

**City of Hood River
Budget Committee Meeting #2
Fiscal Year 2020-21 Budget**

**Wednesday, May 6, 2020
City Council Chambers, 211 Second St.
The meeting will begin no earlier than 6:00pm**

Present: Kate McBride, Mark Zanmiller, Megan Saunders, Tim Counihan, Jessica Metta, Erick Haynie, Ross Brown, Dave Bick, Grant Polson, Tim Decker, Gary Reed, Rudy Kellner

Staff: City Manager/Budget Officer Rachael Fuller, Finance Director/CMA Will Norris, Interim Public Works Director Wade Seaborn, Police Chief Neal Holste Planning Director Dustin Nilsen Fire Chief Leonard Damian, City Recorder Jennifer Gray, Administrative Services Monica Morris, GIS Analyst Jonathan Skloven-Gill

Absent: Gladys Rivera, Becky Brun

1. CALL TO ORDER – 6:00 p.m.

2. APPROVAL OF MEETING MINUTES – April 29, 2020

Metta made a motion to approve the minutes of April 29, 2020. McBride second the motion. – Motion passed; approved by all members of Budget Committee.

3. GENERAL FUND DISCUSSION

a. Police Program

Chief Holste reviewed information regarding Police Department operations and budget. FY2020/21 Capital outlay will be requesting two new hybrid vehicles. There is a new line items under materials and services for in-custody and medical expenses. This is new to the City budget. Providence requires the City to pay a bill for anyone who is in custody with Hood River Police Department, that needs to be examined before going to NORCOR.

b. Fire Program

Chief Damian reviewed information regarding Fire Department operations and budget. Damian shared some budget successes over FY2019/20. A FEMA grant was received which allowed them to purchase air packs that were long overdue for replacement. It was a county regional grant in the amount \$550,000. The ground emergency transport revenue reimbursement amount received this year was \$70,000 and an additional \$45,000 coming in this month. Moving forward to the next fiscal year, it is estimated \$60,000 will be collected. There will be a Medication IGA coming to Council in the near future. It is an agreement for Hood River Fire Department to purchase medical equipment for the entire

County. It will save all the ambulance providers in the county money and supplies will be distributed and used more efficiently.

Norris noted Councilor Saunders found an error in the budget. Fire/EMS overtime was miss-calculated in the proposed budgeted. It should be a fixed percentage of wages. The origin of this, Fire and EMS was separated for a long time. The overtime was generally a different percentage of wages for Fire versus EMS. That formula was broken in the spreadsheet, that does the calculation. It should be \$226,000. Norris asked the Budget Committee to approve adding \$31,000 to the overtime line; not as an add, but as the true number.

Motion:

Saunders made a motion to increase the overtime appropriations in the Fire/EMS Program by \$31,000. Brown second the motion. – Motion passed; approved by all members of Budget Committee.

c. Planning

Nilsen reviewed information regarding the Planning Department operations and budget. The FY2020/21 budget maintains Planning capacity with no change in staffing. Maintaining full-time support has expedited building permits processing, short term rental administration, the completion of Planning Commission meetings minutes, and the coordination of interagency development review and referrals. There continues to be funds requested consulting assistance to support middle housing code updates, a transportation system plan update, workflow study for process improvements, and funds to develop code and graphics that support neighborhood design characters.

Planning staff look forward to supporting and implementing City Council's 2020 goals. These include significant efforts related to housing, parks & open space, transportation, Westside Concept Plan, and parking management.

d. Other General Fund Programs

The General Fund is where the City's non-enterprise and other non-restricted fund work is performed. As its name suggests General Fund revenue sources are available for the use of general governmental services. General fund expenditures are budgeted at just over \$9 million.

The General Fund consists of a variety of services including Police, Fire, Parks Maintenance, and Planning. Non-Departmental expenses that apply to expenditures not attributable to a specific department are also part of the General Fund. The Municipal Court, Parking, Engineering, and Emergency Medical Services programs were returned to the General Fund in FY2018-19. Each of these programs either sent their surpluses to the General Fund (ex. parking) or their deficits were compensated by transfers from the General Fund (ex. Engineering). Returning programs to the General Fund eliminates the need for these routine transfers. It is also more consistent with the City Councils budget preparation resolution which specifies that, "Special Revenue funds shall be created only as needed to segregate funds due

to statutory requirements, ordinances, or contractual commitments.” There are not statutory requirements, ordinances, or contractual commitments associated with Municipal Court, Parking, Engineering, or Emergency Medical Services revenues. However, this process makes FY2017-18 and FY2018-19 not directly comparable. Public safety expenditures for Police, Fire/EMS make up 72% of General Fund expenditures. The remaining appropriations are dedicated to Engineering, Municipal Court, Parks, Planning, and Parking operations. Examples of non-departmental expenditures are annexation related payments to Westside Fire, City Contributions/Donations which include \$250,000 for local economic recovery programs in FY2020-21, and special projects and initiatives, along with other small miscellaneous expenses that cannot be directly tied to a department.

The City Council program account budgets for Council member stipends, meeting expenses, and strategic initiatives/priorities.

The Engineering program consists of a contract services arrangement with the Bell Design Company. They provide the City with registered professional civil engineering and other services, including surveyor capability. Significant technical expertise is provided to support the activities of the City’s utilities, including water, wastewater, roads and stormwater management. They also participate as part of the City’s development review team for new development applications and provide technical expertise for major projects. Bell’s project and construction management service for the City will be reduced to a senior project manager being on City staff. Two registered civil engineers and a land surveyor are available to the City along with support help from the Bell Design Company.

Municipal Court processes and adjudicates citations and complaints issued by the City of Hood River Police Department, the City Attorney and by private citizens within the City of Hood River. The majority of cases heard in Municipal Court are traffic infractions and municipal code violations. There is one fulltime equivalent position in the Municipal Court budget for the Court Clerk. The Municipal Judge and City Prosecutor are contract positions.

The parking program provides maintenance and repairs to the individual Duncan meters and the automated CALE pay stations. On-street frontages and the parking lots operated by the City are both served. Along with the meters the program places and repairs related street and parking lot striping, lights, electrical connections, and landscape vegetation. There are 18 CALE stations and 280 Duncan meters.

The Police Department is committed to the efficient operations of all aspects of Parking Enforcement. The Parking Enforcement is committed to improve parking access, availability, traffic safety and maintenance while encouraging the efficient movement of traffic throughout the City. The function of Parking Enforcement is to provide public safety, mitigate traffic congestion and promote parking turnover and access through more efficient parking system management. Currently, The Police Department has one Community Service Officer (CSO) who commits 60% of his time to parking. Similarly the parking clerk position performs all parking administration functions and is managed

through the Finance department. There is also one full-time parking enforcement officer that also assists the Road Department during the Winter months.

d. Non-Departmental

Non-Departmental is the program area where all non-department specific General Fund revenues are recognized. This includes property tax, discretionary portion of transient room tax, intergovernmental revenues received from the state of Oregon (cigarette and liquor taxes, etc.) and monies transferred into the General Fund. Expenses are minimal and include items like City contributions/donations, contractually required annexation related remittances to Westside Fire District, external communications contract, one-time special projects of city-wide importance, and other expenses that cannot be attributed to a single department but are also not general administration.

In FY2018-19, the portion of Transient Room Tax dedicated by Municipal Code to Tourism Promotion was directed to a Tourism Promotion Sub-Fund within the Restricted Revenue Fund. The General Fund now only receives and expends portions of Transient Room Tax that are available for general governmental expenses, primarily public safety. Prior to FY2018-19 all Transient Room Tax was received into the General Fund as well as offsetting payments to the Hood River Chamber of Commerce for tourism promotion. The change makes pre and post FY2018-19 Transient Room Tax in the General Fund non-comparable.

4. OTHER FUNDS

a. Restricted Revenue Fund

The Restricted Revenue Fund accounts for the receipt and expenditure of legally or contractually restricted dollars. Revenues into these accounts may only be used for their intended purposes and cannot be transferred into another fund. Sub-funds within the Restricted Revenue Fund include:

- Building Program
- Local Improvement District Assessments
- Small Grants
- Fire Station General Obligation Bond Debt Service
- Tourist Promotion Fund
- Construction Excise Tax
 - o Local Program
 - o Development Incentives
 - o State of Oregon Housing and Community Services Distribution
- Federal Assistance to Fire Fighters Grant

b. Internal Service Fund

The Internal Service Fund accounts for services to internal departments, such as scheduled vehicle replacement, vehicle maintenance, and general administration (City Management, Legal, & Information technology) charged to client departments on a cost reimbursement basis. Oregon Revised Statutes (294.343) specifies that reimbursement

formulas for internal service funds must be calculated, and periodically revised, to eliminate any element of profit or loss.

Sub-funds within the Internal Service Fund Include:

- Equipment Maintenance
- Administration
- Equipment Replacement

c. Reserve Fund

The Reserves Fund accumulates resources for multi-year City Council priorities.

Sub-funds within the Reserves Fund Include:

- Parking In Lieu
- PERS Stabilization

The FY2020-21 Budget allocated the entirety of the of the PERS Stabilization Reserve to a PERS Side Account which will be matched 25% by the State of Oregon. The Side Account will begin generating rate credits against the City's PERS liability in the 2022-23 biennium and continue on an amortized basis for 20-years.

- Affordable Housing

In FY2020-21 the Rand Road property acquisition activity was accounted for in this Fund. Continued affordable housing development activity is anticipated for FY2020-21.

- Compensated Absences

Resolution No. 2016-09 states that the Compensated Absences Reserve is considered fully funded when 100% of PERS retirement age-eligible employees' balances, and 25% of all other employees' balances, are funded in the reserve. A table summarizing the City's total liability and the amounts required in the reserve is on the following page.

The FY2020-21 includes a \$300,000 placeholder for a potential buydown of accumulated Fire/EMS compensated absence liabilities. The exact figure will be determined through collected bargaining and approved separately by the City Council. Consistent with Resolution 2020-07, the Compensated Absence Reserve will be transitioned to an Internal Service Fund for FY2021-22. The funding methodology for this transition will be developed over the course of FY2020-21


- Parks Facilities

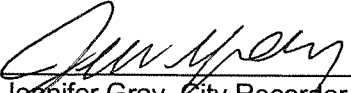
The FY2018-19 established the Parks Facilities Reserve sub-fund within the City Reserve fund with an initial transfer of \$100,000. The FY2019-20 holds appropriations in contingency pending the outcome of the regional parks district master planning efforts that the City is participating in.

Norris stated this was money set aside for a purpose when the City had the ability to do so. It has the full amount, plus the interest earnings for the past two years. Norris stated it is part of the scenario planning if the Budget Committee wanted to transfer this back to the General Fund, if there was a need that could reduce the contingency and budget the transfer via motion. That is an action that could be taken tonight.

Zanmiller made a motion in the Parks Facilities Reserve, reduce budgeting contingency by \$85,000 and increase budget transfers by \$104,969, with a note to the City Council that use of Park Facilities Reserve should not be a first source of capital to temporarily sustain General Fund operations and if used, should be repaid. Bick second the motion. Motion passed; approved by all members of Budget Committee.

5. RECESS- 8:12 p.m.


Grant Polson, Chair


Jennifer Gray, City Recorder

Approved by Budget Committee on 5-13-2020