



MINUTES

Coburg Budget Committee Meeting

May 07, 2024 at 6:00 P.M.

Coburg City Hall

91136 N Willamette Street

MEMBERS PRESENT: Chair; Linda Kroeger, Vice Chair; Terry Dawson, Cathy Engebretson, John Lehmann, Claire Smith, John Fox, Elise Landry, Laura Tryon, Todd Waters

MEMBERS ABSENT: Mayor Bell, Alan Wells, Jeffrey Milam

GUESTS/STAFF PRESENT: Adam Hanks, City Administrator; Sammy Egbert, City Recorder; Greg Peck, Finance Director; Mandy Balcom, Court Administrator; Brian Harmon, Public Works Director

RECORDED BY: Madison Balcom, Administrative Assistant

CALL TO ORDER

Councilor Engebretson called the Coburg Budget Committee meeting to order at 6:00 pm.

ROLL CALL

Ms. Egbert called roll.

WELCOME INTRODUCTIONS AND PROCESS OVERVIEW

City Administrator, Adam Hanks led the introductions, introducing himself and how long he has been at the city. The committee members then introduced themselves and how long they've been on the budget committee. Mr. Hanks then went through the packet materials.

ELECTIONS OF CHAIR AND VICE CHAIR

Ms. Engebretson led the election of the committee's chair and vice chair positions. Mr. Lehmann nominated Linda Kroeger as the committee chair.

MOTION

Mr. Lehmann moved, seconded by Mr. Dawson to elect Linda Kroeger as chair.

Motion passed unanimously as 9:0

Ms. Kroeger took over as chair. They then moved on to the nominations for vice chair. Mr. Lehmann nominated Terry Dawson as the committee vice chair.

MOTION

Mr. Lehmann moved, seconded by Mr. Fox to elect Terry Dawson as vice chair.

Motion passed unanimously as 9:0

PUBLIC COMMENT

There were no request(s) for public comment.

MINUTES APPROVAL

1. May 16, 2023 Budget Committee Meeting
2. May 30, 2023 Budget Committee Meeting

There were no requested changes to the minutes.

MOTION

Mr. Dawson moved, seconded by Ms. Tryon to approve the May 16, 2023 Budget Committee Meeting minutes as presented.

Motion passed unanimously — 8:0.

MOTION

Mr. Waters moved, seconded by Ms. Landry to approve the May 30, 2023 Budget Committee Meeting minutes as presented.

Motion passed unanimously — 8:0.

BUDGET MESSAGE PRESENTATION

Mr. Hanks began with an overview of the budget committee and their roles. Hanks then presented the Fiscal Year 2024-25 budget message to the committee, going over each listed topic, including what a budget is, how it is used, what assumptions were used to develop it, how it is organized, the major cost drivers, and fund overviews.

Mr. Hanks moved on to the City Wide Fund & Departments chart on page 25. He explained that they are changing the way they are doing cost allocations from the funds. They estimate revenues more conservatively and expenses more liberally.

Mr. Lehmann asked if the Unappropriated Ending Fund Balance being about 35% of the total is a healthy amount. Mr. Hanks said it is a healthy amount on paper, but the problem is that a good chunk of it is SDC's which are restricted and not spendable.

Mr. Lehmann also asked about the decreasing fund totals from 2024 to 2026, 2027, and 2028, with almost 3 million less by 2028 than in 2024. Mr. Hanks said that is because of capital projects, and the further out you go, the projections get more simplified.

Mr. Hanks then went over the charts for City Wide Resources and Uses – revenues and expenditures, mentioning the importance of fund totals.

Ms. Landry asked if there are currently any plans to apply for competitive grants. Mr. Hanks said they are active in a grant cycle for state parks for the Pavilion Park upgrades. If you are active in a grant, you have to finish it before applying for another. They are also out to bid for a grant with ODOT and Small Cities Allocation for the Willamette, Macy & Harrison Street project, but cannot apply for it until they are finished with the other grant cycle. They also have some smaller grants they are in the midst of including a fully-funded RARE intern for TNDL work, and a highly competitive grant for solar installation at the wastewater plant.

Mr. Hanks mentioned that he is on the League of Oregon Cities Water & Wastewater Infrastructure Policy Committee, in which some main concerns are infrastructure funding and staff certification. Infrastructure funding is mostly tied to housing development, and without much buildable lands available in Coburg, its infrastructure funding is not at the level of housing that they are looking for in the statewide production.

PROPOSED BUDGET 2024-25

1. General Fund

Mr. Hanks transitioned to the graph on page 28, for the general fund, which includes general administration, facility management, planning department, police department, municipal court, economic development, parks, public works, and debt services.

Hanks explained that about \$80,000 of the total planning materials and services amount is for the Building Department contract with the City of Cottage Grove.

The police department is the largest cost center of the general fund. Hanks mentioned the current contract with Harrisburg for traffic safety and patrol services. The contract is up at the end of this year, and in the next few years could have an opportunity to significantly expand.

Ms. Smith asked with Harrisburg's contract with the Sheriff's Department expiring next year, does that open up the idea of Coburg and Harrisburg forming a Law Enforcement District. Mr. Hanks said no, just the possibility of a largely expanded current agreement. A district would be much more difficult and legally challenging.

Mr. Lehmann asked what the FTE for police was. Mr. Hanks responded with 5, including the Chief, a Sergeant, 2 patrol, and an admin tech, along with a large roster of reserves. The newest officer will return from academy in July. \$700,000 of the police department total is personnel costs, \$150,000 is for material & services, with about half of that (~\$76,000) being for a required dispatch contract with Lane County.

Mr. Hanks said that the Municipal Court is very valuable to the small community and helps maximize the policing ability. It has a 1 FTE which runs the whole department. Hanks mentioned that the difference between Expense and Revenue for the court was greater last year than this year because of staffing challenges on the Police side.

Economic development is a very small chunk of the fund, with a ceased staff position and plan to move the economic development programming to Coburg Main Street. There are some minor economic development expenses they will keep in house, but primary tourism and community engagement will be in the contract for Coburg Main Street.

Mr. Hanks talked about the distribution of the Public Works staff between departments and jobs. He noted that one staff member is 40% parks, 40% rights-of-way, 10% water, and 10% wastewater. The other 3 staff are 70% to their primary (wastewater, water, parks, or streets), all with different certifications and assignments, and 10% for each remaining department. With all that combined, the parks FTE is about 1.3. They switched to this system in November 2023, and it has been working really well.

Mr. Fox asked what accounted for the \$13,000 increase for parks materials and services, and Mr. Hanks added that to his follow-up list, but mentioned the primary driver for that is the new restroom in Pavilion Park and the added cleaning, supplies, utilities, and costs that come with. The increase in capital outlay for parks is due to the same reason.

Mr. Lehmann asked what the \$250,000 amount listed in 2027 was for. Mr. Hanks said that is a placeholder for the Coburg Creek Park work.

Ms. Smith asked if the \$500,000 grant will cover the cost of Pavilion Park or have they exceeded what the grant will cover. Mr. Hanks said it will exceed. They've been working to keep the numbers down as much as they can, but they won't know for sure until they bid Phase II out.

The bottom grey box indicates the SDC balances for each fund. They are hoping to increase the unappropriated ending fund balances in the future years.

2. Street Fund

Mr. Hanks moved on to the street fund graph on page 30. He said there are a decent variety of revenues for this fund, including the state gas tax, local gas tax, and charges for services (TUF fee). They recently had a debt instrument in streets that covered some of the recent projects, and some funds from a regional grant with Lane County waiting to be used for a specific project that has not been bid out yet. In the future they will have to find more external funding sources and be able to take on more debt to do it, with some grant opportunities but mostly low interest loans. They will have to look at possible rate changes and tax increases.

3. Water Fund

Mr. Hanks then went to page 32, for the water fund. He explained that they did not embed any rate increases on these projections, only growth of customer accounts/new residential accounts, and some weather-based predictions. Hanks explained his hope for some new rate revenue by January, before the funds become negative. Hanks explained more on the debt services in the next few years. Many cities are recommending and implementing much more aggressive step tiers in the overall usage and associated rates, while still maintaining balance.

Mr. Lehmann asked how the new users in the RV Park on the east side of the freeway would affect revenues. Mr. Hanks said that the estimations do not include Premier RV because they are not yet connected, they don't know how much they will use of domestic vs. well water, and it's hard to gauge any amounts at the moment. There will be added revenue that comes from Premier RV, but with that revenue comes a lot of capital as well. They have discussed potential fee changes like expanding the tree fee to be a parks and public facilities fee, possibly a storm drain fee once the storm water master plan is done, and raising water and wastewater rates.

4. Wastewater Fund

Mr. Hanks moved to page 34 and said that this fund was originally designed when the new wastewater system came into play. The URA was created specifically as a financial contributor to help pay for that system, which is the \$375,000 shown under the intergovernmental category on the chart. That has a cap of \$9 million, therefore they could do a little more than the \$375,000 but that means they will reach the \$9 million cap faster.

Hanks explained that the increase in charges for services in wastewater are much more direct and straightforward than for water because it is a fixed monthly rate. In the Council Retreat, they discussed how there will never be any rate reductions, cost to maintain the system will never go down, and regulations won't ever get lighter. Mr. Hanks mentioned that the water and wastewater systems are in great shape and are ran very well by the Public Works team.

Mr. Hanks pointed out the fact that the debt service for the wastewater fund is much more than any other fund, and that is because wastewater plant step system and construction is expensive. The fund balances are declining consistently and they are subsidizing operations with their fund balance savings accounts, which needs to be reversed. This fund also has the highest SDC balance, due to a possible lag in applying those funds in the past.

Ms. Tryon asked what the other revenue category in water and wastewater funds accounted for. Mr. Hanks said he will double check for sure, but he believed that was from LID payments.

In the next few pages, Mr. Hanks mentioned that he further broke the charts down by department to show where and how the costs are allocated.

They discussed some details for the next meeting, and how to address questions they have.

FUTURE MEETINGS

May 28, 2024 URA Budget Committee Meeting

ADJOURNMENT

Ms. Kroeger adjourned the meeting at 8:00 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

DRAFT