

## **MINUTES OF THE PROCEEDINGS OF THE CITY OF COOS BAY BUDGET COMMITTEE**

**April 9, 2015**

The minutes of the proceedings of a meeting of the City of Coos Bay Budget Committee held immediately following the City of Coos Bay Urban Renewal Agency Budget Committee meeting held at 7 p.m. in the Council Chambers at City Hall, 500 Central Avenue, Coos Bay, Oregon.

### **Those Attending**

Committee Members attending were Fred Brick, Mark Daily, Donald Dille, Lucinda DiNovo, Jennifer Groth, Stephanie Kramer, Thomas Leahy, Philip Marler, Colin Myatt, Alan Pettit, Crystal Shoji, and Brooke Walton. Committee Members Roy Metzger and Mike Vaughan were absent. City staff present were City Manager Rodger Craddock, Finance Director Susanne Baker, Deputy Finance Director Amy Kinnaman, Extended Service Office Director Norma Fowler, Fire Chief Mark Anderson, Library Director Sami Pierson, Police Chief Gary McCullough, and Public Works Director Jim Hossley.

### **Election of Officers**

Committee Member Groth nominated Stephanie Kramer as Chair. Committee Member Daily seconded the motion which carried with Committee Members Brick, Daily, Dille, DiNovo, Groth, Kramer, Leahy, Marler, Myatt, Pettit, Shoji, and Walton voting aye. Committee Members Metzger and Vaughan were absent.

Committee Member Groth nominated Al Pettit as Vice-Chair. Committee Member Leahy seconded the motion which carried with Chair Kramer and Committee Members Brick, Daily, Dille, DiNovo, Groth, Leahy, Marler, Myatt, Pettit, Shoji, and Walton voting aye. Committee Members Metzger and Vaughan were absent.

Committee Member Groth nominated Thomas Leahy as Secretary. Committee Member Shoji seconded the motion which carried with Chair Kramer and Committee Members Brick, Daily, Dille, DiNovo, Groth, Leahy, Marler, Myatt, Pettit, Shoji, and Walton voting aye. Committee Members Metzger and Vaughan were absent.

### **Public Comments**

No comments were made.

### **Presentation of the 2015-2016 Budget Message by Budget Officer Rodger Craddock**

City Manager Rodger Craddock reviewed the budget message as attached and hereby made a part of the record. City Manager Craddock reported the fiscal year (FY) 2015-2016 proposed budget totaled \$75,830,902 which included \$34,675,056 in wastewater capital improvements and noted the budget was based on conservatively estimated revenues with expenditures based on actual experience and incremental increases and/or decreases as needed. Reserve funds were maintained at adequate funding levels in accordance to accepted accounting practices. City Manager Craddock provided a general overview of the budget funds and categories. Significant highlights of the proposed budget included Personnel Costs – Salaries and Benefits for the four different segments of the City's workforce: employees represented by

the International Association of Firefighters (IAFF), Coos Bay Police Officer's Association (CBPOA), American Federation of State, County and Municipal Employees (AFSCME), and non-represented (management) employees. Projected personnel costs included salary increases of 2%, a cost of living adjustment (COLA) for AFSCME, IAFF, and non-represented (management) employees and 1% for CBPOA. Personnel expenses comprised 15% of the total City operating budget, with salaries comprising 64% and benefits comprising 36% of personnel expenses. The FY 2015-2016 proposed budget reflected a 25.6% increase in employee insurance cost over the FY 2014-2015 budget and the new biennium PERS rate increased approximately 18.9% on average of the three tiers.

Operationally, department heads submitted a budget reflecting a status quo budget from the previous year with small increases to account for inflation or the need to replace critical items; estimated General Fund carryover for fiscal year 2015-2016 was \$2,893,445; reserved to maintain the General Fund over a four month period in which no substantial revenues were received. City Manager Craddock stated over the past two budget cycles, General Fund revenues (property taxes, franchise fees, and insurance rates) did not kept pace with General Fund operational expenses resulting in two consecutive years of potential operating budget deficits before utilization of balancing measures occurred; the predominate balancing measure was the use of "Carryover" funds which resulted in decreased Carryover balances. Property tax revenue for FY 2014-2015 did see a modest increase, some fees were increased, and expenditures were decreased. City Manager Craddock stated post-recession effects were still evident noting the proposed budget required balancing measures as the projected general fund unappropriated ending fund balance was less than prior year's. As a balancing measure, the proposed budget included use of one-time revenues through transfers-in from other funds (Major Capital and Street Improvement Fund). The Wastewater Fund proposed budget reflected a 6.5% rate increase to meet the demands for improvements and \$31,423,441 in loan proceeds used to undertake identified projects in the wastewater construction in progress (CIP).

### **Review of the Proposed Budget for Fiscal Year 2015-2016**

#### **General Fund**

The Budget Committee reviewed summary pages and the City of Coos Bay General Fund (01) by Department as follows:

#### **City Council**

The Budget Committee reviewed the City Council Department (100). Committee Member Daily redlined General Fund Expenditures, Department (100), page 29, line item 520-2422, Economic Development.

#### **City Manager**

The Budget Committee reviewed the City Manager Department (120), no changes were made.

Urban Renewal Administration

The Budget Committee reviewed the Urban Renewal Administration Department (121), no changes were made.

Finance

The Budget Committee reviewed the Finance Department (130), no changes were made.

City Attorney

The Budget Committee reviewed the City Attorney Department (140), no changes were made.

City Hall

The Budget Committee reviewed the City Hall Department (170), no changes were made.

Community Contributions

Committee Member Groth moved to accept the Community Contributions Department (180), page 41, as proposed by staff which consisted of \$10,000 to the Boys and Girls Club; \$4,000 to T.H.E House; \$3,500 to Coos County Area Transit; \$2,200 to the Bob Belloni Ranch; \$1,500 to Mental Health of Southwestern Oregon; \$2,300 to Coos Bay Public Schools Maslow Project; \$500 to Bay Area First Step, and; \$1,000 to Oregon Coast Community Action Casa Program. Committee Member Shoji seconded the motion. Committee discussion proceeded as to whether to continue to fund the Boys and Girls Club. A call for the question was made which carried with Chair Kramer and Committee Members Brick, Daily, Dille, DiNovo, Groth, Leahy, Marler, Myatt, Pettit, Shoji, and Walton voting aye. Committee Members Metzger and Vaughan were absent.

Non-Departmental

The Budget Committee reviewed Non-Departmental Department (190), no changes were made.

Other Financing Uses

The Budget Committee reviewed Other Financing Uses (195), no changes were made.

Police Department

The Budget Committee reviewed Police Division (240) and Police Communications Division (242), no changes were made.

Codes Enforcement

The Budget Committee reviewed Codes Enforcement Department (243), no changes were made.

Fire Department

The Budget Committee reviewed the Fire Department (261), no changes were made.

Library

The Library and ESO budgets funded by the Library Service Taxing District were reviewed by the Coos Bay Library Board and the Coos County Board of Commissioners. The Budget Committee reviewed the Library Fund 7 and Coos County Library ESO Fund 14, no changes were made.

Adjourn

Meeting adjourned until Tuesday, April 14, 2015 at 7:00 p.m.

  
Stephanie Kramer, Chair

Attest:   
Thomas Leahy, Secretary