

MINUTES
BUDGET COMMITTEE MEETING
May 28, 2009

Chair Aschenbrenner called the meeting to order at 6:32 p.m. in the Milwaukie City Hall Council Chambers, 10722 SE Main Street, Milwaukie, Oregon.

Budget Committee members present: Melissa Arne, Deborah Barnes, Greg Chaimov, Jeremy Ferguson, Joe Loomis, Mike Miller, Leslie Schockner, and Susan Stone.

Staff present: City Manager Mike Swanson, Finance Director Ignacio Palacios, Engineering Director Gary Parkin, Administrative Supervisor Jeanne Garst, Operations Director Paul Shirey, Library Director Joe Sandfort, Library Circulation Supervisor Nancy Wittig, Planning Director Katie Mangle, Community Development and Public Works Director Kenny Asher, Accountant Judy Serio, and Supervising Librarian Janna Hoffman

Preliminary Comments

None.

Consider Budget Committee Minutes of April 23 and May 14, 2009

It was moved by Mr. Chaimov and seconded by Ms. Barnes to adopt the meeting minutes. Motion passed unanimously among the members present.

Public Comments

None.

Response to Committee Questions

Ms. Barnes had asked Mr. Swanson about litigation funds for this year, and **Mr. Swanson** indicated there were funds at a reasonable amount.

Mr. Swanson said the major questions were in the form of a memorandum from Ms. Schockner that was briefly discussed at the last meeting. His responses were included in the Committee packet, and he had met with Ms. Schockner this morning for about 1-1/2 hours to go over the responses. He thanked her helping develop the next year's process based on her experience. The budget document was structured according to the requirements of State law, and staff would look for ways to include the additional information in 2010 – 2011 budget. The information would be useful to the Committee and public. He commented on highlighting more changes in next year's budget message and narratives. One of the issues had to do with the Blackberrys which were added after the departmental narratives were submitted. Mr. Swanson recommended the Blackberrys which would be used by those who did not have access to the mobile data terminals (MDT). He referred to Ms. Arne's email regarding efficiencies based on her knowledge. It was the network chosen by departments

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to receive emails and provided redundancy and critical information. The other big issue had to do with administration. There was a second captain position on tap to split the span of control. Milwaukie did not just have an administrative staff of 3 but 3 responders who were also doing administration. Police work was labor intensive, and Mr. Swanson commented on how the School Resource Officer, for example, worked with both the parents and the student. The second example was the neighborhood issue with a local church in the Linwood Neighborhood related to parking. Chief Jordan walked the neighborhood and talked with people to identify the problems. In terms of professionalism Milwaukie's was the best department he had worked with, and it would be seeking accreditation.

Ms. Schockner commented there was a lot of improvement in the budget. Her approach was to ensure the budget answered questions so people did not need to ask them. She offered to help in the final formulation.

Mr. Chaimov always looked forward to Ms. Schockner's comments. He asked Ms. Arne if the level of administration was reasonable.

Ms. Arne replied yes particularly since there were no lieutenants.

Ms. Stone understood there would be 4 officers using Blackberrys.

Ms. Schockner did not believe the breakout was in the document. Part of the cost was the equipment purchase, and the rest was the monthly cost.

Mr. Swanson noted in her May 26 email Ms. Arne addressed the issue of code enforcement from the perspective of livability. The addition of another code person could emerge from that.

Staff Comments and Questions

Mr. Parkin discussed the issues with the facilities budget and the capital improvement plan (CIP). Initially, the CIP budget included \$100,000 for the Johnson Creek facility that was replaced by \$25,000 in engineering to relocate that department to the operations building. Engineering worked closely with community development departments, and the proposed move would make it impossible to maintain current service levels.

Ms. Mangle agreed engineering should not move as team members have multiple responsibilities and having the services in one building created a one-stop shop.

Mr. Shirey discussed the history of facilities at the Johnson Creek campus. People work closely together, and from a logistical perspective it would not be a good idea to move engineering to the operations building.

Mr. Parkin stated a trailer for the planning department would relieve the space issue but finding the funds was a problem.

Mr. Shirey discussed the library book check out security system that was carried over last year and still seemed to be problematic. Changes at the Johnson Creek facility would improve work conditions as people currently had no privacy. The trailer can be purchased for \$28,000 or leased at \$7,200 annually. There

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would be additional costs for electricity, cabling, furnishing, phones, and computers.

Mr. Parkin added if this plea were not successful then they would use the \$25,000 to reconfigure the offices without moving engineering. He described the proposed location for the trailer.

Ms. Mangle said the trailer would house 5 planners in about 350 square feet.

Mr. Miller understood by getting the trailer the overall space was increased by 72 square feet. It seemed the cost for the additional square footage was excessive.

Ms. Mangle added the trailer alternative was attractive because the planners would have a small conference room. There was a meeting room in the operations building, but it served as the break room.

Mr. Chaimov asked if it was worth \$75,000 to citizens in terms of customer service.

Ms. Mangle replied staff would prefer using the \$25,000 to rearrange the office building rather than move engineering because of the likely decrease in services.

Ms. Schockner appreciated the detail and recognized the complexities. She felt strongly that the City was heading into an even more difficult year with reserves. She looked at the \$75,000 in the library budget as something she would be loathe to give up as it could be a reserve next year. Her inclination was to not spend the \$75,000 and to come up with a solution within the budget.

Mr. Shirey explained the money was in facilities and not the library budget, so it would go back into other funds.

Mr. Miller discussed the 72 additional square feet with the trailer which was about \$1,100 per square foot when comparing the trailer and the relocation to the operations building. It appeared the City would be spending a lot of money in a time when it was difficult to keep it even. He was concerned about next year. In his view every dollar saved should be placed in a reserve fund in the event there was an emergency.

Ms. Mangle felt the City needed to look at the adequacy of its facilities and the potential for additional positions funded by other agencies. Staff would be willing to stay in the trailer for a long time.

Mr. Aschenbrenner asked if were there other options than the library security system.

Mr. Shirey said staff could tap other facilities budgets and take little bits from other departments. He could not be specific about which projects would not be done.

Ms. Barnes commented it was important to come out as a team and did not wish to make things difficult on frontline staff. She saw this as an investment for staff and citizens who will come more often to the campus. People needed the tools to do their jobs, so she was in favor of the request.

Mr. Swanson discussed police staffing, contingency and reserves. The \$75,000 project would happen at some point and the money was being left in the budget as a commitment to the library. If it was not going to be used he would recommend \$37,500 going back to the reserves; \$18,000 into administrative services and refunded; and \$18,000 spread among different agencies in the City budget. The additional square footage would add \$15,000 in facilities charges. He agreed the space was not optimal, but the priority was retaining staff. General fund reserves had dropped to \$760,000, and he was looking to restore any amount he can. He discussed minor changes to the budget that would increase the contingency by about \$23,000.

Mr. Loomis asked if the unused modular units purchased by the School District were available as an option.

Ms. Mangle replied the Building Official determined those would not be a better or cheaper solution. Staff would look at money saving options.

Ms. Schockner suggested taking more time to reach a long-term solution that included an appropriate facility that would keep those together who should work together.

Mr. Miller received an email from Gabe Storm who was excused from this meeting expressing his opinion that this was an unnecessary expense.

Budget Committee Deliberations

Mr. Palacios reviewed additional information which made minor changes to the proposed budget.

In a straw poll, the Committee agreed that the \$25,000 intended for moving the engineering department to the operations building be expended to improve the space in the current building. The group discussed full utilization of the operations building. If the money on the library check out system were not used, then Mr. Palacios said the money would be kept in facilities reserve.

Mr. Swanson noted the cost for the Blackberrys would be \$12,000. He discussed the library expansion and District funding.

Mr. Miller thanked Ms. Mangle, Mr. Shirey, and Mr. Parkin for putting the proposal together and encouraged them to continue planning space needs.

Mr. Palacios discussed the street surface maintenance fee.

It was moved by Mr. Chaimov and seconded by Ms. Barnes to approve the budget document submitted by the Budget Officer with the revisions by the Budget Committee as summarized in attachment, Exhibit A. It was further moved for approval of a General Fund ad valorem property tax rate of 4.0660 per \$1,000 of valuation and a Public Safety Debt Service Fund ad valorem property tax amount of \$550,000. Motion passed unanimously.
[9:0]

It was moved by Mr. Chaimov and seconded by Ms. Barnes to approve the Capital Improvement Plan. Motion passed 8:0:1 with Ms. Arne abstaining.

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Chair Aschenbrenner announced Ms. Schockner would meet with Chief Jordan during the budget year.

Mr. Loomis recommended that the Budget Committee look into how to fund the \$5 million committed to TriMet.

Ms. Schockner noted she and Mr. Swanson had talked about what the City would do in terms of monitoring next year's budget and perhaps save some money. She appreciated the mechanisms staff was considering to monitor funds in order to create some reserves.

It was moved by Councilor Chaimov and seconded by Councilor Barnes to adjourn the meeting. Motion passed unanimously among the members present. [9:0]

Chair Aschenbrenner adjourned the meeting at 8:02 p.m.

Respectfully submitted,



Pat DuVal, Recorder

