

**MINUTES  
BUDGET COMMITTEE MEETING**

**CITY HALL COUNCIL CHAMBER  
313 COURT STREET, THE DALLES, OREGON**

**APRIL 30, 2013  
5:30 P.M.**

Presiding: Chair Gary Grossman

Committee  
Members Present: Bill Dick, Corliss Marsh, Dan Spatz, Tim McGlothlin, Carolyn Wood,  
John Layson, Linda Miller

Committee  
Members Absent: Barry Abrams, Barbara Pashek

Staff Present: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie  
Krueger, Finance Director Kate Mast, Public Works Director Dave  
Anderson, Librarian Sheila Dooley, Police Chief Jay Waterbury,  
Administrative Fellow Garrett Chrostek

Also Present: Mayor Steve Lawrence

**RECONVENE**

The meeting was reconvened at 5:30 p.m.

**Approval of Minutes**

It was moved by Spatz and seconded by Marsh to approve the April 29, 2013 Budget Committee meeting minutes as presented. The motion carried unanimously, Abrams and Pashek absent.

Finance Director Mast provided a memo describing the history and participation in the City's water and sewer discount program.

Mast distributed an updated Water Fund Summary (page 60 of budget document), noting the wrong summary had been included previously.

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Mast handed out a table to accompany Budget Issue Paper 13-002 regarding debt summary. She said there had been a few errors in that document, but were corrected in the summary.

City Manager Young said a question had been asked regarding the cost for design of the downtown parking structure. Young said design work was estimated to be 12 to 18% of the total cost of the project. He said the estimated cost of the project was \$4.9 million, making the estimated range for design work between \$600,000 and \$900,000.

An updated Budget Adjustment Worksheet was handed out.

### **BUDGET PRESENTATIONS BY FUND, Continued**

#### General Fund

##### City Council Department

Chair Grossman asked what items were included in the contractual services line item. Finance Director Mast said the items were listed in a table on page 6 and also included in Budget Issue Paper (BIP) 13-001. She said these were City supported programs, such as the YouthThink program.

McGlothlin asked if the funding for the Main Street Program had been removed. City Manager Young said a RARE Planner position was added to assist with that program. He said revenue received through the Enterprise Zone program was proposed to pay for the position.

##### City Clerk

No questions.

##### City Manager/Economic Development

Chair Grossman asked why \$11,000 had been included in the miscellaneous line item last year, but only \$1,00 this year. Finance Director Mast said it was higher last year because shuttle operations had been added to that line item. She said those costs were now included in the Economic Development Division budget.

Mayor Lawrence said BIP 13-003 noted a \$29,000 savings by removing the economic development portion from the Planning Department, but if the City Manager, Economic Development costs were added together, the cost was higher for personnel costs.

City Manager Young explained that much of the savings from the restructuring had occurred in the current budget year, and through a budget amendment last November. He said the three departments would need to be looked at together to see the savings. Young said he would provide the information in a memo regarding the savings from the original restructure and from the budget amendment.

Layson expressed concern regarding personnel costs related to insurance and retirement costs. He said it was approximately 25 to 40% of payroll and probably not sustainable. He asked if there was a plan to implement new programs to reduce those costs in the future.

City Manager Young said the City Council had put caps in place on insurance premiums, but the City currently paid 100% of the premiums for employees and 85% for dependents. He said the cap for the upcoming year was 8%, so if the rates were more than an 8% increase, the employee would be responsible for paying any amount over 8%. Young said it would be difficult to put in a new benefits program in place because it would be unfair to create a different class of benefits for only new employees.

Regarding retirement benefits, Young said the City was not in the PERS system, but had a defined contribution plan and the City paid 13.5% for non-public safety employees. He said the police employees received 22.6% retirement because their plan was required by law to be equal to or better than PERS benefits.

Miller asked if the City paid the long term disability benefit for employees. City Manager Young said that was correct.

Wood said the City made a decision in the 1980's to pay the retirement benefits and it was less expensive than paying higher salaries.

#### Legal/Judicial

Spatz asked if it would be appropriate to discuss the salaries for the Judge and Prosecutor as part of the budget or to discuss at the City Council level during the next year. City Manager Young handed out a graph that indicated the revenues and expenditures for the Court were nearly equal and would soon be operating at a deficit. He said the revenues shown on the graph were receivables, not actual revenue received.

Mayor Lawrence suggested this was a policy issue and should be further investigated. He said it may be appropriate to assemble a task force to look at all the options. City Manager Young agreed with the suggestion and said the research done by Administrative Fellow Chrostek was very recent information that would be helpful for a task force to consider alternatives.

McGlothlin said the Circuit Court should be included in discussions to determine the impact to their court system.

#### Finance

Wood asked what the VEBA contribution was for. City Clerk Krueger explained it was similar to a health savings plan for employees and there were certain ways employees could contribute a portion of comprehensive time or sick leave into an account that could then be used to pay for medical expenses.

#### Personnel

No questions.

#### Planning

Layson asked what the rate of growth was for The Dalles. Planning Director Gassman said there was a small amount of growth, but the population had increased a lot due to annexations over the past several years.

Mayor Lawrence said the population increase for Wasco County was only about 3 people. Public Works Director Anderson said water accounts had increased in the City by about 9% since 2004.

#### Police

Miller questioned the listing of better retention of personnel listed as a major issue to be resolved in the next five years. Police Chief Waterbury said that had been listed on the narrative for several years, but was not really an issue any more. He said in the past, it had been difficult to retain officers because of the salary they were paid, but that was not really a concern any more.

Mayor Lawrence noted the room tax paid for one position in the Police Department. He asked how many officers were needed for special events in the community. Waterbury said he had eight officers for Cherry Festival, plus four reserve officers.

In response to a question, Waterbury said the Department had two electronic speed signs, but they were not used very frequently. He said they were an effective tool to place in areas where problems were noted.

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Miller asked for an explanation of the holiday parking enforcement officer. Waterbury said he normally hired one of the reserve officers to work parking enforcement just during the holiday shopping season. He said other times, enforcement was just driven by complaints.

Spatz asked about the software costs, line item 64-80. Waterbury said it was a one-time upgrade to make the mobile data devices in the patrol vehicles able to gather data from the City's computer system and for report writing capabilities.

#### Technology

McGlothlin asked what Wi Fi use fees were for. City Manager Young said it was to pay GorgeNet for managing the Wi Fi system for the City.

#### City Hall

It was suggested to add funding to paint the exterior of the Gitchell Building. Wood noted it was a historical building and would have to be approved through Historic Landmarks Commission if it was to be painted.

McGlothlin asked if funds were included to maintain the Rock Fort site. Young said the property was still owned by Wasco County, but a plan was being developed for maintenance of the site.

Spatz said he would like to have a discussion in the future about the plan for Kelly View Point.

#### Codes Enforcement

A question was asked about the difference between Codes Enforcement and the Planning Codes Enforcement.

City Attorney Parker said the Codes Enforcement budget on page 34 of the budget was for general ordinance compliance, such as nuisances, and the Planning Codes Enforcement was for compliance of the Land Use Development Ordinance (LUDO).

Planning Director Gassman said the Planning Codes Enforcement program would be changing, with the planning staff actually out in the field checking on compliance.

#### Dog Control

No questions.

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#### Other Financing Uses

Spatz asked if tourism line item was the contract with the Chamber of Commerce. City Manager Young said that was correct.

Finance Director Mast noted the line item for 9-1-1 would be removed, as well as the revenue for it because it would now be sent from the State directly to the County and would no longer show up as a pass through in the City's budget.

#### Library

Grossman congratulated the Library Board and Friends of the Library for their work on the expansion fundraising project.

Spatz asked where the maintenance projects were listed for the Library. City Manager Young said they were included in BIP 13-008, the General Fund Capital Improvement Projects list. Spatz asked the age of the Library roof. Librarian Dooley said the main roof was completed in 2007 and the meeting room roof was completed in 1998.

Dooley explained the proposed radio frequency identification system with self-check out, saying it would be a very efficient system for checking out books and for inventory purposes.

McGlothlin noted the high cost of electricity for the building and suggested an energy audit be performed.

#### Capital Funds Group

Mayor Lawrence asked where the funding was listed for transfers to Urban Renewal, noting there had been transfers for the Granada project, parking structure, downtown capital outlay and Granada capital outlay.

City Manager Young said beginning fund balance showed a transfer to Urban Renewal of \$4888,796. He said most projects had been deferred and the bond was not done. He said the transfers would be in the Special Grants Fund, line item 10-00.

#### Special Revenue Funds Group

City Manager Young explained the State Office Building revenue and said the State also paid for maintenance under the operating program. He noted a beginning balance was added because it helped with cash flow as the timing of the State's reconciliation and our budget did not match up.

Young said the revenues received from rent helped to fund many projects, including the Police Station project, remodeling phases of City Hall, and would even help pay for a patrol vehicle in the next fiscal year.

Debt Service Funds

No questions.

Other

Layson said visitors to the City's new dock would disembark to see a lot of litter on the hillside and said someone should be cleaning up the area. It was noted the hillside was Oregon State right of way. Chief Waterbury said he would inquire as to whether work crews could do litter patrol along that area.

Mayor Lawrence asked why a decrease in transient room tax was expected. City Manager Young said staff expected an increase last year, and it decreased. He said it was expected to decrease again next year. Lawrence said part of the funding for the parking structure was based on collection of this tax. Young said very conservative estimates were used for that proposal and enough room tax should be collected for the debt retirement.

McGlothlin said he was satisfied with the budget process and believed staff had done an excellent job in developing the budget. He thanked the Budget Committee and staff for their work.

**APPROVAL OF BUDGET**

It was moved by Wood and seconded by Dick to approve the proposed budget with the additions included on the budget adjustment worksheet and \$1,000 in the City Hall budget for painting of the Gitchell Building. The motion carried unanimously, Abrams and Pashek absent.

**ADJOURNMENT**

Being no further business, the meeting adjourned at 7:37 p.m.

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Submitted by/  
Julie Krueger, MMC, City Clerk

SIGNED:

  
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Corliss Marsh, Secretary