



MINUTES

Coburg Budget Committee Meeting

May 28, 2024 at 6:00 P.M.

Coburg City Hall

91136 N Willamette Street

MEMBERS PRESENT: Chair; Linda Kroeger, Vice Chair; Terry Dawson, Jeffrey Milam, Elise Landry, Mayor Bell, Cathy Engebretson, John Lehmann, Claire Smith, John Fox

MEMBERS ABSENT: Alan Wells, Laura Tryon, Todd Waters

GUESTS/STAFF PRESENT: Adam Hanks, City Administrator; Sammy Egbert, City Recorder; Greg Peck, Finance Director; Mandy Balcom, Court Administrator; Larry Larson, Chief of Police; Brian Harmon, Public Works Director; Megan Winner; Planning Director

RECORDED BY: Madison Balcom, Administrative Assistant

CALL TO ORDER

Chair, Linda Kroeger called the Coburg Budget Committee meeting to order at 6:19 pm.

ROLL CALL

Ms. Egbert called roll. A quorum was present.

PUBLIC COMMENT

There were no request(s) for public comment.

FOLLOW UP QUESTIONS AND REQUESTED INFORMATION FROM MAY 7, 2024 MEETING

Mr. Hanks put together a summary or responses to the follow-up questions that were received. Hanks went over some additional numbers and comparisons on certain line items, and the street tree utility fee history. Most of the significant changes were relating to capital projects and staff, and anything related to development showed up on the expense and revenue side.

Mr. Hanks mentioned the bi-annual budget idea. Currently it is just a conceptual idea, but technically it is a decision of the council. Hanks has experience working with a bi-annual budget and believes it works really well. There are some community pros and cons, but the main driving force for bi-annual budgeting is that it provides a better budget overall, with being able to look at how projects move between fiscal years, more time within an appropriation period for unforeseen events, and provides more operational flexibility.

Mr. Dawson asked about the percentage of municipalities that use bi-annual budgets. Mr. Hanks said he does not know exactly, but thinks that a large portion of big cities do bi-annual budgets, and the smaller cities probably use annual more often. With a bi-annual budget, the budget committee does not meet every year, only every other, but there is still an annual audit.

MINUTES APPROVAL

1. May 7, 2024 Budget Committee Meeting

There were no requested changes to the minutes.

MOTION

Mr. Dawson moved, seconded by Mr. Fox to approve the May 7, 2024 Budget Committee Meeting minutes as presented.

Motion passed unanimously — 8:0.

DEPARTMENTS AND PROGRAMS OVERVIEW

Mr. Hanks stated that this meeting would be a good time to look further into each department's highlights and mentioned that all department heads are present and available for any specific questions from the committee regarding their department.

Mr. Fox asked about the diesel gas tax and regular gas tax, and wondered what other communities do. Mr. Hanks said that is housed under the 10 year revenue forecast. When the transportation safety ad-hoc committee is finished, they might look at doing a revenue analysis ad-hoc committee, to look at all potential revenue streams, who's impacted by the rates, the accumulative effect of those rates, and more. That would be a good place to discuss the diesel and gas tax. Hanks believes that the revenue forecast item in the framework is a high priority.

Mr. Fox also asked how Coburg's franchise fees compare to other cities. Mr. Hanks said the Pacific Power franchise contract will come to council in July, which is pretty straight forward. The franchises are in line, around 5% is a typical franchise fee. Hanks mentioned some possibilities around franchise fee changes or increases, and also mentioned the increase of utility bill rates to add revenue to the general fund or the water and wastewater funds.

Mr. Lehmann asked about the Municipal Court's revenue to expense ratio. Mr. Hanks said that the ratio is actually good. He explained that part of that is due to activity levels, and this year they had many times where they were down an officer to two, which makes a big impact on the issued citations, court activity, and overall revenue in that department. Additionally, with every citation made, there is a state fee the city must pay.

Ms. Smith asked about the state limitations on fines and collections fees. Mr. Hanks explained some of those limits, and said that the court is impacted heavily by state regulations. Ms. Smith asked if they predict those limits to increase in the future. Mr. Hanks explained how, with measure 110, those changes could impact the courts. It is hard to predict the effects.

2. Public Hearing

RESOLUTION 2024-05 A RESOLUTION DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUES

Ms. Kroeger opened the public hearing for Resolution 2024-05 at 6:49pm.

Mr. Hanks explained the two elements that make up the state revenue sharing process, which are to have a resolution that says the city is eligible for them, and another to say that the city wants them. This public hearing is to ensure that the city is eligible and to discuss the potential uses. The revenues include, gas, liquor, and cigarette tax, and some general costs, which are primarily general fund.

Ms. Landry asked if there was a line item that represents the revenue sharing. Mr. Hanks said it is on page 38, under intergovernmental, but that is not the totality because there is some in the street fund also.

Ms. Kroeger closed the public hearing for Resolution 2024-05 at 6:54pm.

The second public hearing will be held at the June 11, 2024 City Council meeting.

COMMITTEE BUSINESS

3. Approval of City of Coburg FY 2024-25 Budget and Recommend Council Adoption

Mr. Lehmann asked about the Administration personnel services and why the amount dropped so much from 2023 to 2025, same goes for the public works personnel services. Mr. Hanks said it is due to how they are allocating staff costs, in prior years all staff costs were in the general fund then allocated out to the funds by a transfer. This budget, they are doing a direct allocation, which they will see in the monthly financial reports.

Mr. Lehmann then asked why the city wide budget lost \$3 million between 2025 and 2026. Mr. Hanks said that there were some updates made to the packet between last meeting and this one. On page 28 and 29 of this meetings packet, the proposed budget number is updated and different from the previous because the SDC's were accidentally counted twice in first version. The actual city wide budget for 2025 is 12,154,154 instead of 14,705,359. However, there still is a significant reduction down to \$11,641,182 in 2026, which is primarily due to capital.

Ms. Bell asked if anyone had specific questions for any of the department heads, since they are all present. Committee members were interested to hear what the major challenges in each department's budget are. Each department head gave a small presentation.

Larry Larson, Chief of Police, reported that as a police department they are very comfortable with the budget. Some of the challenges for law enforcement are that they can't ever predict what crimes may occur. Larson explained that they had a couple abnormal major incidents recently, which they were prepared for to the best of their abilities. They have a large amount of outside influence with the freeway, and lots of people coming through town, and also a good working relationship with other agencies. Another problem is training because requirements are always changing. Chief Larson noted that Officer Smith graduates the academy on June 21st.

Mr. Hanks said that staff is the number one driving force of budget for police, then dispatch, fleet, and mandatory training. Once those amounts are taken out, they are left with a very small percentage of the overall police budget, so they have to be very strategic with spending.

Mr. Lehmann asked about the overall revenue. Chief Larson said that it is a core revenue. They are pretty active in traffic enforcement. They recently did a traffic operation for pedestrian crossing, using a grant they received for some of the overtime costs. As a small city they do a lot of traffic enforcement, with about 500 or more traffic stops a year.

Mandy Balcom, Court Administrator, explained that they do not use the term revenue in the courts because they are not a revenue generating business. The court is there to provide justice in the community and take care of its citizens. A lot of what comes in to the courts, goes right back out. The court has state costs of \$50 per violation, and county costs of \$16 per violation, along with technology costs, all of which will most likely increase soon. There are other state mandated costs for misdemeanors, DUII conviction fees, etc. The biggest challenge is the state legislature changes. They wrote off \$35,000 from the last governor's order that ended in December, for the second year in a row. Those are citations that they owe nothing on and are closed out.

Ms. Balcom explained the impact of having officers out, effecting the amount of citations being issued and the amount of court appearances. They pay for jail beds, but try to use community service when they can because it does not cost them anything. Jail bed costs have continued to increase over the years, so they had previously cut down on that. However, this year they had many individuals who needed jail time and ended up over budget. Therefore, this year they increased that amount. She mentioned that the jail bed costs went up even more just since the budget was done. It is \$144 a night at the Springfield Jail, but this year she was able to get a 2-year contract with them.

Mr. Fox asked if the fines have been recouped since using the collection agency. Ms. Balcom said they started with the collection agency in 2007, which they submitted about \$2 million worth of fines. The court is trying their best to make sure they don't have what they shouldn't have. Cases are closed out and purged after 20 years. They should be close to the original fines that were turned over to collections, but the cycle just keeps going. She provides a monthly report on what the court has received in revenue and what they've turned over to collections. Her hope and goal is that they regain a positive reputation in Coburg, and focus more on employing justice rather than building revenue.

Megan Winner; Planning Director, said that the biggest challenge for the Planning Department are state mandates, limited resources and unpredictable development. The city is required to provide building permit services, which can be costly. The contract with Cottage Grove is a flat fee each year regardless of how many inspections or reviews are done. They are working through the state mandated rule making and climate friendly and equitable communities. A lot of it is eligible for staff time reimbursement, but it still takes up a lot of time, so it is important to find that balance. They have to determine what they think might be on the horizon for next year, and how they match what is needed to adequately process that.

Mr. Fox asked how the Cottage Grove relationship has worked out. Ms. Winner said she has a great working relationship with them, and has heard lots of positive feedback from developers in the community about working with them. Mr. Hanks noted that they do 4 cities, including Coburg, Veneta, Creswell and themselves, and Coburg pays a ratio based on population and historic activity levels, which comes out to about 15% of the total program cost. Mr. Hanks also mentioned that Ms. Winner is a big asset for the city in applying for grants.

Brian Harmon, Public Works Director, reported that in the next fiscal year they'll be prioritizing and focusing on strong water, water quality and street trees, while also trying to get all open projects finished up. They will be working with Lane County to do some street preservation, and are looking forward to using more partnerships. Harmon said that aging infrastructure is the biggest concern for public works, which will be an ongoing concern as the wastewater system ages. At 10 years, the system is still fairly new, but the pumps only have a life expectancy of 15-20 years. Over the next few years, they will see more maintenance. The crew does a great job at preventative maintenance when they can, and at balancing the reactive and proactive maintenance approach. The focus is trying to get as many capital projects done that are on the books, without overburdening themselves with project overload.

Mr. Lehmann asked where they are at with the operations building. Mr. Harmon said the framework is up and they will probably share some pictures at the next City Council meeting. They are looking at the end of August before the crew can move into the building. It will be a huge benefit, allowing for the machines to be kept out of the weather, helping them last longer.

Ms. Bell asked about how they are doing with the sewer treatment plant membranes. Mr. Harmon said that the membranes have a lifespan of 7-10 years, and they are currently at 10. They are still doing very well and have been inspected every year and they still look brand new. However, they will not last forever so they need to have a replacement plan. The current plan is 14 years, so it is just out of the 3-year forecast they were provided. They will likely see it next year, and it will be a big hit. They are looking at around \$300,000 for replacement. Once they're replaced, they will have a process in place for that replacement every 14 years.

Adam Hanks, City Administrator, said that the goal is to build up some scalability on how they operate on the administrative side. The city will grow and develop, so they are building their systems in a way that they are scalable and don't have to add staff and keep older staff heavy processes. Administration also helps support the other departments, helping them do their jobs on the back end. The framework document covers most administrative tasks. What the city does on a daily basis is governed by external forces, and they must comply with the regulations.

MOTION

Mr. Fox moved, seconded by Mr. Milam to approve the budget for 2024-25 fiscal year in the amount of \$12,154,154 and approve the property taxes for the 2024-25 fiscal year at the rate of \$3.7506 per \$1000 of assessed value categorized as subject to general government limitation.

Motion passed unanimously — 8:0.

BUDGET COMMITTEE ANNUAL RECRUITMENT

Ms. Egbert said that this is an annual vacancy. The ORS requires 6 electors to be on the budget committee. Every 2 years, two electors' terms expire, this year being Linda Kroeger and Elise Landry. They opened recruitment and received two applications from Linda Kroeger and Elise Landry, which are included in the packet materials.

MOTION

Mr. Dawson moved, seconded by Mr. Fox, to recommend that the Mayor appoint Linda Kroger and Elise Landry to serve a term of 3 years on the Coburg Budget Committee expiring June 2027.

Motion passed unanimously — 8:0.

ADJOURNMENT

Ms. Kroeger adjourned the meeting at 7:43 pm.

APPROVED by the Heritage Committee of the City of Coburg on this _____ day of _____, 2024.

Linda Kroeger, Chair

ATTEST: _____
Sammy L. Egbert, City Recorder