



CITY OF  
**West Linn**

22500 Salamo Road  
West Linn, Oregon 97068  
<http://westlinnoregon.gov>

# **CITIZENS' BUDGET COMMITTEE MEETING**

Monday, April 29 and May 6, 2013

6:00 p.m. – Citizens' Budget Committee Meeting - Council Chambers

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1. Call to Order Citizens' Budget Committee Meeting
2. Introductions and Election of Chair and Vice Chair
3. Public Comment
4. Review and Approval of Community Grant recommendations from Subcommittee
5. Review of Quarterly Report and Supplemental Adjustments
6. Budget Presentation by Fund
  - a. Budget Overview
  - b. Administrative Services
    - i. General Fund
  - c. Public Safety
    - i. Public Safety Fund
  - d. Culture
    - i. Library Fund
    - ii. Parks & Recreation Fund
  - e. Community Development
    - i. Building Inspections Fund
    - ii. Planning Fund
  - f. Public Works
    - i. Streets Fund
    - ii. Water Fund
    - iii. Environmental Services Fund
  - g. Systems Development Charges (SDC) Fund
  - h. Debt
    - i. Parks Bond Fund
    - ii. Debt Service Fund

*[The following Public Hearings are noticed for the May 6, 2013 Budget Meeting]*

7. Public Hearing – State Revenue Sharing
  - a. Staff Presentation on Projected Amounts and Proposed Uses – please see page 94 of budget
  - b. Public Testimony
  
8. Public Hearing – Review and Approval of Six Year Capital Improvement Plan (CIP)
  - a. Committee Review and Discussion of CIP projects for FY 2012 through FY 2017
  - b. Public Testimony
  
9. Public Comment
  
10. Final Budget Committee Vote
  - a. Approve Budget
  - b. Approve Taxes
    - i. General Operating Tax Rate: \$2.12/\$1,000 TAV
    - ii. Bond Levy Amount: \$1,380,000 in FY 2014 and \$1,401,000 in FY 2015
  
11. Adjourn

**Meeting Notes:**

*The Council Chambers is equipped with an induction loop and a limited number of neck loops for the hearing impaired. Please let the City know if you require any special assistance under the Americans with Disabilities Act, please call City Hall 48 hours prior to the meeting date, 503-657-0331.*

*Community Comments provide an opportunity for statements from citizens regarding issues related to City government, properly the subject of Council/Commission consideration and not issues on the agenda. Persons wishing to speak shall be allowed to do so only after completing forms provided in the foyer in advance of Community Comments. All remarks should be addressed to the governing body. The City Council/Planning Commission will not engage in discussion with those making comments. The time limit for each participant is three (3) minutes or will be set by the Mayor or Chair.*

*Consent Agenda items are routine and will not be allotted individual hearing time. The items may be passed in one blanket motion. Any member may remove an item for discussion or questions by requesting such action prior to consideration.*

*Persons wishing to speak on agenda items shall be allowed to do so only after completing the forms provided in the foyer and returning them to the Clerk prior to the item being called for discussion. A separate slip must be turned in for each item. The time limit for each participant is three (3) minutes, unless the Mayor decides prior to the item to allocate more or less time.*

*When needed, the Council will meet in Executive Session pursuant to ORS 192.660.*

*Please help us to accommodate citizens who are chemically sensitive to fragrances and other scented products. Thank you for not wearing perfume, aftershave, scented hand lotion, fragranced hair products, and/or similar products.*



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# **WEST LINN CITIZENS' BUDGET COMMITTEE MEETING NOTES April 29, 2013**

## **[Call to Order Citizens' Budget Committee Meeting](#)**

### **Members of the Budget Committee Present:**

Mayor John Kovash, Council President Mike Jones, Councilor Jody Carson, Councilor Thomas Frank, Councilor Jenni Tan, Chair Bill Hill, Vice Chair Karen Hensley, and Ann Frazier.

### **Members of the Budget Committee Absent:**

Jon Monson and Abigail Wojcik

### **Staff Present:**

City Manager Chris Jordan, Chief Financial Officer Richard Seals, Assistant City Manager Kirsten Wyatt, City Recorder Kathy Mollusky, and Accounting Manager Lauren DeLorenzo.

## **[Introductions and \[optional\] Election of Chair and Vice Chair](#)**

Councilor Thomas Frank moved to nominate Bill Hill for Chair. Council President Mike Jones seconded the motion.

**Ayes: Mayor John Kovash, Council President Mike Jones, Councilor Jody Carson, Councilor Thomas Frank, Councilor Jenni Tan, Chair Bill Hill, Vice Chair Karen Hensley, and Ann**

**Frazier.**

**Nays: None.**

**The motion carried 8 - 0**

Chair Bill Hill moved to nominate Karen Hensley for Chair. Council President Mike Jones seconded the motion.

**Ayes: Mayor John Kovash, Council President Mike Jones, Councilor Jody Carson, Councilor Thomas Frank, Councilor Jenni Tan, Chair Bill Hill, Vice Chair Karen Hensley, and Ann Frazier.**

**Nays: None.**

**The motion carried 8 - 0**

### Public Comment

Nicole Alexander, Sustainability Advisory Board, offered their support of the proposed budget. They are hopeful the \$10,000 for the Sustainability Plan Update would stay in the budget.

### Review and Approval of Community Grant recommendations from Subcommittee

Chief Financial Officer Richard Seals introduced the Community Grant Requests Page. This year there were 13 requests for \$26,000; there is only \$20,000 in the budget. The citizen members of the Budget Committee narrowed their recommendations to Council down to just under \$16,000 (with the details to follow).

Ann Frazier explained due to the budget situation, the subcommittee decided to keep most of the funds at about the same level for those who applied last year and were granted funds. She pointed out the West Linn Lions asked for \$1,854 last year, but only \$1,435 this year so that is what they were funded. The Living History Committee amount was raised from \$1,000 to \$1,200; they asked for \$1,500. Sachi Wellness Center was not funded.

Richard Seals stated the spreadsheet will be forwarded to Council for approval at the June 10 meeting.

Councilor Thomas Frank asked if the guidance policy was used. AWOL Dance Collective has always requested and received money, he thought there was a three year rule.

Chief Financial Officer Richard Seals answered the guidance document was made available to the Community Grant requestors in advance. The subcommittee is allowing repeaters now as they have dropped three year rule.

Ann Frazier said there are some contingencies put in; for instance Maddox Woods only gets the grant if they are able to secure permits to build the pole barn. Friends of Robinwood Station only get the grant as long as the music program is held at the Robinwood Center.

Mayor John Kovash inquired about the Mom's Club grant of \$2,500 for fundraising and asked how much do they raise.

Ann Frazier answered they were funded for \$500. They try not to give grants for fundraisers; they included \$500 because it is also a social service organization, providing support by having meetings and such.

Councilor Jenni Tan knows they hold the Spooky Stroll for families and in the past, the Clackamas Women's Shelter Santa Brunch raised between \$4,000 to \$8,000.

Vice Chair Karen Hensley stated they try not to fund fundraisers and they want to make sure the funds go to West Linn residents. That is why it is \$500 for the Spooky Stroll and not for Clackamas Women's Shelter.

### **Review of Quarterly Report and Supplemental Adjustments**

Chief Finance Officer Richard Seals pointed out a few things in the Budget Adjustments. Money is being moved from the Planning Department to the Administrative Department representing the Senior Planner transfer to Economic Development. The Public Safety Fund is tracking \$50,000 over, mostly due to the increase in the LOCOM (911 service) contract. The Parks & Recreation Department is shifting capital outlay into Materials & Services due to leasing mowers instead of buying them.

Chair Bill Hill asked if the City looks at the economics and projects out into the future when they budget.

City Manager Chris Jordan informed him all facilities have a 20 year master facility plan developed by professionals.

Chief Financial Officer Richard Seals added it starts at the 20 year plans, then goes down to the Six Year Capital Improvement Plan, to five year forecasts, then two year budget.

### **Budget Presentation by Fund**

#### **Budget Overview**

Chief Financial Officer Richard Seals stated the Full Time Employees (FTE) counts are down net 15 FTEs from FY 2009. In the current budget, there are 11 FTE decreases offset by an 1.5 FTE increase in the Environmental Services Fund.

Vice Chair Karen Hensley requested when we outsource or contract out a position (like the IT Director), show what FTEs we are supplementing with contractors in the comparisons.

Chief Financial Officer Richard Seals will work on other ways to show that.

Councilor Jody Carson inquired why in several of the specific departmental budgets the population is flat lined at the current population.

Chief Financial Officer Richard Seals looks at every revenue stream on its own and projects how it might move. For instance, for property taxes he looks at the market and what is happening with assessed values.

City Manager Chris Jordan added for instance the building department is increasing. It would seem that if new building was happening, the population would be increasing. However, there are some big projects that need to be inspected like the Lake Oswego Water Treatment Plant, Bland Pump Station, Library Parking Lot, and the Police Station that are not due to population increases.

### Administrative Services

#### General Fund

Councilor Jenni Tan noticed under franchise fee revenues from 2011 to 2013 we budgeted money, but moving forward are not budgeting any. She wants to know if they are discretionary funds and if we allocate to funds based on need.

Chief Financial Officer Richard Seals said she is correct. This year they took all those revenues and reallocated them to the in the Planning Fund.

Vice Chair Karen Hensley knows the Monthly Operating Costs per Capita on Page 54 for FY 2011 is influenced by the onetime bond sale for police station, and asked if there was a way to note that.

Chief Financial Officer Richard Seals will note that.

Councilor Jenni Tan asked why the transfers from other funds spikes in 2015. Also, the personnel services decreases in FTEs, but increases in funds, is this due to PERS?

City Manager Chris Jordan stated one part of the transfers was to the Planning Fund.

Chief Financial Officer Richard Seals said the other is to the Public Safety Fund. It has never needed a subsidy in the past. This fund relies solely on property taxes to the tune of \$4 million so one drop in percentage creates a hole. Total personnel dollars are still going up slightly, this time it is due to PERS, and sometimes it is due to benefits.

Councilor Thomas Frank asked for an explanation on the PERS Collar.

Chief Financial Officer Richard Seals explained the real increase notification received from PERS was a +6.5% increase of payroll. We still have to plan for increases in the rate in payroll, even though there may be PERS reforms. Due to the Collar issue, you cannot increase more than

4.5% per year, the other 2% was deferred and will be incurred two years out.

Councilor Jody Carson questioned why on page 58, there is not any money for Granicus maintenance.

Chief Financial Officer Richard Seals moved Granicus to the IT department.

Vice Chair Karen Hensley asked who is writing grants in the City.

City Manager Chris Jordan informed them the Planning and Economic Development departments wrote this one.

Councilor Thomas Frank asked what happens if the grant does not come in?

Chief Financial Officer Richard Seals stated the money will be either found somewhere else, taken from reserves, or the project will not be done.

Vice Chair Karen Hensley inquired about IT Departments changes.

Chief Financial Officer Richard Seals stated the City used to lease all the computers for three years, it was extended to four years so we went a year without a lease payment. Also, items were moved into IT, like Granicus.

Vice Chair Karen Hensley inquired why is there such a jump in communication in the IT Department.

Chief Financial Officer Richard Seals will get the detail and share with everyone.

Councilor Jody Carson asked why under performance measures, the non-traffic violations jumped to 68 in the Municipal Court Department for FY 2012 on Page 71.

Chief Financial Officer Richard Seals will get with the Police Chief and share his answers with everyone.

Vice Chair Karen Hensley questioned why operating expense are all over the place. Municipal Court goes down 1 FTE, however there is no change in cost.

Chief Financial Officer Richard Seals stated the elected judge was previously counted as .5 FTE, that FTE count is being taken out as it is an elected position. The FTE count dropped, but not the dollars. The Court Administrator is retiring and they are replacing her with a lower paid court clerk. The Highlights Notes were prepared two months ago, they did not know she was retiring at the time.



## Public Safety

### Public Safety Fund

Councilor Thomas Frank asked what is fines & forfeitures?

Chief Financial Officer Richard Seals stated it includes towing, collections if there is an arrest, but does not include ticket revenue, this follows Muni Court in the General Fund.

Vice Chair Karen Hensley asked why traffic citations are going down in 2013?

Chief Financial Officer Richard Seals will inquire and get back with everyone.

## Culture

### Library Fund

Vice Chair Karen Hensley asked why the number of volunteers jump so much, does the library have a program to increase volunteers?

Council President Mike Jones stated the Friends of Library have reorganized and think it is going to increase the number of volunteers in the library.

Councilor Jenni Tan asked about the property taxes.

Chief Financial Officer Richard Seals stated they are allocated between library, parks, and public safety.

Ann Frazier noticed the program attendance went down, does this reflect the lack of funds?

City Manager Chris Jordan stated it may reflect the status of employees in the library and their capacity to do programs.

## Parks & Recreation Fund

Vice Chair Karen would like to get list of programs managed by the Parks and Recreation Department that we are dropping.

Chief Financial Officer Richard Seals will get with the Parks Department and share with everyone.

## Community Development

### Building Inspections Fund

### Planning Fund

Councilor Thomas Frank asked what is the material and services spike?

Chief Financial Officer Richard Seals stated the City used to have a part-time (.25

FTE) inspector. Going forward, the City is going to have an independent contractor instead of employee, if needed. It is categorized in material and services now and was removed from personnel.

Councilor Jenni Tan asked what is going on in materials and services in 2014 in the Planning Fund.

Chief Financial Officer Richard Seals stated the City expects to receive a grant for the Transportation System Plan (TSP) project. Associate Planner Zach Pelz will do some work, but the City will also have to hire a Consultant.

Council President Mike Jones stated the City is reducing the FTEs, but personnel costs are not going down. This is what PERS is doing to us.

### Public Works

#### Streets Fund

### Water Fund

#### Environmental Services Fund

Councilor Jody Carson stated the Public Works department is down employees, why is the cost of supplies doubling?

City Manager Chris Jordan responded they also have new GIS software and the office supplies for all utilities (Environmental Services, Water, etc) have rolled into Public Works, rather than each individual utility.

Vice Chair Karen Hensley inquired when is software located in the department and when is it located in IT?

Chief Financial Officer Richard Seals stated when software is first implemented, it is in the department. When it becomes annual maintenance service of the software, it is pulled into IT going forward. Generally IT pays for common printers, he will get the detail on this.

Councilor Thomas Frank stated there is a decrease in FTE, but personnel costs are flat lined.

Chief Financial Officer Richard Seals stated they are replacing a Civil Engineer with a lower paid Engineer Tech, and the cost of benefits is going up, that is why it is flat lined.

Councilor Jody Carson asked about the decrease in cost of utilities.

Chief Financial Officer Richard Seals thinks it has to do with fuel, and the new fuel tanks the City has onsite.

Councilor Jody Carson inquired why the risk management claims have decreased.

Chief Financial Officer Richard Seals stated the City continues to self insure smaller claims and projects the same level as budgeted in the past.

Chair Bill Hill asked how much money the City is saving by purchasing a street sweeper?

Chief Financial Officer Richard Seals said there was a life cycle analysis performed. There is also the cost of a part time employee plus amortization, he will get the actual number.

Councilor Jody Carson stated large trucks pollute. She would like to make sure new the new truck has pollution control.

### [Systems Development Charges \(SDC\) Fund](#)

Vice Chair Karen Hensley stated one goal is sidewalks, where is the money coming from?

City Manager Chris Jordan told Council we had money in bike and pedestrian improvements. Public Works Director Lance Calvert said the methodology states only 2.8% can come out of the SDC fund. To spend \$300,000, the City would need millions of dollars from another account. The plan is to try to get some done in house and take another look at the methodology. The City does not have money to match.

Councilor Thomas Frank asked what is point of the SDC fund?

Councilor Jenni Tan asked how was the methodology developed and can Council pass a new methodology?

City Manager Chris Jordan stated when the consultant developed this brand new bike/pedestrian fund, it was cutting edge. Council can pass a new methodology.

Chair Bill Hill inquired if there was a standard methodology?

Vice Chair Karen Hensley stated the methodology is on the website. It is confusing and she can see how people could get lost. She clarified the street maintenance fee is just for repairing existing roads.

Chair Bill Hill said some trees that were planted are maturing and popping out the sidewalks, since the City made citizens plant them, is the City responsible for replacing them?

City Manager Chris Jordan answered legally, it is the homeowner. A couple of years ago, the City replaced trees in the Willamette area. We received a grant from the insurance company and charged homeowners around \$100.

Mayor John Kovash talked about the Pavement Condition Index (PCI). He would be interested in more information about doing more maintenance to keep roads maintained to protect the subgrade. He inquired if the City can save money by investing more here.

City Manager Chris Jordan said it is true that routine, ongoing maintenance saves money in the long run. Unfortunately, on a large number of our streets, we have to do a huge investment to get to maintenance.

Chair Bill Hill inquired if we have a SMF, why is the city-wide PCI only 61?

City Manager Chris Jordan said Public Works Director Lance Calvert has a slide with this information and he will get a copy to the Budget Committee and Council.

Councilor Jody Carson thinks it would be helpful to have a list of projects attached to the 5% increase in the Environmental Service Fee.

Chief Financial Officer Richard Seals reminded everyone there is a list in the capital outlay section and the six year capital improvement plan.

Councilor Jody Carson wants a more specific list, one that shows project detail such as sewer somewhere between here and here.

Councilor Thomas Frank asked if the UAB wrote something up to support the 3% increase instead of the 5% increase. He would like to know their methodology.

Chief Financial Officer Richard Seals stated they made a motion and voted on it. They looked at the list of projects and they felt some projects need not be done.

## **Debt**

### **[Parks Bond Fund](#)**

### **[Debt Service Fund \[The following Public Hearings are noticed for the May 6, 2013 Budget Meeting\]](#)**

Chief Financial Officer Richard Seals provided a quick overview of these remaining two funds and summarized the next meeting scheduled for May 6, 2013 at 6pm.

## **[Adjourn](#)**