

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL

May 29, 2001

The minutes of the proceedings of a work session of the City Council of the City of Coos Bay Coos County, Oregon, held at 5:30 p.m. in the Manager's Conference Room at City Hall, 500 Central Avenue, Coos Bay, Oregon.

Those Present

Those present were Mayor Joe Benetti and Councilors Anna Marie Larson, Jeff McKeown, Cindi Miller, Kevin Stufflebean, Don Spangler, and Judy Weeks. Staff present were City Manager Bill Grile, Finance Director Janell Howard, Deputy Recorder Joyce Jansen, and Community Services Director Shanda Shribbs.

Discussion – Proposed FY 2001/2002 Budget

City Manager Bill Grile reported the work session was being held as a final review of the proposed fiscal year 2001/2002 budget before the scheduled public hearing and adoption of the budget on June 19th. Councilor Spangler inquired where funds would come from if salary increases and benefits were higher than budgeted. Finance Director Janell Howard reported the matter would be taken to the Council for approval and funding would probably come from contingency. She further noted there is \$431,000 in the unappropriated balance. Mr. Grile commented there is also the issue of whether AFSCME and Management/Non-represented employees will be handled at the same parity as the Police and Fire unions. Councilor Spangler inquired what the total salaries figure is for all employees. Ms. Howard reported for one year the figure is \$262,657. Councilor Stufflebean inquired if that amount included taxes and insurance and Ms. Howard stated it did. Mayor Benetti commented employee medical insurance premiums increased by approximately 30% this year.

Councilor Spangler expressed strong concern about the City's ability to pay the salary increases over the next three years. Mr. Grile commented there is the possibility of looking at a special operating levy for police and fire services, or a basic reduction in force. There was further discussion regarding the cost of the salary increases, the process of arbitration, perhaps freezing all salaries, review of the charter amendment, and the City's ability to pay. Councilor Stufflebean commented this matter should be discussed during labor negotiations. Mr. Grile noted the Budget Committee passed the budget with these raises included. Mayor Benetti commented with the anticipated revenues and expenditures for the next three years, the City would likely break even, but would have spent down the unappropriated balance to zero. Councilor Stufflebean recommended payments to non-profits be decreased.

Councilor Weeks commented it is not fair to taxpayers to not know where their money is being spent and its not fair to always cover police and fire personnel and not other employees. Councilor Spangler stated the public does not understand the size of salary increases and with a stagnant economy. He suggested the Council go to the voters and ask them what they want to do. He further stated he could not support a special levy because it is an additional tax and the City should only pay what they can afford for salaries. Mayor Benetti reported the Council was firm in their offer of 5% increases to the unions and the Council has taken prudent steps in managing the City's finances. Councilor Stufflebean commented if the City goes into arbitration, the arbitrator determines what the City shall pay and it could be higher than the City's current offer.

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Ms. Howard reported AFSCME had been offered 5% and they are currently budgeted at 4%. Mayor Benetti recommended no further adjustments to the budget figures. Councilor Weeks commented there is not enough money to increase the allotment to the Oregon Coast Music Association. Mr. Grile noted the room tax funds are linked to tourism and beautification. Mayor Benetti commented there is pending legislation which would limit the use of the room tax funds which would impact the City's budget if the legislation is passed.

Councilor Spangler stated he is not pleased with the budget as approved by the Budget Committee. Consensus of the Mayor and all other Councilors present that the budget be presented at the next city council meeting for adoption.

Adjourn

There being no further discussion to come before the Council, Mayor Benetti adjourned the meeting to June 5, 2001 at 7 p.m. in the Council Chambers at City Hall.

Joe Benetti, Mayor

ATTEST:

Joyce Jansen, Deputy Recorder