at \$1.24 million was based on current trends prior to the COVID-19 restrictions. Mr. Harker reminded the Committee the budget was a plan not set in stone and was a guiding principle to work on throughout the year. If the City modified the account and reduced it too much, it could make it impossible to allocate properly; therefore, to avoid that and not knowing the impact from the pandemic, it was decided to leave everything as is knowing transfers could be allowed provided by Municipal Code.

In response to Chair Torvik, Mr. Harker explained the Destination Marketing contract was awarded to Anvil NW who used the funds to allocate for tourism and the promotion of downtown. They have a new website, will have a tourism center and provided relocation packages. In response to Committee Member Hicks, Mr. Harker confirmed a percentage of money used for the contract could not be specified to the Downtown area but that question could go to the Economic Development Commission who oversees tourism promotion.

<u>Economic Development</u> – Mr. Harker discussed a potential grant from Travel Oregon for \$100,000 that would help the City complete the wayfinding project. This fund was used for the Main Street Program, Medical Education Project and to participate in development and expanding economic development partnerships.

<u>Library Special Revenue Fund</u> – Ms. Wiley thanked all grant providers including the Friends of the Roseburg Public Library. Grants and donations were received on a weekly basis and help with programs like the STEAM project that would allow 15 laptop purchases and coding classes. Ms. Wiley had been working on options for funding to purchase a new microfilm printer/reader and worked with the Horizons Foster Care program to provide young adults with books to read. The Douglas ESD planned to help boost the reading collection as well. In response to Committee Member Cotterell, Ms. Wiley explained that within the budget specific grants were not listed and an addendum for grants was not necessary to go through City Council.

Committee Member Eggers moved to tentatively approve the special revenue funds. The motion was seconded by Committee Member Cotterell and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

Committee Member Hicks moved to amend the special revenue funds to include replacement of the skate park shade cover. The motion died for a lack of a second.

DEBT SERVICE FUNDS

Mr. Harker explained that in 2013, Pension Obligation Bonds 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 the bonds, there was a gross savings of more than \$1.041 million which would be realized over 15 years. The principal interest due in 2020-21 was \$490,188.

Committee Member Eggers moved to tentatively approve the Debt Service Fund. The motion was seconded by Committee Member Hicks and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

CAPITAL PROJECTS FUNDS

Equipment Replacement Fund - Mr. Harker discussed items scheduled for equipment replacement noting a 5-year replacement schedule minimized budget fluctuations. Departments that would benefit from this fund included Fire, Police, Public Works and Parks. Committee Members Scott and Hicks asked if this section of the budget could be postponed a year due to the COVID-19 pandemic to save money if needed for a future outbreak. Mr. Harker explained the funds were set aside and ready for use. By waiting a year, it could create the issue of items being more expensive. Committee Member Baker said he liked this section of the budget because it showed how the City plans ahead for purchases where other cities tend to struggle.

Committee Member Prawitz shared the concern about the proposed budget figures, but no one had an idea on what things would look like in the future. In reference to a submitted question by Committee Member Scott, City Council would make adjustments to the budget once an impact was known, not the Budget Committee. Chair Torvik agreed the Budget Committee was looking at overall guidelines and City Council would make the hard decisions.

Assessment Improvement Fund – Mr. Harker reported this fund helped finance construction of Local Improvement Districts, eliminated bank financing costs and benefited property owners share in project costs. In response to Committee Member Hicks, Mr. Harker confirmed the railroad crossing at Mosher did not qualify for a local improvement district (LID) and was not currently identified as a project. As an LID example, the City expanded Garden Valley Boulevard and worked with the owners of the mall and church to construct sidewalks. Because that was their responsibility, the City worked with them on initial funding to allow payments to the City over time. LID's revolved around putting in improvements where such improvements did not previously exist.

<u>Public Works Fund (Transportation/Park/Facilities Replacement</u> – Mr. Perkins discussed the 21.28% decrease for the Transportation Fund. Projects that were within the fund included: Stewart Parkway Bridge end panels, overlays and pavement maintenance. 60% of the revenue comes from the State gas tax. With the Stay at Home Order, people were not out driving and using as much fuel. Because of that change, the department may need to scale back some of the projects.

The Parks Fund would include upgrades to Beulah Park and a new Stewart Park Pavilion roof. With the Facilities Fund, some projects would include: Library Phase II renovations, Reservoir Hill Communications Building and Parks Maintenance Shop Building Deferred Maintenance. In response to Committee Member Weller, Ms. Messenger explained the City accumulates \$200,000 per year for transportation with ODOT and have a balance of around \$800,000. To avoid losing some of the funds, the City planned to commit those funds to an eligible project such as overlays. In response to Committee Member Hicks, Mr. Perkins explained the parks

budget was based on projects and fewer were scheduled to take place during the next budget cycle.

Committee Member Prawitz said it was important to further explain Committee Member Scott's submitted question in reference to library and how renovations were to be funded. Mr. Harker responded that an additional \$15,500 would be transferred from the library fund to this fund. Those funds were not designated as a grant, but did come from grants previously provided and resulted in a property sale to ODOT for an easement. Ms. Wiley added that aside from the \$15,500, they were going to receive \$35,000 from Douglas ESD to assist with renovations for the building and front door and the library was set to receive another \$62,000 in grants.

Committee Member Cotterell moved to tentatively approve the Capital Projects Funds. The motion was seconded by Committee Member Sykes and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

ENTERPRISE FUNDS

Storm Drainage – Mr. Perkins stated there would be a 12.32% decrease. Two major projects planned included the open cut pipe replacement and cured in place piping.

<u>Airport Fund</u> – Ms. Messenger said there would be a 40.1% decrease in the budget based on capital projects. There was a healthy beginning fund balance and projects included an environmental assessment and parking lot paving to the entrance of the airport. The City was not able to prioritize the paving project in the past and will use in-house engineers for designing.

Water Fund – Mr. Perkins explained this fund was broken into four sections to include:

- Water Beginning fund balance of \$9,799,943 and projected revenues of \$7,069,750.
- Production 3.07% increase
- Transmission and Distribution 0.84% decrease
- Administration 14.25% increase

The total fund would have a 5.79% increase. The City was able to find savings in the Transmission and Distribution area. There was going to be a 12-inch diameter water main that would run through the Washington Street Bridge. Rather than running under the bridge, they would bore under the river. A generator was needed at the Water Treatment Plan to avoid issues of power outages as experienced throughout the City from the 2019 snowstorm. In response to Committee Member Hicks, Mr. Perkins confirmed the Washington Street Bridge project would go before City Council.

Off-Street Parking Fund – Mr. Harker reported the City owned off-street parking facilities and worked with a third party for a contract to handle parking enforcement services. The current parking enforcement contract was in transition and the City was exploring new options and models to provide the service.

Committee Member Cotterell moved to tentatively approve the Enterprise Funds. The motion was seconded by Committee Member Fisher-Fowler. Committee Member Prawitz asked for more information related to the water service fund and the increase for management services. Mr. Harker stated when doing the central services allocation, it was based on the prior years.

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The jump in expenditures was significant which was why there was another jump for the current budget. This was the same methodology the City followed each year for those allocations when looking back retroactively. The motion was approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

INTERNAL SERVICE FUND

Mr. VanWinkle discussed workers compensation and how the City was self-insured. The purpose for the fund was to cover on the job injuries with a cost of \$500,000 per claim. The City tries to prevent injuries by providing education, a Safety Committee that reviews investigations and using lost control consultants. The City recently earned the League of Oregon Cities Safety award for the 15th year. In response to Committee Member Weller, Mr. VanWinkle explained the City will cover \$500,000 on individual claims with a maximum of \$1 million aggregate.

Committee Member Cotterell moved to tentatively approve the Internal Service Fund. The motion was seconded by Committee Member Hicks and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

APPROVAL OF CITY OF ROSEBURG BUDGET AND TAX RATE

Committee Member Cotterell moved to approve the budget for the 2020-2021 fiscal year in the amount of \$76,595,538. The motion was seconded by Committee Member Eggers and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

Committee Member Prawitz moved to approve property taxes for the 2020-2021 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 Hicks and approved with the following vote: Committee Members Baker, Cole, Cotterell, Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

URBAN RENEWAL BUDGET

Mr. Harker reported the Urban Renewal fund primary revenue source was from tax increment revenues. \$352,100 was anticipated to be received from taxes during the next year. For the new Diamond Lake Urban Renewal District, the starting fund balance was \$153,207 and \$122,000 for contracted services for the housing incentive program. In response to Chair Torvik, Mr. Harker explained the incentive program was to help developers move forward with projects and make installment payments. For wastewater owed to Roseburg Urban Sanitary Authority, developers could make payments for 10 years. Developers would need to be within the Urban Growth Boundary, qualify for the program with multi-family units and know there was limited opportunity.

APPROVAL OF URBAN RENEWAL AGENCY BUDGET

Committee Member Hicks moved to approve the Urban Renewal budget for the 2020-2021 fiscal year in the amount of \$987,316. The motion was seconded by Committee Member Prawitz and approved with the following vote: Committee Members Baker, Cole, Cotterell,

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Cox, Eggers, Fisher-Fowler, Hicks, Prawitz, Scott, Sipos, Smead, Sykes, Torvik, Weller and Zielinski voted yes. No one voted no.

Ms. Messenger thanked everyone for their time with the process and said she would provide more information in an email regarding the progress for the Medical Education College project. Committee Member Scott said he empathized with City Council for having to make tough decisions and Committee Member Hicks thanked everyone for their willingness to meet in this type of platform.

GOOD OF THE ORDER

No discussion took place.

ADJOURN

Meeting adjourned at 9:44 p.m.

Koree Tate

Management Assistant

Koue Tate