

City of Bandon

CITY COUNCIL AGENDA DOCUMENTATION	DATE: January 10, 2023
SUBJECT: City and Urban Renewal Budget committee Meeting	ITEM NO: 6.2.3

BACKGROUND:

Meeting Minutes of the City and Urban Renewal Budget Committee as submitted by Richard Taylor,
Minutes Clerk

April 25, 2022 – Regular Meeting
May 9, 2022 – Regular Meeting
May 23, 2022 – Regular Meeting

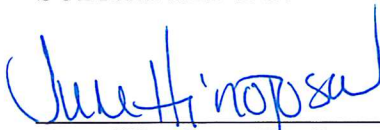
FISCAL IMPACT:

None

RECOMMENDATION:

Motion: to approve City and Urban Renewal Budget Committee Minutes from April 25, May 9, and May 23, 2022

SUBMITTED BY:



June Hinojosa, City Recorder

City and Urban Renewal Budget Committee Meeting
at Bandon City Hall and via Zoom Meetings
April 25, 2022

COMMITTEE:

- Richard Horning
- Gordon Norman
- Michael O'Neill
- Doug Spencer
- Renée Taylor
- Matt Winkel
- Susan Zohreh

CITY COUNCIL AND MAYOR:

- Mary Schamehorn, Mayor
- Peter Braun, Councilor
- Chris Powell, Councilor
- Geri Procetto, Councilor
- Madeline Seymour, Council President
- Geoff Smith, Councilor
- Brian Vick, Councilor

STAFF:

- Dan Chandler, City Manager
- Paula Burris, Finance Director
- June Hinojosa, City Recorder
- Denise Russell, Assistant Administrative Services Manager

City Budget Committee Meeting

1.0 CALL TO ORDER/ROLL CALL

Schamehorn called the meeting to order at 7:00 p.m., and Roll Call was taken as indicated above. Seymour joined the meeting via Zoom. The remainder of the participants were present in the Council Chambers.

2.0 ELECTION OF OFFICERS

Winkel nominated Schamehorn to serve as Chairman. Braun seconded the motion, which was given unanimous approval by voice vote. Winkel nominated Braun to be Vice-Chairman. Schamehorn seconded the motion, which passed unanimously by voice vote.

3.0 PRESENTATION/DISCUSSION OF FY 22-23 PROPOSED MUNICIPAL BUDGET

Chandler began by outlining how the presentation and discussion of the Budget would unfold over two scheduled Budget Committee Meetings. At the current meeting, he was going to cover the FY (Fiscal Year) 2022-2023 Budget's highlights and answer questions. Two weeks later, at the May 9 meeting, there would be a Public Hearing regarding State Revenue Sharing. Chandler invited Committee members to submit questions by email between meetings and planned to email his response to those questions to everyone on the Committee.

Committee members had received printouts of a slideshow that had been prepared for the meeting, and Chandler used them as a guide for his presentation on the budget. He started by noting policies and priorities that were carried over from the previous fiscal year. Gorse was a continuing priority issues, so gorse funds were carried over from the prior year. There would be \$70,000 for gorse abatement, and a Request for Proposals (RFP) had gone out to establish a group of on-call contractors to do gorse work on City property and rights-of-way. There was also a plan to implement a grant program that would enable property owners who needed assistance to take

advantage of some of the City's gorse abatement funds. Chandler commented that "tremendous progress" had been made the previous year, with a great deal of gorse being removed by Jensen's Tree Service from the City's Johnson Creek property. Willamette Valley Forestry was scheduled to perform follow-up spraying when conditions became drier. Chandler said follow-on spraying would also be a priority for the grant program, due to the resiliency of gorse after it was cut down. He reported that the City was closed to an agreement with the operators of Pacific View and the Coquille Tribe to remove gorse around their property on Jetty Road.

Chandler told the Committee that the City would continue the work begun the prior year to create reserves and a small contingency fund. He said Bandon had received the first tranche of Rescue Act funds—\$690,000—and he thanked Burris for following up and requesting some of the leftover funds that had not been claimed by other governments. The City had received an additional \$50,000 or so because of her effort. A second distribution was expected in June 2022.

Chandler remarked that compared to the previous year "the rules had loosened up dramatically" regarding allowable uses of Rescue Act money. He described the program as having been "very bureaucratic and definitive, and hard to understand what you could or could not use the money for." He added, "I think they got the message from a lot of small jurisdictions" that the administrative costs being imposed were not worth it, given the small amount of money being received. That had changed, and the funds could be used for general government purposes. In recent discussions on how to utilize the funds, Chandler said the City Council was leaning toward support for easing the City's housing crisis. A supplemental budget was likely to be drawn up when the Council's guidance became clear.

Chandler observed that the budget was "a plan and a forecast," but the amount of money that would get appropriated would be limited. He explained that additional funds that might come in could not be spent without going through a supplemental budget process. Then, the City Council could appropriate the money. If the amount was more than ten percent of any fund, the entire Budget Committee would have to reconvene to appropriate it.

In addition to funding the gorse removal program, the budget surplus from FY 2021-2022 would be used to pay off \$124,000 of the City's debt and to increase the City's reserves to \$300,000 and contingency fund to \$200,000. One of the plans for the coming year was to create a new fund, tentatively named the Revenue Stabilization Fund. Chandler explained that Bandon's property tax rate was the second lowest of any city in Oregon that had its own police force. That meant the City's General Fund was supported by utility taxes and lodging taxes, which were both subject to potential fluctuation. Chandler added that it was good for the City to have reserves in the event of unexpected expenses.

Because hotels in town had done better than expected the past two years, the City was able to create reserve funds. The previous year's budget had an account for this money, but the proposal for the coming year was to create a new "rainy day" or "revenue stabilization" fund—a separate fund with specific policies governing what money would go in and what would go out, ensuring it would not be spent without a new appropriation process. Chandler indicated that the City would continue building that fund until it reached a level that was "a comfortable percentage of the overall General Fund expenditures."

Chandler said the City would also be increasing a PERS (Public Employee Retirement System) Reserve that had been created the previous year in response to a question from Moody's Investors Service, which conducted bond ratings. The fund began with \$100,000 in FY 2021-2022 and would be increased by \$50,000 in the new budget. So the initial funding of the Revenue Stabilization Fund would consist of \$450,000 from the General Reserve and \$150,000 from the PERS Reserve.

Chandler pointed out that a key issue affecting the FY 2022-2023 Budget was the impact of inflation on the City's utilities. Costs for items like transformers and regulators that were needed for the Electric Department's substations and every new development were increasing at a rate higher than the general inflation rate. Chandler said they were more than doubling in price, with lead times for acquiring them increasing from six weeks to nearly two years. The lengthy lead times meant more of these parts had to be kept in stock, and they were expensive items. A regulator could cost \$50,000 to \$60,000. Chandler said the City was okay for the time being.

Chandler discussed several upcoming issues facing the City. There was a need for a sustainable revenue stream, which was made more difficult by the City Charter's requirement for voter approval of any utility rate increase. He thought there was no other utility in the state that operated with that restriction.

The Electric Utility was going to conduct a Capital Facilities Plan and a full Cost of Service Study to determine if the rate structure was correct in terms of out-of-city services. Chandler explained that the City had spent \$24,000 clearing brush and vegetation on a line serving five rural customers. He stated that the existing rates per meter did not take that cost into account. If the City were to ask the voters for an electric rate increase, Chandler observed that the City would need to be able to explain why it was necessary and how the requested increase had been calculated.

Chandler also saw the need for a backup and emergency water supply as a looming issue, to enable the City to be prepared for particularly dry years and to accommodate some level of growth. Two options were under consideration: an off-channel reservoir that would have cost \$7 million a few years ago but would now cost at least \$9 million; or a well field at a cost of \$1.5 to \$3 million. Hydrogeologic studies showed that the latter had some promise.

Development of the City's Woolen Mill property was on the horizon, with more geotechnical design and remediation issues being examined and wetland fill permits and banking still to be done. Chandler believed the property was a few months from being put on the market or going out for proposals for what could be developed on the 8.5-acre parcel in the heart of Bandon.

Chandler offered a quick overview of the five types of funds in the budget process:

- General Fund—the broadest fund, used for any government purpose.
- Special Revenue Funds—by statute or ordinance, only to be spent for particular purposes.
- Enterprise Funds—for the City's utilities, which are run like a business.
- Capital Funds—set aside for capital projects, although these funds have been going into the appropriate Enterprise Funds in recent times for efficiency and transparency.
- Debt Service Funds—a fund for each bond the City has issued.

Next, Chandler defined several basic terms used in the budgeting process:

- Budgeta plan based on forecasts. The City could not foretell the cost of anything a year in advance, nor could it predict its actual revenue over that time. However, the amount of money appropriated in the budget was fixed. The City could not spend beyond that amount without generating a supplemental budget.
- Proposed Budgetsubmitted by the City Manager, serving as the City's Budget Officer.
- Adopted Budget.....the budget formally adopted by the City Council after the Budget Committee has had a chance to deliberate and make recommendations.
- Fiscal Year.....the 12-month period during which the annual operating budget applied (July 1 to June 30).
- Appropriationthe authorization of funds, approved by the City Council.

Chandler displayed a pie chart showing the projected expenditures, illustrating the portion of the budget devoted to each City program. He pointed out that the biggest percentages went to the Enterprise Funds—Electric, Water, and Wastewater. The next largest was the General Fund.

The total budget for FY 2022-2023 was \$32,076,174, up from the previous year's \$29,980,637. The planned staff of 38.5 would be an increase from the previous year's 37.5 but still down from 43.25 the year before.

The next pie graph showed the expenditures coming out of the General Fund. The bulk—27 percent—would go to the Police Department. Police and Fire combined accounted for nearly a third of the General Fund expenditures. Chandler noted that a number of items had been moved into a category called Non-Departmental. For example, a donation to the City's fireworks had previously been budgeted under Mayor and City Council. Other expenses had been budgeted under Administration. He felt the public was not being given a clear picture of the City's overhead, since some non-overhead items were being included. Total General Fund expenditures were projected to be \$4,836,025.

Chandler used another pie chart to show the sources of General Fund revenues. He indicated that much of the General Fund accounted for the support that Administration and Finance gave to the Utilities. Tax revenue came to the General Fund from the Transient Occupancy Tax (TOT), Property Taxes, and Utility Taxes. The TOT was by far the largest contributor, supplying almost half the tax revenue. The Beginning Balance, consisting mainly of the Reserve Funds being carried over, accounted for over 27 percent of General Fund revenue.

Chandler focused on the \$303,609 projected revenue from Planning Permits, pointing out that the Planning Department was coming closer to full cost replacement, in his words "a positive development." He noted that Police and Court Fines revenue was likely to increase, with Bandon Police issuing more tickets, bringing a heavier load to the Municipal Court.

Chandler took a more detailed look at each department, beginning in the General Fund with Administration, which was budgeted for \$302,762, down from \$394,220 the previous year. He said most of the decrease resulted from items being moved to the Non-Departmental category.

Goals for FY 2022-2023 in Administration included continued professionalizing the City's financial reporting and human resources functions. Chandler commended Burris for implementing the online bill-paying system. He reported that the City would be transitioning to a new firm for its accounting and financial reporting, after struggling for a couple of years with the old firm's deficiencies.

Chandler listed additional Administration highlights from the past year:

- Improved collection of outstanding past-due accounts.
- Sold 50-year easements on the Water Plant property for two cell tower sites that had previously been leases, resulting in \$330,000 for the General Fund. Half the revenue from the cell tower easements was used to retire some of the City's debt and the other half was used to acquire property behind Freedom Graphics that would eventually become a backup parking area to make up for the lack of parking in Old Town.
- The Urban Renewal District purchased a lot at 1st Street SE and Fillmore Avenue SE, next to The Laurel, where about 50 new parking spaces would be created in conjunction with the Port of Bandon, along with four "level two" electric vehicle charging stations.

- The City had been involved in a “strenuous and continuous project” of updating its contracts, typically by issuing an RFP. “It helps people not become complacent,” he explained, “thinking that the City of Bandon is a ‘forever client.’”

New contracts had been written for legal work, engineering, electrical engineering with a new firm, on-call gorse mitigation contractors, a new Municipal Court Judge, and a vendor for electric vehicle chargers, including replacement of the nonfunctional charger at City Hall. Chandler said there was a possibility the City would install rapid-charging stations below the fire hall, which could be a money-maker for the City, since Bandon itself was the electric utility.

Accounting and Billing was given a 2022-2023 budget of \$361,118, compared to \$293,432 in 2021-2022. Chandler attributed much of the increase to the use of an experienced municipal CPA (Certified Public Accountant) to assist in “a whole host of things.” He said she was “invaluable,” “a joy to work with,” and “worth every penny” as the City worked through issues with its auditing firm.

Among the accomplishments in Accounting and Billing during FY 2021-2022 was the continued implementation of the Municipal Court. Chandler also praised Burris and her team for their hard work in earning another clean audit report.

For the Police Department, it was a year of transitions. Chief Bob Webb retired and one officer moved to Hawaii. Cory Dhillon was appointed new Police Chief and two qualified, ready-to-work deputies from the Coos County Sheriff’s Office were immediately hired to fill the officer vacancies.

For FY 2022-2023, the Police budget totaled \$1,306,969, an increase over the previous year’s \$1,296,205. The department was funded by the General Fund, from property taxes, utility taxes, and the TOT. The Police staff included six uniformed officers and a clerk. Chandler commented that the title “clerk” understated the work Sarah Lakey did for the department and she deserved an upgraded title. A plan to purchase a new police vehicle in FY 2021-2022 had been put on hold when the department was understaffed. Chandler said it would take up to two years to get one now, so the City was looking around the country for available used police cars.

The Police Department was by far the largest in the General Fund, yet its budget did not reflect that the General Fund covered all administrative, accounting, and human resources costs, unlike the Enterprise Funds, which paid for those services.

Some of the funding for Bandon’s parks came from the General Fund. The total Parks budget was \$242,925, up from \$221,922 in FY 2021-2022. Chandler explained that this budget covered maintenance and equipment replacement. He noted that funding for maintenance was an ongoing issue. In a recent community survey, the respondents ranked the City’s appearance—closely related to parks—a close second in priority to public safety.

The Community Beautification Fund, another category of the General Fund, derived its revenues from the City’s garbage franchise fees and was mostly budgeted for Contractual Services from an outside contractor who provided landscaping maintenance services for public areas that included City Hall, the Visitor Information Center, the Fire Memorial, Old Town parking lot and Pedway, the Welcome-to-Bandon entrance signs, City Park entrance triangles, the Library, and the Community Center (Barn) and parking lot islands there. For FY 2022-2023, additional funds had been added for gorse mitigation and there would be more money coming from the garbage franchisee. In FY 2021-2022, Community Beautification’s budget was \$52,131, and it would be increased to \$62,317 in the FY 2022-2023 budget.

The Planning Department budget actually decreased from \$297,841 the previous year to \$246,370 for FY 2022-2023. Chandler explained that so much work had been done to clean up the Municipal Code and adjust single-family home applications so they could be determined by clear and objective criteria (as required by state law), that the workload in the Planning Department had dropped significantly and the department could function with a smaller staff. The projected revenue from permit fees in the coming year was \$115,000. In FY 2021-2022, it was \$95,000.

The City also had an on-call contract with Lane Council of Governments to handle land use permits when needed, with a straight pass-through cost to the applicant.

The Community Center's total budget was set at \$76,274. In the prior year it was \$86,372. Projected revenue from The Barn was \$15,500, which according to Chandler "doesn't come close to even covering operational costs for that...community asset." He thought it would be worth looking at updating the rental rates to see if the Community Center's revenue could contribute more toward its own maintenance and lessen the burden on the City's taxpayers. Renovations and capital improvements to the Community Center would be conducted with funds from Urban Renewal (UR) District 2.

For FY 2022-2023, the Sprague Theater's budget would be \$35,550, compared to \$40,240 the previous year. Its revenue was estimated at \$5,000, supplemented by grants that came to \$11,926. Chandler stated that renovating the theater would cost close to a million dollars but was not due to deferred maintenance. He said a major project was necessary because the siding and roof were at the end of their useful life in that corrosive environment and had to be replaced. Roofing was going to be done under a cooperative procurement contract. There was a \$950,000 bid for siding and sheathing replacement and the City planned to have the two worst sides done first, since funds were not available for the entire project. Fiber cement siding had been chosen for its weather resistance, and stainless steel hardware was planned for the roof. Renovations would be made using UR District 2 funds.

Chandler stated that the citizens of Bandon were getting "a tremendous deal" through the City's contract with the Bandon Rural Fire Protection District. The City's Fire budget was a fixed fee indexed to the City's total taxable assessed valuation. For FY 2022-2023, it amounted to \$121,664.

Special Revenue Funds in the General Fund included State Shared Revenue to be distributed to outside organizations. Chandler focused on the Block Grant Fund, which still had \$83,307 available for small business loans, in spite of the City having withdrawn some of the funds due to a revenue shortfall two years earlier.

Next, Chandler addressed the three Enterprise Funds, beginning with the Water Department, where he said the budget was "essentially level in terms of revenue and spending." The FY 2021-2022 Water budget was \$1,008,666, while \$1,070,220 was proposed for FY 2022-2023. Chandler noted that inflation had "almost eaten up the rate increase" that had gone into effect a year and a half earlier. That was the first increase since 2006. He observed that the Water Department had some reserves and contingency going into the previous year that were not available in the coming year.

Chandler said the City was working on projects that were funded by the 2019 General Obligation (GO) Bond. The seismic retrofit for the tank could only be done in the winter season when water demand was low, because one tank had to be taken offline to do the work. The repair had been delayed due to supply chain issues and the parts had been reordered. The plan was to do the work in the coming year and to coat the tank at the same time. The City was also proceeding with the backup generator project.

It was learned earlier in the day that there would be about a million-dollar increase in the cost of the clarifier tank due to a code change by the State of Oregon. After the City had already issued the bonds and sold them, it would have to come up with more money out of System Development Charges for that project. Chandler said the City was looking into some other options but was not hopeful. The project was designed to have a glass-lined steel tank, embedded in a concrete base, but the state was requiring a steel base for a steel tank, and no manufacturer was making them. He mentioned that the original clarifier was built by volunteers and had lasted a long time.

Chandler said the Sewer Department was in good shape. Although both Water and Sewer saw rate increases at the same time, changes in staffing, younger employees with families incurring insurance expense for the City, and more Public Works employees staffing the Water Department to read meters—those were factors contributing to more challenges for the Water Department than the Sewer Department. Chandler noted that a contractor had been selected for the design of the pump station, another bond project. He expected the contract to be approved by the City Council in May or June of 2022. The FY 2022-2023 Sewer budget was \$944,980. It had been \$929,751 the previous year.

Chandler added that money was being set aside each year for some projects that were not included in the bond list, including \$35,000 annually being put toward a new drive for the clarifier, expected to cost over \$120,000.

After a budget of \$8,332,989 in FY 2021-2022, the Electric Department was budgeted for \$9,236,568, with a \$1.7 million reserve being carried forward and shown in the budget as an unappropriated ending fund balance. Chandler anticipated the upcoming Capital Facilities Plan showing the need to do major work at one of the substations. Over time, so much equipment had been “shoehorned” into limited physical space that the whole substation might need to be relocated to a larger plot of ground.

The Streets Fund was supported by a share of the State Gas Tax, the Local Option Street Tax Fund, System Development Charges, and Storm Drainage Funds. \$1,907,897 was to be available for Streets in FY 2022-2023, plus a reserve of \$2.1 million. Chandler commented that asphalt prices were quite high due to high petroleum costs. He said there had been a successful paving project in the prior fiscal year, but no project was planned for the coming year.

The Parks Development Fund functioned as a reserve fund with money for consulting services and land acquisition. It was available for opportunities that might arise, such as getting a grant for a new parks plan, to be able to cost share an acquisition, or if someone offered some property that would be a great piece to add to the City’s parks plan. The fund balance was \$50,792. In the prior year, it held \$98,226.

The Library budget came to \$518,993, compared to \$432,539 the previous year. Chandler explained that the Library funding came almost entirely from the Coos County Library District, pursuant to a formula. He added that it was “almost a secret formula” that was difficult to figure out.

The Library had two funds. Money from the County Library District went into the Library Fund for library operations—staff, materials, and services. The Library Memorial Fund contained \$94,000 and served as a reserve fund to be used for the next big capital project the Library might need. The Library was also subsidized by the General Fund for human resources, accounting, administrative services, and maintenance (conducted by Public Works). Chandler added that the new Library Director was outstanding.

Upon concluding his presentation of the City Budget, Chandler fielded questions from the Committee members.

Taylor asked if there were any concerns about the structure, the siding, or the roof of the building next to The Barn.

Chandler replied that there had not been any problems reported there. He attributed the roof issue at the Theater to the way it stuck up in the air, catching the “salt wind” that corroded the fasteners. The roof issue at The Barn was caused by a design flaw. The angles of some of the roof pitches created a small vortex that stripped shingles off the roof in one spot. Chandler said shingles warranted for 110-miles-per-hour winds would be used in the upcoming roofing project. The Barn also had a leak from a drain that cause some floor issues, but that would require repairs that could be handled in-house.

Zohreh inquired about as to why the Library budget was almost \$100,000 more than the previous year.

Chandler answered that some of the difference was carried over from the 2021-2022 budget. Some of it was due to an increase in the Library District distribution.

Zohreh also wondered if the property across from the farmers market was going to be available for tourist parking. She was concerned that not having that lot available would have a negative impact on the community.

Chandler replied that the parking lot would be available “until it’s not.” He remarked, “You can’t beat that location and the size of the lot.”

“So the City just can’t afford to buy it?” Zohreh asked.

Chandler responded that the value of the property was much more than the City could have come up with.

Schamehorn noted that there was a sale pending on the property. She said it had been suggested to the current owner that he should charge people to park there until the sale was finalized.

Spencer asked if the City parking lot planned next to The Laurel was going to be paved.

Chandler answered that it would be an L-shaped paved lot that included the Port of Bandon property at 1st Street SE and Elmira Avenue SE. He thought the City might utilize an “app-based” payment system similar to what the city of Newport, Oregon was using. “It’s an extraordinarily convenient way to do paid parking,” he stated, adding that it was a “low-cost, low-hassle alternative” to hiring someone to run the parking lot.

Schamehorn commented that the Port was being encouraged to pave the gravel lot in front of the Old Town Marketplace and delineate the parking spaces to utilize its potential more fully.

Chandler interjected that the City would help the Port pave that lot, through its Urban Renewal District, as part of the cooperation that led to paving the adjoining lots on 1st Street SE between Elmira and Fillmore Avenues.

Taylor complimented Burris on an excellent job preparing the budget.

Burris pointed out that Russell had done much of the book work.

4.0 ADJOURN TO URBAN RENEWAL AGENCY BUDGET COMMITTEE MEETING

Schamehorn adjourned the City Budget Committee Meeting at 7:48 p.m.

Urban Renewal Agency Budget Committee Meeting

1.0 CALL TO ORDER/ROLL CALL

Schamehorn convened the Urban Renewal Agency Budget Committee Meeting at 7:49 p.m.

2.0 PRESENTATION/DISCUSSION OF FY 22-23 PROPOSED URBAN RENEWAL BUDGET

Chandler told the Committee that the City of Bandon had two Urban Renewal areas: District 1 included the area around Face Rock Creamery and Old Town, out to the South Jetty, and across the river to the Coquille River Lighthouse; District 2 included the area from Bandon City Park out to Coquille Point.

Chandler indicated that the main issue for both districts would be to update their plans. The District 2 plan had seen some minor updates in 2002 and District 1 had an update in 2012.

District 1's revenue was \$365,140 per year with total resources of \$1,258,710. Chandler estimated the parking lot project at 1st Street SE and Fillmore Avenue SE would require \$130,000 to \$150,000 to grade it, pave it, stripe it, put curbs in, and install electric vehicle charging stations. District 1 was also going to provide a grant for upgrading the parking lot in front of the Farm and Sea store. The two parking lots combined would give Old Town around 70 new paved parking spaces. Chandler thought there would still be a shortage of RV (recreational vehicle) parking.

Braun asked for the projected cost of improving the Farm and Sea lot.

Chandler did not know what the total cost would be, but the Urban Renewal District had committed to up to \$75,000 as its share.

District 2's revenue per year was \$181,656, with proposed capital expenses of \$1,089,076. In the context of that amount, Chandler stated that the Sprague renovation cost was a scary number. To only replace the Theater's roof would cost \$286,700. The roof repair at The Barn would come to \$65,320. Chandler said the big job at the Sprague would be the siding and the sheathing underneath it. For just the siding and sheathing, a cooperative procurement bid had come in at \$950,000.

Braun confirmed with Chandler that \$350,000 was going out for replacing both roofs in the coming year.

Chandler added that the roofs were probably more critical than the siding. He said the siding would be done one side at a time as money became available. That would provide a better idea of how much work had to be done underneath. Apparently because of fire code reasons the sheathing underneath was a gypsum board that did not do well with water.

3.0 ADJOURN THE BUDGET COMMITTEE MEETING

Schamehorn adjourned the Urban Renewal Budget Committee Meeting at 7:52 p.m., reminding the Committee members that the Shared Revenue Hearing would be conducted at the next Budget meeting on May 9, 2022.

City and Urban Renewal Budget Committee Meeting
at Bandon City Hall and via Zoom Meetings
May 9, 2022

COMMITTEE:

- Richard Horning
- Gordon Norman
- Michael O'Neill
- Doug Spencer
- Renée Taylor
- Matt Winkel
- Susan Zohreh

CITY COUNCIL AND MAYOR:

- Mary Schamehorn, Mayor
- Peter Braun, Councilor
- Chris Powell, Councilor
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STAFF:

- Dan Chandler, City Manager
- Paula Burris, Finance Director
- June Hinojosa, City Recorder
- Denise Russell, Assistant Administrative Services Manager

City Budget Committee Meeting

1.0 CALL TO ORDER/ROLL CALL

Schamehorn called the meeting to order at 7:00 p.m., and Roll Call was taken as indicated above.

2.0 PUBLIC HEARING ON STATE REVENUE SHARING

Schamehorn immediately opened the Public Hearing, saying she had thought representatives from some of the agencies requesting funds would be in attendance to answer questions from the Committee. That had been the practice prior to Covid. During the pandemic, however, the public was discouraged from attending, and Schamehorn commented, "Apparently they're still discouraged," because no one from those groups appeared to be present.

Schamehorn noted that the City had capped the requests at \$3,500 and she saw no need to change that. A letter that had been sent to local nonprofits indicated the Committee could decide to modify the amount requested, causing some agencies to ask for more than \$3,500.

There were some new organizations requesting funds for FY (Fiscal Year) 2022-2023. One of them was Circles in the Sand. Schamehorn emphasized her concern that the people conducting Circles in the Sand be made aware of the traffic problems around the Face Rock Viewpoint and that they were supplying adequate bus service to the location. She said their letter to the City did mention the bus service.

Schamehorn had spoken to a woman representing four property owners on Beach Loop Drive near Face Rock who were said to be traumatized by the way people attending Circles in the Sand were parking in their yards and on the road. Since the event operators had begun running a shuttle bus to and from City Park, it appeared they were addressing the traffic and parking problems. Schamehorn added that a big article on Circles in the Sand had appeared in *The Oregonian* the past week. "It's really caught on," she said. "It's a great tourist attraction, as long as the people don't impact the local residents."

Procetto reported attending the event the previous Tuesday. She recalled there were two people outside to the Face Rock Viewpoint entrance who only allowed cars into the lot if spaces were available.

Schamehorn wondered where people were going if there was no more room in the parking lot.

Chandler pointed out that the sponsors of the event had to address the parking issue as a condition for the permit they received from the state for the current year. He said they had Fairway Shuttle under contract to help out.

Winkel observed that there was enough money in the budget for the requests, if they were limited to \$3,500.

Chandler confirmed that and noted that a significant amount rolled over every year.

Seymour thought she had read somewhere that Coos County Area Transit – Dial-A-Ride, one of the organizations on the list, had not been providing services to Bandon.

Schamehorn responded that she had heard from a constituent who was concerned that there had been a couple of times when Dial-A-Ride service was not available for her. Schamehorn thought, however, that Bandon was being served for the most part.

Winkel made a motion to approve the requests on the list provided to the Committee, with a maximum of \$3,500 per agency. Braun seconded the motion.

Taylor observed that the Bob Belloni Ranch had received \$2,500 the previous year and she asked if it was being suggested that they should receive \$3,500 for the coming year.

Schamehorn and Seymour thought the Bob Belloni Ranch should receive that amount, and Seymour added that the ranch no longer received federal funding. “They do a good job up there,” she stated.

Schamehorn said she had attended a recent meeting where the director of the ranch talked about the possibility it would have to shut down if they did not receive more support. “I do think that they are a valuable resource to this county,” she commented.

Procetto was confused about what was meant by the \$3,500 cap. Schamehorn and Winkel clarified that the requests that were listed for \$5,000 would be reduced to \$3,500, but the rest would remain as listed because they were already below the cap.

Powell asked if CERT, the Bandon Community Emergency Response Team, had a line item in the previous year’s City budget, because no FY 2021-2022 Revenue Share funding was shown for that group.

Chandler responded that there was a line item for CERT in the 2022-2023 budget. Apparently CERT was requesting additional funding.

Zohreh wanted to know what CERT’s line item allocation was for 2022-2023. She had spoken with Tony Chatman, who told her CERT did not receive any money the prior year.

Chandler clarified that money for CERT was in the City budget. He said there would be a meeting before the end of the current fiscal year to determine what should be put in the emergency containers. The County Emergency Response Director, someone involved with Bandon Rural Fire Protection, Bandon Police, and people from CERT would participate in the meeting and plan a purchase of items to stock the containers.

Zohreh stated that she was a CERT member and knew the containers were empty. She had encouraged Chatman to request revenue share funding.

Looking through the Proposed City Budget, Chandler found a line item in the Non-Departmental Expenditures for Emergency Management Supplies, showing \$4,500 budgeted in 2021-2022 but zero for 2022-2023. He said that there was another line in the budget that would support CERT.

A voice vote was taken on the motion to approve the State Revenue Sharing allocations and it was passed unanimously by those who were present. It was determined that the approved total was \$4,500 less than what had been requested, due to the \$3,500 cap.

Schamehorn suggested that the organizations should be encouraged to come before the Committee in the future.

Seymour wished to see all organizations submit a financial statement with their request, which some of them had already done.

3.0 PUBLIC COMMENT (none)

4.0 DISCUSSION OF BUDGET

Chandler summarized a number of minor changes to the Proposed 2022-2023 Budget:

- In the General Fund there was an \$83,000 item that was placed in the Revenue Stabilization Fund that should have been in the Non-Departmental Fund instead. That numeric change would have an impact on other parts of the budget, including pie charts.
- In the Police Department, the title of the Records/Dispatch Clerk would change to Administrative Services Officer, reflecting the actual work being performed.
- An Urban Renewal Reimbursement line was added that had been expensed to the Urban Renewal Districts but not included as a revenue item in the General Fund.
- In various funds, salary information was updated, leading to minor changes throughout the Enterprise Funds.
- Right-of-way maintenance funds were added to the Electric Fund that had inadvertently been dropped.
- Some accounts were consolidated into one Supplies account, but in the process an amount was dropped, so that had to be added back in.
- An amount that had been shown as Other in the Library Memorial Fund was moved to the Ending Fund Balance. It was intended to be unappropriated money that would serve as a reserve for future capital improvements or other special needs, and it could not be spent without a new appropriation.
- In the Local Option Street Tax Fund, a large amount was set as Unappropriated Ending Fund Balance, and it made sense to move \$150,000 of that into a contingency for things that might come up during the year.

Horning asked if any of that money was earmarked for street and sidewalk improvements in some of the older parts of town where SDCs (System Development Charges) were not assessed.

Chandler answered that money accumulated in that fund and every several years the City put together a “paving package” for the areas in the City that were most in need. He noted that the fund had not included money for creation of sidewalks.

Horning pointed out that there were places in older parts of Bandon, such as 4th Street SW, where there were no continuous sidewalks.

Chandler responded that there were a lot of places in town like that. He mentioned that someone was using GIS (geographic information system) mapping to determine where gaps existed in sidewalks and in which cases people had signed waivers of remonstrance for a Local Improvement District (LID) to complete those gaps instead of building the sidewalk when they constructed their homes. He hoped the City's Transportation System Plan (TSP) would help the City budget and prioritize for sidewalk improvements.

Chandler added that the Local Option Street Tax and State Gas Tax together did not generate enough money to do much new construction.

Taylor commented that the existing sidewalks were hazardous in the area referred to by Horning.

Schamehorn asked Chandler who was responsible for the sidewalks in Bandon.

Chandler answered that under Bandon's code the adjacent property owner was responsible for maintaining the sidewalk in front of their property.

Spencer interjected, "But they're not responsible for putting in a new sidewalk when there isn't one there now."

"That's correct," Chandler responded.

Spencer elaborated that if there was a deteriorating, damaged, or dangerous sidewalk, the adjacent homeowner was responsible for notifying the City, having a Public Works inspection, and then arranging for and paying for the repairs.

Schamehorn recalled immediately arranging to have someone patch the sidewalk in front of a building she was managing in Old Town after she watched a woman trip and fall over a ridge that had developed on that sidewalk. On the other hand, she could not understand how a property owner could be responsible for a hazardous sidewalk someone else had installed without their involvement. Schamehorn said there were places where no home existed next to a sidewalk and the property owner lived in another state. She wondered who would be responsible for a trip hazard in that case.

Seymour brought up another conundrum: There were places where the City planted trees in the right-of-way. Over time, as the trees grew, their roots began lifting the sidewalks next to them. She contended the homeowners were not responsible for what happened to the sidewalks, even if they were living there at the time the trees were planted and the sidewalks were put in.

"They didn't have a choice," Spencer remarked.

Seymour did not think the City would allow a homeowner to remove a tree from the City right-of-way, but Chandler countered that hazardous trees were often allowed to be taken out.

Spencer added that a tree could be taken out if it was damaging infrastructure. He noted that virtually all cities in the country had sidewalk ordinances similar to Bandon's.

Seymour said the city of Huntington Beach, California, was responsible for all sidewalks.

Spencer stated that the city of San Francisco was responsible for all street trees.

Chandler noted that most cities in Oregon treated sidewalks the same way. He imagined how the responsibility for sidewalks might have been originally established: "If you were a merchant in Old Town and you had a gravel street with no sidewalk, and the City said, 'We will come and build you a sidewalk, but you have to maintain it. We're going to have sidewalks in all of Old Town for people to walk and for your business to benefit, but you'll...be responsible for it going

forward.” He suggested, “I think when you go back in time to that point, then having the property owner responsible going forward makes sense.” Chandler acknowledged that it also did not make sense in cases like some of the ones mentioned earlier.

Chandler pointed out that the City of Bandon maintained its rights-of-way and its unopened rights-of-way, although many cities did not. In some cities, he said, you would be responsible for half of an unopened street or alley behind your home, but not in Bandon.

Seymour figured half or more of the homeowners in Bandon who had a sidewalk in front of their house had no clue that they were responsible for it, and realtors didn’t tell them about it when they sold them their house.

Winkel thought the property owner should be responsible for the entire unopened right-of-way in front their house. He stated that he maintained the entire right-of-way in front of his house “in pretty much a park-like condition.” Winkel continued, “If you drive around Bandon, one of the biggest eyesores is looking at right-of-ways that people just don’t bother mowing or they don’t do anything.” He said the City did not have the personnel or the money to take care of and maintain all the unopened streets and rights-of-way in Bandon in a condition that was “beautifying and appealing to the community.” Winkel wished people would take more pride in the right-of-way around their property, because it would help the City’s overall appearance.

Chandler said it made sense to look at the gaps in existing sidewalks and “be smart about what we fill in where, and start to think about it systematically instead of in chunks.” He asserted it would involve going through property records to see who agreed to pay for a sidewalk in the future as opposed to building it at the time of the property purchase. That might establish areas where people had already agreed to do their piece and there would be less for the City to fill in.

Winkel observed that it had been a past practice for the City to assist with removing and hauling off the old material when a sidewalk had to be repaired or replaced, to lessen the expense for the property owner to install the new sidewalk.

Seymour did not think people had insurance to cover someone being injured by a fall on the sidewalk in front of their house, but Spencer insisted homeowner insurance covered the sidewalk unless the homeowner failed to report a hazard that was there.

Returning to the subject of the meeting, Horning noted that the individual numbers on the Bandon Historical Society Museum’s application for State Revenue Share funds did not add up to the total request of \$3,250.

Schamehorn thought the Historical Society probably meant for their request to be that amount.

Chandler said there were no changes in the Urban Renewal Budget to discuss, so a separate Urban Renewal Budget meeting was not held following the adjournment of this meeting. The Committee’s approval vote on the City and Urban Renewal Budgets would come at a meeting on May 23, 2022.

5.0 ADJOURN

Schamehorn adjourned the City Budget Committee Meeting at 7:31 p.m.

City and Urban Renewal Budget Committee Meeting
at Bandon City Hall and via Zoom Meetings
May 23, 2022

COMMITTEE:

- Richard Horning
- Gordon Norman
- Michael O'Neill
- Doug Spencer
- Renée Taylor
- Matt Winkel
- Susan Zohreh

CITY COUNCIL AND MAYOR:

- Mary Schamehorn, Mayor
- Peter Braun, Councilor
- Chris Powell, Councilor
- Geri Procetto, Councilor
- Madeline Seymour, Council President
- Geoff Smith, Councilor
- Brian Vick, Councilor

STAFF:

- Dan Chandler, City Manager
- Shala Kudlac, City Attorney
- Paula Burris, Finance Director
- June Hinojosa, City Recorder
- Denise Russell, Assistant Administrative Services Manager

City Budget Committee Meeting

1.0 CALL TO ORDER/ROLL CALL

Schamehorn called the meeting to order at 7:00 p.m., and Roll Call was taken as indicated above. Seymour joined the meeting via Zoom. The remainder of the participants were present in the Council Chambers.

2.0 DISCUSSION OF BUDGET

Chandler told the Committee that they had received replacement pages for their City Budget books that reflected the impact of changes in the budget that had been discussed at the previous meeting. He quickly listed the changes:

- Moved \$83,000 from the Contingency line in the Revenue Stabilization Fund to General Fund – Non-Departmental, so that the Revenue Stabilization Fund, once it was created, would be a true reserve and would not contain any Contingency funds.
- Changed the job title in the Police Department from Records/Dispatch Clerk to Administrative Services Officer.
- Added the Urban Renewal Reimbursements (\$78,200) to the General Fund; they had already been expensed to the Urban Renewal Agency but had not shown up in the General Fund.
- Added Right-of-Way Maintenance Funds that were inadvertently dropped when accounts were consolidated for simplicity, correcting a \$65,000 error.

- Moved \$68,500 in the Library Memorial Fund from Other to Ending Fund Balance to reflect that the Library Memorial Fund functioned as a capital reserve with no plans to spend those funds.
- Moved \$150,000 in the Local Option Street Tax Fund from Ending Fund Balance to Contingency in case something happened in the coming year, eliminating the need to go through a new appropriation process to spend the money. The Ending Fund Balance functioned as a reserve, with money that was not appropriated and could not be spent without being appropriated by the City Council in a budget process. If the amount was large enough, the Budget Committee would need to be reconvened.

Powell inquired about increasing the amount for Emergency Management Supplies to be used by the Bandon Community Emergency Response Team (CERT). CERT had requested \$5,000 from the State Revenue Sharing Fund but had been awarded the maximum amount, \$3,500. Powell thought the City needed to ensure it was prepared for emergencies such as fires and tsunamis.

Chandler responded that a meeting was scheduled within the next two weeks with Bandon Rural Fire Protection, Coos County Emergency Services, Bandon Police Department, and Tony Chatman from CERT. They would be going through all the emergency containers, finding out what was in the inventory, and comparing that to some lists of suggested emergency items. Chandler said \$4,500 was available from FY 2021-2022 and there would be Contingency funds in General Fund – Non-Departmental for FY 2022-2023 that could be used to support emergency supplies.

Thinking it over, Chandler proposed to move \$4,500 from Contingency to the Emergency Management Supplies line item instead.

Braun moved that the Budget Committee approve the Proposed FY 2022-2023 Budget for the City of Bandon, as Amended and in the Record, and forward it to the City Council for Consideration and Adoption. Powell seconded the motion, which was approved by unanimous voice vote.

Spencer moved that the rate of ad valorem taxes for the General Fund for FY 2022-2023 be set at \$0.4580 per \$1,000 of assessed valuation, that the rate of taxes for the Local Option Street Tax be set at \$0.8455 per \$1,000 of assessed valuation, and that the total for all other Funds receiving tax revenue be approved at \$629,142. The motion was seconded by Procetto and approved by unanimous voice vote.

3.0 OTHER (none)

4.0 ADJOURN TO URBAN RENEWAL AGENCY BUDGET COMMITTEE MEETING

Schamehorn adjourned the City Budget Committee Meeting at 7:07 p.m.

Urban Renewal Agency Budget Committee Meeting

1.0 CALL TO ORDER/ROLL CALL

Schamehorn convened the Urban Renewal Agency Budget Committee Meeting at 7:07 p.m.

2.0 PRESENTATION/DISCUSSION OF FY 22-23 PROPOSED URBAN RENEWAL BUDGET

Chandler told the Committee that no changes had been made to the Urban Renewal Budget.

Braun offered a motion for the Budget Committee to approve the Proposed Urban Renewal Budget for FY 2022-2023 as presented and forward it to the City Council for Consideration and Adoption. The motion was seconded by Spencer and approved by unanimous voice vote.

Braun moved that the Budget Committee approve the full and maximum taxing authority that each Urban Renewal Plan allowed. Procetto seconded the motion. Schamehorn noted that the figures were \$12,003,980 for Urban Renewal District 1 and \$7,314,821 for Urban Renewal District 2. The motion passed unanimously by voice vote.

3.0 ADJOURN THE BUDGET COMMITTEE MEETING

Schamehorn thanked the members of the Budget Committee and adjourned the Urban Renewal Budget Committee Meeting at 7:09 p.m.

Budget Committee Meeting Minutes
Submitted by Richard Taylor, Minutes Clerk