



**CITY OF MYRTLE POINT
BUDGET COMMITTEE AGENDA AND MEETING NOTICE
Monday, May 8th, 2023 7:30 p.m.
OSU Extension Meeting Room
631 Alder Street, Myrtle Point**

- I. CALL TO ORDER AND ROLL CALL
 - A. Chair
- II. CONSENT ITEMS
 - A. Minutes of April 24th, 2023 Budget Meeting
- III. CLOSE REGULAR MEETING
- IV. PUBLIC HEARING
 - A. Possible uses of State Shared Revenue
 1. Staff Report
 2. Public Comment
- V. CLOSE PUBLIC HEARING & RECONVENE REGULAR MEETING
- VI. DELIBERATION ON PROPOSED BUDGET
- VII. INFORMATION ITEMS
 - A. Sample Motion to Approve Budget
- VIII. ADDITIONAL MEETING DATES (IF NECESSARY)
- IX. ADJOURNMENT

Notice given this 3rd day of May 2023

Darin Nicholson
Budget Officer

Please bring your Proposed Budget



**CITY OF MYRTLE POINT
BUDGET COMMITTEE MEETING MINUTES
Monday, April 24, 2023, 7:30 P.M.
OSU Extension Meeting Room
631 Alder Street, Myrtle Point**

Attending in Person:

Lloyd Pounds, Budget Committee Chair
Justin Miller, Budget Committee
Michael Hogan, City Council
Berea Gibbons, City Council
Scott Robinson, Chief of Police
Willy Burris, Fire Chief
Amy Bruno, Library Director

Cynthia Johnson, Budget Committee
Samantha Clayburn, Mayor
Mike Wood, City Council
Ivan Hawker, City Council
Ginny Groce, Accountant
Wayne Ramsey, Senior Maintenance
Darin Nicholson, City Manager

Attending Remotely:

Kathy Lewis, Budget Committee

Kimberly Krantz, City Council

Council/Committee Members Absent:

Gary Sullivan, City Council

CALL TO ORDER

Chair Pounds called the meeting to order at 7:30 p.m.

ROLL CALL

Chair Pounds asked those in attendance to state their name for the roll.

CONSENT ITEMS

Chair Pounds announced the minutes of the May 9, 2022 Budget Committee Meeting and called for a motion. Budget Committee Member Lewis moved to accept the minutes as written. Councilor Wood seconded the motion which carried unanimously.

ELECTION OF OFFICERS

Chair Pounds requested a nomination for Budget Committee Chair for Fiscal Year 2023-24. BC Member Johnson nominated BC Member Miller to serve as chair. BC Member Miller indicated that he might not be able to make it to the second meeting. BC Member Johnson then nominated Chair Pounds to continue serving as chairperson. BC Member Miller seconded the nomination. Chair Pounds said he would happily hand it off, but if no one else wanted to chair the committee he'd continue. There were no other volunteers. Chair Pounds called for a vote on the nomination which was approved unanimously.

BUDGET COMMITTEE PROCESS PRESENTATION

Chair Pounds announced the Budget Presentation. Manager Nicholson started by giving an explanation of state requirements regarding the budget process for local governments and answered a few related questions.

PRESENTATION OF BUDGET MESSAGE

Manager Nicholson then gave a summary of the Budget Message included within the Proposed Budget. He touched on highlights including: the Proposed Budget is a balanced budget; the city's auditing firm, Umpqua Valley Financial, completed the audit for Fiscal Year 2021-22 and found no major deficiencies or material weaknesses; reported on current staffing levels in all departments along with any anticipated changes in the upcoming fiscal year; summarized employee salary levels including those eligible for a step increase (4%); identified that the Proposed Budget included a proposed cost of living adjustment (COLA) of 4%; summarized anticipated changes in health insurance premiums; reported changes to PERS contribution rates; identified the institution of Paid Leave Oregon and the city's approval for an equivalent plan; reported on the status of the city's enterprise funds (Water Fund, Sewer Fund and Ambulance Fund); and noted that the budget was prepared in expectation of levying the full amount of the city's permanent tax rate of \$7.995/\$1,000 assessed value for Fiscal Year 2023-24.

PUBLIC COMMENTS

Chair Pounds called for public comment at 7:48 p.m. There was no public comment.

DELIBERATION ON PROPOSED BUDGET

Chair Pounds called for deliberation on the Proposed Budget. The following questions were asked:

- Mayor Clayburn asked if billing in the Ambulance Department had improved. Chief Burris said that the billing has improved. There were a couple things that had been identified and improved. He also reported that he has looked into outsourcing the billing but he is not ready to do that yet. There was some related discussion. Chief Burris indicated other ambulance departments are having the same problem. Many patients have only Medicare or Oregon Health Plan and those sources do not pay the full amount billed. There was some additional related discussion.
- Councilor Wood asked how our pay rates for ambulance staff compare to other agencies. Chief Burris admitted that the pay rate in Myrtle Point is on the low end but noted there is an increase in the Proposed Budget. He also indicated there are two open Paramedic positions which he will advertise at the higher rate.
- Committee Member Johnson asked about the Professional Services line in various funds, noting that in many instances there is more budgeted this year than last year. Manager Nicholson said that engineering fees are paid from those lines and there are several projects planned which will need engineering. Attorney fees also are paid out of the line.

- Councilor Gibbons asked about the base salary for Paramedic 1 and why it was \$10,000 less than the base salary for Paramedic 2. Chief Burris explained that Paramedic 1 is a position that he is paid out of for the portion of time he spends on the ambulance. Chief Burris also took time to commend the department's highly qualified Paramedics.
- Committee Member Lewis asked the following questions:
 1. *Throughout the report there's a "FTE" (Full Time Equivalent) column, which only has zeroes in it. Is it there because it's part of the accounting program?* – Accountant Groce indicated that the city does not pay for the HR portion of the accounting software which utilizes the FTE calculation.
 2. *Pg. 14—Starting salaries for the two officers the City has put through the academy are average for Oregon, but does the City have a guaranteed commitment from them that they will serve the City for a specific period of time and not leave for more money upon completion of their training?* – Police Chief Robinson said there is not a guarantee. He did say that if they leave within two years and seek law enforcement employment with another agency in Oregon, there is an administrative rule which requires the agency to reimburse the city for a portion of their salary.
 3. *Pg. 23—General Fund – Professional services shows a huge increase—Why?* – Senior Maintenance Worker Ramsey indicated that it is just budgeted in case something unexpected comes up.
 4. *Pg. 31—Expansion Projects shows a gigantic proposal for what?* – Manager Nicholson explained that the funds are set aside to pay for portions of the library renovation project.
 5. *Where in the budget is the City's portion of the cost for an EV charging station?* – Manager Nicholson indicated that the expenditure would be made from the Infrastructure Fund, Community Development line. He also noted that there was \$7,500 in revenue in that fund for anticipated reimbursement under a state grant.
 6. *Pg. 40—Why are Professional Services less than half from 2022-23?* – Manager Nicholson explained that the city had contracted with the Coquille Watershed Association for improvements in the watershed under a grant agreement with the State of Oregon. The budgeted expenditure is for the contracted work.
 7. *Pg. 41—Plant Improvements—Why \$250,000?* – Manager Nicholson indicated that those funds were set aside for water tank painting. He admitted that he had trouble estimating the cost of a tank painting project since construction costs had escalated so much recently.
 8. *Pg. 46—Professional Services? – Water System Development Fund* – Manager Nicholson explained that any project using SDC funds would need to be for capacity increasing improvements and consequently would require engineering.
 9. *Pg. 50—Plant improvements of \$10,000?* – Accountant Groce indicated that there is nothing specific in mind but the money has to be budgeted somewhere.
 10. *Pg. 50—Equipment? Water System Design Improvement? Engineering Plant Improvement? And WOW! Misc. Waterline Replacement?* – Regarding Waterline Replacement, Manager Nicholson explained that the city had received a \$250,000 grant for paving improvements on Harris Street from 4th Street to Hwy

42. The waterline between 6th Street and Hwy 42 is old cast iron pipe and has broken twice in the past several years. He indicated that it would be desirable to replace the pipe before repaving the street. He estimated the waterline replacement cost at \$128,000. Senior Maintenance Worker Ramsey indicated that the Equipment expenditure would be for a portion of the cost of a new excavator. The other amounts are not for anything specific.
11. *What is the lost revenue due to leaks? How much and listed where? City "self-insure" to cover loses?* – Manager Nicholson said the question of a self-insurance program is something he has not addressed yet but it has not been forgotten. Regarding lost revenue, it is not in the budget. Staff calculated that in the past year, the city credited back to customers slightly less than \$3,500 for water leak reimbursements.
12. *Pg. 68—50% increase in Professional Services yet 2022-23 estimate of \$0. Why the increase?* – Manager Nicholson indicated that is in the Sewer SDC Fund. No money has been spent because there haven't been any recent capacity increasing projects. He explained that there may be a need for such a project in the future. These funds would cover design costs.
13. *Pg. 68—30% increase for Plant Improvement yet 2022-23 estimate of \$0. Why?* – Manager Nicholson indicated those funds would be used for construction of capacity increasing improvements.
14. *Pg. 72—Professional Services—Why an over 4.5 times increase to such a specific amount?* – Manager Nicholson said there was no specific reason, it was just to balance the fund.
15. *Pg. 72—Is there a specific Plant Improvement to justify the increase?* – Manager Nicholson said there is no specific project. Accountant Groce explained that budgeting is an iterative process and excess funds just got put in that line one time through and in a different line the next time.
16. *Pg. 80—Why were Professional Services \$20,000 higher than expected in 2022-23?* – Manager Nicholson explained that the funds were for design of the Harris Street improvements.
17. *Pg. 81—What Street Grant Activities justify \$305,000?* – Manager Nicholson said that was for construction of the planned Harris Street improvements. He also noted that the grant was for \$250,000 but he expected the city would have to spend some local funds to complete the project.
18. *Pg. 81—Is \$30,000 enough for Patching Program? (Please patch the streets on the way to my house—LOL!)* – Senior Maintenance Ramsey explained plans for street patching.
19. *Pg. 91—Increases in Office Machine/Maintenance/Rental and Janitorial Supplies and Service—Why?* – Library Director Bruno explained that the Office Machine line had increased because the library will be getting a new copier on a service contract. The Janitorial Supplies and Service line had increased to pay for contracted janitorial services.
20. *Pg. 92—Grant Activities of \$4000, yet on pg, 90—Proposed Grant Funds \$5,000. Why the \$1000 difference? Grant money for your summer teen intern? (Who's not listed in your pg. 91 Personnel—Why?)* – Library Director Bruno explained that part of the grant funds would be spent in the current fiscal year.
21. *Pg. 110—Why almost a 10% drop in Contracted Services? (I couldn't find in gray pages.)* – Fire Chief Burris indicated that those services include wildfire response

and he'd rather estimate the income a little bit low rather than counting on those funds coming in.

22. *Pg. 118—Why a \$14,000 drop in Contracted Services? (I couldn't find in gray pages.)* – Chief Burris said it was the same reason as the previous question.
 23. *Pg. 118—Grants of \$264,203 is such a specific amount so from where and for what?* – Chief Burris explained that he'd applied to the Oregon State Fire Marshall's Office for a staffing grant which pays 100% of the cost of a new Firefighter/EMT in the first year, 75% in the second year, and less in the third year. The city is supposed to commit to staffing the position without assistance in the fourth year.
 24. *Pg. 119—Employee Insurances—All departments had increases, but not over 3.5 ties---Why?* – Chief Burris said that has to do with paying a portion of the cost of the full-time Ambulance Department staff out of the Fire Services Fund.
 25. *Pg. 124—Spendable amount about \$10,800?* – Manager Nicholson said that is the estimated interest income but there is also some existing net working capital that will be available for expenditure.
 26. *Pg. 125—Why is the City responsible for almost \$25,000 for the Coos County Fair?* – Manager Nicholson said the city is not responsible to pay that to the Fair, but funds had to be budgeted somewhere. There was a question about moving the funds to the Parks and Recreation line. Manager Nicholson said that was up to the Budget Committee but noted that there was already \$15,000 in the Parks and Recreation line. He also pointed out that there was another \$15,000 budgeted in the Parks & Rec division of the General Fund for Park Improvements. There was some related discussion.
- Mayor Clayburn asked how much was budgeted for Nuisance Abatement. Manager Nicholson referred to Page 31 and noted there was \$5,000. The Mayor suggested increasing that amount due to a couple nuisance properties being dealt with. There was some related discussion. The consensus was to increase the budgeted amount to \$25,000.
 - Councilor Gibbons asked about the pay scale for public safety personnel in general. She compared the base pay of the Police Officers, Paramedics and Firefighters to the Library Director. Fire Chief Burris explained that it is proposed to increase the pay scale for the Paramedics and EMTs in the Proposed Budget. Library Director Bruno noted that the funding for the library is from a separate taxing district, not the city. There was some related discussion. Councilor Gibbons reiterated her desire to see public safety compensation increased. Accountant Groce explained that the money needs to come from somewhere and there are other expenses which need to be considered when budgeting within a fund. She explained that the different funds have different sources of revenue which must be balanced with expenditures. Police Chief Robinson explained his department's budget and indicated that he would love to pay more but feels the city has been fair with the department and they are pretty happy at this time. He also indicated that he is glad to be receiving a 4% COLA this year. Manager Nicholson commented that the Police Officers take home more than the base salary amount because they end up working overtime. Mayor Clayburn noted that there is \$93,000 budgeted for overtime in the Police Department. There were some

other comments. Councilor Wood suggested seeking grants. Mayor Clayburn noted that if salaries are raised this year and then we end up with a budget shortfall in the future, the department would probably have to cut a person. Fire Chief Burris commented that one of the biggest costs for an employee is the benefits, which often is almost 50%. Manager Nicholson stated that for the two departments (Police and Fire/Ambulance) the PERS costs alone are 27% of salaries. Chief Burris returned to the comment about grants and noted that the Fire Department had been approved for a grant for a new water tender truck and he was also hopeful that they would be receiving the staffing grant discussed earlier. He also said they can occasionally find grants for equipment such as hoses. Mayor Clayburn commented on utilizing ARPA grant funds to add back in the 4th Police Officer position to allow the others more flexibility for vacations, etc. Councilor Hogan suggested adding a longevity bonus. Police Chief Robinson said that he would like to look at revamping the department's certification pay policy. Chief Robinson agreed that a longevity bonus program was appealing. Fire Chief Burris also commented about certification pay. There was some additional related discussion. Chief Robinson commented that there are a number of things he'd like to incentivize, but at the end of the day, where does the money come from? Chief Robinson also mentioned that the Proposed Budget includes money to reimburse officers for use of their personal cell phones. There were some related comments.

Chair Pounds asked if there were any other questions or comments and, hearing none, closed deliberations.

INFORMATION ITEMS

Chair Pounds noted the following Information Items:

- A. Budget Calendar – Manager Nicholson mentioned an error on the calendar regarding the location of the budget meetings
- B. Sample Motion to Approve Budget

SET NEXT MEETING DATE

Chair Pounds announced the following date for the next Budget Committee meeting:

- A. Scheduled for **Monday, May 8th, 2023**
- B. Set Public Hearing date for Possible Uses of State Shared Revenues – May 8th

ADJOURNMENT

Having no further business Chair Pounds adjourned the meeting at 8:56 p.m.

APPROVED
This 8th day of May 2023

Budget Committee Chair
City of Myrtle Point



Staff Report

To: Budget Committee
From: Darin Nicholson
Date: May 8, 2023
Re: State Shared Revenues – Public Hearing

The Budget process requires two public hearings regarding the distribution of State Shared Revenues. The first before the Budget Committee on the **Possible** uses and the second before the City Council on the **Proposed** uses. The second hearing is planned to be held on June 6th, 2022 following approval of the budget by the Budget Committee.

Staff has included all of the estimated \$27,000 of State Shared Revenue as operating revenue within the General Fund in the Proposed Budget. The estimated amount is based on prior year's receipts. In previous years these funds have been an important revenue source to the General Fund. It is again recommended to receive the State Shared Revenue into the General Fund in Fiscal Year 2023-24.



SAMPLE MOTION TO APPROVE BUDGET

Budget law requires specific language in the motion to approve the budget and levy taxes. The Budget Committee does not need to approve a Resolution if the motion is documented in the minutes. The following is a sample motion to approve the Proposed Budget:

“I move that the City of Myrtle Point Budget Committee approve the Proposed FY 2023-24 Budget and recommend it be adopted as presented along with a tax rate of \$7.995 per \$1,000 of assessed value for operating purposes.”