

MINUTES

BUDGET COMMITTEE MEETING APRIL 28, 2004

Budget Committee Chair David Aschenbrenner called the meeting to order at 6:05 p.m. in the City Hall Council Chambers.

Budget Committee members present: Art Ball, Deborah Barnes, James Bernard, Larry Lancaster, Joe Loomis, Jean Michel, Leslie Schockner, and Susan Stone.

Swanson addressed questions that were presented at the April 14, 2004 and reviewed the memo with his responses.

- Photo radar
Why is it in the budget if it is not authorized? The City has not received the authority to institute a photo radar program. The last session of the legislature did have a photo radar bill that added the City of Milwaukie. During the final days of the session, it got lost in the rush to adjourn. There has been some assurance that if there is a special session, photo radar will be one of those things put on the list. If all of these things happen, by putting photo radar in the budget, Milwaukie would be ready to implement. Expenses and revenues are equal, so there will be no budgetary impact if it does not pass.
- Island annexation off Lake Road
This is not actually an island because it is not completely surrounded by the City's corporate boundaries. There is an area on the south end that does not close.

This suggestion did bring up the general issue of annexation. PSU completed an annexation study for Clackamas County and Milwaukie for the area north of Hwy. 224, west of I-205, south of County boundary, and east of the Willamette River. The study found that neither of the jurisdictions would suffer financially by annexation. Milwaukie believes it can provide a good level of service to those areas. Annexations typically take about 20 years of planning. The City will be looking at smaller annexations during the next fiscal year due mostly to the absence of sewers. It will also look at some other smaller proposals to determine acceptance. Those property owners being annexed can refer the question to a vote.
- Require that all city employees use city vehicle.
The actual cost of operating a City vehicle is between \$.56 and \$.68 per mile taking into consideration gas, oil, tires, etc. The cost to the City is more than the reimbursement rate, and it is cheaper to use personal vehicles.

- Eliminate food at all city meetings.
This has been reduced by considerable amounts. There was a specific reference to the monthly manager breakfasts, but over half the time these are paid for by the manager. \$1,000 is a fairly small amount, and he believes it is impossible to get away without anything. Some boards are paying for their own meals.
- Library employees staffing Friends table at library events.
The two people doing that were actually retired employees who were volunteering.
- Traffic motorcycle office who does training for a number of jurisdictions and institutes.
The budget does have a new motorcycle officer in it. In the last three years it has been difficult because the message has been reduce, reduce, reduce. That message does not change, and budgets are tight. The purpose of a budget is not to balance it but to balance it in a way that provides services. He asked the police chief to add a new traffic officer because that is the most consistent issue he hears from the community. If the City is to provide services -- and a prime concern is traffic enforcement -- then he feels he has a responsibility to make that proposal. He feels good about the police department because the Milwaukie chief stresses training to help make critical, spur of the moment decisions. Giddings has expertise that other jurisdictions need, and the City offers his services for training. In return, Milwaukie gets a break on its training. He is providing this service because it opens up training opportunities for other Milwaukie officers. First point, he proposed another officer because that is what he hears from the community. Second point, he is proud the City has someone in demand that has the expertise that opens up Milwaukie's potential for training in the region.
- City Facilities Leased to the Parks District.
The City leases a couple of properties to the Parks District -- 40th/Harvey and the office on SE 37th Avenue. The suggestion was made that more should be charged. The only agreement he could find was for 40th/Harvey for \$1 per year. When the agreement was entered into, there were a number of incentives like this one in an attempt to create a partnership. It was important at the time that the Parks District headquarters be located in the City. An incentive to do that was the office space on 37th Avenue. 40th/Harvey was also a part of that partnership. Those leases run through next year, and he understood there was a potential for the District office to move to the County building on Sunnyside Road. He commented that Milwaukie had declined some improvements last year, so the District carried the cost. It would have been much more difficult if the lease amount had been more.

- Operations Director and supervisor to employee ratio.
He tends not to look at those ratios too closely because staff has been reduced to the point that most employees are finding themselves doing things they had not done before. Using ratios in a global sense can be misleading. If you want to use ratios, the community development director has ratio of 9:1. The operations director would change that ratio to 6:1. He discussed the house-passed version of the transportation funding act. The City of Milwaukie is on the list for \$3 million to improve Lake Road. This is one of the functions he asked the director to focus on. This requires constant time and networking and meeting after meeting. We all thank Congressman Blumenauer, but it takes a lot of work on the part of the City to bring the money home.
- Facility and Administration Allocations.
He attached a spreadsheet relating to transfers for these funds. A message he is concerned about is that cutting has become the purpose. That is not it – the purpose is to deliver services. That is why Milwaukie exists and is the ultimate goal.

Citizen Comments on the Budget

Tom Hogan, Library Board Chair, 15599 SE Oatfield Road, Milwaukie. He had four talking points and expressed his appreciation for the city manager's comments on service delivery. The last time Hogan was before the Committee on March 31, the Library was facing a \$148,000 shortfall; now it is down to \$38,000. This will still seriously damage the library. The Board has met on what cuts would be made to make up that \$38,000. There is a potential retirement of a .5 FTE at \$21,000 and \$13,000 in cuts could be made in office supplies, the book budget, repair and maintenance, and office equipment. This was option #1.

Option #2 would be to cut \$12,000 in part time salaries and benefits, the \$3,000 from option 1, and \$12,000 from the book budget. He would favor having the staff rather than further jeopardizing circulation. The Board favors the second option because it is difficult to add staff back. If circulation does increase, there would be an increase in county funding.

The second point was an expansion plan. A Board member proposed gaining back hours by adding \$50,000 plus the \$38,000 based on increased circulation and increased revenue from the County. The Library is not proposing that tonight because funds from the County pool are finite even if the hours were regained. He discussed a scaled-back plan that would reopen the Library on Thursday night by adding 3.5 hours. Two Library 1 positions could be hired at \$13,250 to staff reopening on Thursday nights. He projected part of that cost would be recouped by increased circulation.

The third point is that if the Library were to get \$38,000 or \$51,000 where would that come from? The Board has continued to discuss facilities allocation and noted there are some common spaces in the City that are not allocated to any department. If the budget were truly based on square footage those areas could be added. FTE allocations are based on 100% being 101.32 whereas there are 18.5 members that are not part of the allocation. If the allocation were 119.082, the library allocation would be 10.94% rather than 12.95% or roughly \$53,474. If that were to happen that would maintain the library and add back the two people on Thursday nights.

The final point was is the increased staff needed to provide library services. He provided a summary of what level of staffing it takes to operate the Library. The Library is more than just checking out books. It needs a reference librarian. The children's library is on the lower level and needs at least one person. There are two additional support staff needed when the library is open. Each day, books are going back and forth in the network to provide the level of service being discussed.

Hogan was concerned about the \$38,000 shortfall and felt strongly about the need to provide a level of service feel community deserves. He urged adding back Thursday nights by adding two Library 1 positions.

Aschenbrenner suggested closing the children's section early. How much use does it actually get?

Sturgis said there are evening programs that attract 20 – 30 children, and families bring their children in to work on school projects.

Ed Zumwalt, 10888 SE 29th Avenue, Milwaukie. He has been advocating for the Library before the Budget Committee for 8 years. Each year it is more grim. Barnes asked a question about all departments being equal. The Library is not an equal service – it is not a necessary service. She remarked on the tip jar at the counter and having to scrounge for money more than any other department in the City. He is frustrated, and he knows he is not alone. If he could, he would move the Library somewhere where it would be appreciated. What will happen if the levy does not pass in November? As the window narrows, it comes closer and closer to shutting the library. At the same time, we talk about the North Main Development. He asked the Budget Committee to look forward to November and what can be done about the Library if the measure fails. This was a gift to the community from the Ledding family, yet we are in danger of losing it. Each year it erodes a little more. How much do we commit to having a library? Maybe it should just be included in the new development by having a bookstore and reading room. The good people on the Board keep trying. The foundation may be the answer down the road, and a facilities committee is talking about expansion. It all depends on the commitment of the Budget Committee. How can we think about development while closing the Library?

Sharon Bradshaw, retired Library employee, 2580 SE Courtney. She is one of the retirees people mentioned. She is back at the Library volunteering, and it could not operate without volunteers. There is not another department in the City that can take advantage of volunteers, and that library means the world to them.

Aschenbrenner said it was the intent to hear more public comment on May 17 and prepare a recommendation to the City Council.

Schockner said it would be helpful to have some sort of spreadsheet of alternate funding mechanisms.

Barnes asked for an explanation of the bus registration surcharge that was dropped. She thought the chronic nuisance charge was valid and asked how revenue might be expected. There was a suggestion of a court handling fee. What could be done to raise revenue without specific taxes? Is TriMet paying for the use of downtown streets?

Swanson said the business registration surcharge was a surcharge on licenses that was part of the funding of the Milwaukie Downtown Development Association (MDDA). It expired last year and was not renewed, and he did not believe the MDDA was active. The surcharge was for businesses actually within the Economic Improvement District (EID).

Swanson referred the chronic nuisance question of to the city attorney who is working with code compliance to develop a proposal.

Swanson discussed the TriMet agreement signed in the early 1980's for a minimal charge for use of the City Hall restrooms. He checked with the city attorney on eliminating TriMet from the downtown and was told TriMet has the right of condemnation on city streets for transit centers and the like. He discussed funding of the TriMet officer in the amount of \$96,000 and the TriMet police force made up of officers from various jurisdictions.

Barnes asked Swanson if he would be willing to dip into the contingency for a good cause.

Swanson said there is no magic number for the amount of money that should be in contingency, but the rule of thumb is 10%. That would mean Milwaukie should have \$1.3 in its contingency, and it now has \$900,000. Another important use of that money is revenue for the next fiscal year until taxes come in. He felt uncomfortable going to \$900,000 and is concerned about dropping it further.

Bernard asked when the debt would be paid back to the water fund.

Swanson said it would be paid off in four years.

Bernard thought the City should consider spending part of the QWest fund.

Swanson said there is about \$790,000 sitting in the reserve fund.

Ball asked if there were any plans for the property located on 37th Avenue when the Parks District vacates it.

Swanson said he just learned about the possible move in the past week, so he needs to look at potential uses. He will provide the size of the property.

Schockner discussed the planning work going into the nuisance fees and asked if that could go into this year's budget.

Swanson replied it could and depends on how chronic is defined.

Schockner asked if there could be a preliminary report by the next work session and if the City could begin with old actions rather than starting from scratch

Bernard suspected many of these would end up being liens against the property so would not be in cash.

Swanson said there may be a number of those that are judgment proof, and the City could only collect on an estate.

Loomis said there was a cost of living increase budgeted last year for managers of \$45,000 to \$50,000.

Swanson said that is traditionally done after the bargaining agreements have been settled. Some departments will have to come up with cost of living increases out of their existing budget, so it will be tight.

Next Meeting: May 17, 2004 for final public comment and Budget Committee deliberations.

Chair Aschenbrenner adjourned the meeting at 7:00 p.m.

Pat DuVal, Recorder