

CITY OF COQUILLE
BUDGET COMMITTEE MINUTES
April 11, 2011

Council Present: Council President Loran Wiese, “Corky” Daniels, Linda Short, Fran Capehart, Tim Spanberger, Bryan Baird

Budget Committee Present: Darlene Kelly, Clay Davis, Terry Mai, Mollie Anderson, Nikole Graham and Susan Heaton

Staff Present: City Manager Terence O’Connor, Finance Director Chuck Dufner, Police Chief Mark Dannels, Fire Chief Dave Waddington, Library Director Anne Conner, Public Works Director John Higgins, Deputy Recorder Rene Collins

Press: The World

Audience: A roster of those present is on file in the City Recorder's Office

1. Call to Order

Council President Wiese called the meeting to order at 7:04p.m. Mayor Muenchrath is at Naples Italy on military duty; he will attend via Skype. Council President Wiese thanked the budget committee for attending.

2. Election of Budget Committee Officers

Committee Member Davis nominated Loran Wiese for Budget Committee Chairman. Committee Member Mai seconded the motion; all members present voted in favor.

The Budget Committee, staff and council introduced themselves. Clay Davis declared a conflict as he is the City’s insurance agent, but feels he can make an impartial decision.

Member Short nominated Mollie Anderson for Secretary. Member Heaton seconded the motion; all members present voted in favor.

3. Public Hearing on State Revenue Sharing

Budget Committee Chairman Wiese opened the Public Hearing on State Revenue Sharing at 7:14 p.m.

City Manager O’Connor said we are required to have a public hearing stating how state revenue funds received will be spent and take any public comment. This year’s requests totaled \$11,292. The City has received a letter with an unspecified amount from CCAT. In the past we have provided \$3,000 annually to CCAT. The following request were made; Women’s Safety Resource Center \$350, Neighbor-to-Neighbor \$700, RSVP \$1,000, Coquille Valley Historical Museum \$3,000, Operation Coquille \$1,200, and Belloni’s Ranch \$2,042. The middle school has a covered playground project with an estimated cost of \$50,000 and is requesting help which O’Connor budget \$16,000 changing the requests total to \$27,292, but he said Mayor Muenchrath has some thoughts about the allocation.

Mayor Muenchrath said that the GP property has not sold as fast as the City would hope; there are also some issues with our local chamber office but we have a wonderful community and always talk about promoting our town. The Mayor would like to start a fund that will help professionally promote industry in our area, community, and invest in our future. Some of the funds could come from the state revenue sharing dollars and some from other areas. He thinks the rest of the budget looks great and thanked staff for their work. Budget Chairman Wiese asked how much he wanted to set aside; member Muenchrath said at a minimum \$15,000 this year and maybe the same next year. Member Anderson asked why the school was asking for \$16,000. City Manager O’Connor said they have a need to cover the play area which will

allow a larger play area for the younger children, as the elementary children do not have an indoor area during the rainy season. The project would provide a covered area all year round and the only covered area in Coquille. Member Anderson does not feel it is necessary, as it has not been covered previously. Councilor Baird said he feels it is necessary due to the age differences of the children attending the middle school. It allows separation of the different age groups from grade 3 through 8. Member Heaton said that the money asked for by the other agencies could possibly be redistributed to allow for some money to help with the covered play area. Member Kelly asked if the money needed to help develop the GP site could be taken from the URA funds. City Manager O'Connor said that if \$8,000 is used from URA and \$8,000 from the general revenue sharing that would allow some dollars to be given to the school for their covered play area. Mayor Muenchrath said that will probably cost between \$20,000 – \$25,000 for a promoter. He also wants to clarify that he does not want the URA to become a slush fund for the City. We need to help with other things in the community for example the covered playground area but he feels \$16,000 is a large amount and he thinks that amount should be \$2,500. Councilor Baird requested that we determine what the \$3,000 donated to CCAT be used for a rides from Coquille. Finance Director Dufner said that the dollars that CCAT uses is for matching grant dollars to purchase buses and they are trying to have a bus shelter located by the jail. Member Short feels that we really need to promote Coquille and bring business and jobs to our area. Member Graham agrees that we need to promote our area to get business that will provide jobs for those in our community. Chairman Wiese said we need to promote Coquille but feels \$15,000 or \$20,000 is not going to do much; people need a reason such as incentives. Mayor Muenchrath said we need start do something now by putting some money away and we might need to give as much to the outside agency requests and do the same thing again next year.

City Manager O'Connor said if we allocate what was asked for by the outside agencies and give \$4,000 to the Chamber and challenge PTK to raise matching funds up to \$4,000 to for the covered play area that would leave \$12,700 that could be put in the promotional fund and put an additional \$8,000 from URA that would start the fund with \$20,000. Terry Mai of the Coquille Chamber said they would like to request 2,000 for advertising purposes as they did last year and he will present a listing of what they spent the money on last year at the next council meeting. Member Graham asked what Operation Coquille does with their money; Finance Director Dufner said they use the funds insurance costs. Member Heaton asked if we have to honor all the money requests; Chairman Wise said no we do not.

Hearing no other comments Budget Chairman Wiese closed the public hearing at 7:58 p.m.

Member Wiese said we should look at each request individually and find a number that works. Let's take each item one at a time and see if everyone wants to start a fund to be used for promoting Coquille.

Councilor Anderson said that the requests by the groups are basic and feels there are requests totaling \$11, 292 and give \$2,500 to the school and \$2,000 for the Chamber of Commerce and that would leave \$16,300 for the reserve promotional fund. Member Anderson said we need to start saving for the promotion and get the right person. Mayor Muenchrath asked if everyone was comfortable with the funding levels; the consensus was yes.

Member Anderson made a motion to accept the State Revenue Sharing funds and disbursement at follows: CCAT \$3000, Women's Safety Resource Center \$350, Neighbor to Neighbor \$700, RSVP \$1,000, Coquille Valley Historical Museum \$3,000, Operation Coquille \$1,200, Coquille Chamber of Commerce \$2,000, Bob Belloni's Ranch \$2042, Coquille Middle School Play area Project \$2,500 and \$16,208 for the Promotional Reserve fund. Council Member Graham seconded the motion; all voted in favor.

Mayor Muenchrath thanked all the committee members for helping with the budget process and said he did not see any other issues with the budget.

4. Presentation of 2011-2012 Budget

City Manager O'Connor presented the budget message for fiscal year 2011-2012. In his reading of the summary he stated the expectations in the budget are fiscally conservative and the outcomes proposed are liberal in their execution and in their beneficial impact on the community. He commended Finance Director Dufner on the budget preparation and receiving the distinguished budget award the last four years. O'Connor read the following quote from Ralph Waldo Emerson; "Whatever course you decide upon, there is always someone to tell you that you are wrong. There are always difficulties arising which tempt you to believe that your critics are right. To map out a course of action and follow it to an end requires courage."

Coquille has shown over the last 30 years that it has the courage to continue, and he believes the time is not too far distant when Coquille will be rewarded for its courage.

5. Budget Discussions/Recommendations

Council president Wiese reviewed the budget summary of the document stating the budget for all funds for the 2011-2012 year is \$20,781,688, which is an increase of \$1,068,567 more than the previous year. City Manager O'Connor said the budget increased by 1 million dollars due to capital projects that are planned, with the Wastewater Treatment plant construction to start at the end of July.

They reviewed the revenue in section 4-1, which comes from franchise fees, taxes, fines, license and permits. The pool committee has raised money and applied and will receive grants totaling approximately 1.2 million and have applied for an additional \$279,000 in grants. The architects estimate for the recreational pool is 1.4 -1.7 million. If all is received the recreational pool project could be started in October and ready to open in June 2012. The river walk project has been granted \$100,000 but yet to be received due to distributions from the governmental office and they have applied for an additional \$125,000 grant. O'Connor said that the operating contingency is becoming lower due to the operations in the police department of ongoing cases and the additional cost of another officer and support for the SRO position. The school district is only able to contribute \$15,000 to the SRO program and we did not receive a grant for that additional officer so the budget is feeling the dollars being stretched. The ending cash is what the City needs to pay the bills from July 1 through the end of December until the tax dollars are received. In the future the Council may need to consider going out for a serial levy if the ending cash continues to decline. Chairman Wiese said he feels those asking for state revenue sharing dollars need to be notified that those dollars may not be available next year.

Finance Director Dufner said there has been \$20,000 budgeted in computer equipment replacement which will upgrade the network and upgrade the accounting software. The budget will be reviewed towards the end of the new fiscal year to see if the funds are still available.

Finance director Dufner said the PERS program will be increased by about 6% across the board due to the returns on investment promised to tier 1 and 2 participants. The City is required by the state to have a system better or equal to the PERS program.

Member Heaton asked who is doing the codes enforcement duties, O'Connor said that it is on a complaint only basis and the police department responds.

O'Connor said he is recommending not doing in street overlays in the 2011-2012 due to the price of asphalt going from \$90 a ton to \$120 a ton which means the price has increased by 30%. One ton will pave a section 12' long by 6' wide and 2" thick. By not doing a project this year the City would be allowed to do a larger project in the following budget year.

6. Approval of City Tax Levy Rate

Budget Committee Member Graham made a motion to approve the tax levy rate of 6.1038 per \$1,000. Budget Committee member Short seconded the motion; all present voted in favor.

Member Anderson made a motion to recommend approval and forwarding the modified proposed budget for 2011-2012 City budget. Member Graham seconded the motion; all present voted in favor.

7. Adjournment

Chairman Wiese adjourned the budget meeting at 10:09 p.m.

Chairman, Loran Wiese

ATTEST: _____
Secretary, Mollie Anderson

**COQUILLE URBAN RENEWAL AGENCY
BUDGET MEETING MINUTES
April 11, 2011**

1. Call to Order

Chairman Wiese called the Urban Renewal Agency budget meeting to order at 10:10 p.m.

2. Presentation of the 2011-2012 Budget

Chairman Wiese said the URA total budget for 2011-2012 is \$1,300, 773.

The URA will go out for bond this year in the amount \$1,500,000, the bond will help fund the pool project and other projects, the carry over for this year would be \$1,078,000. If we do not receive the bond this year a supplemental budget will be necessary.

Some of the other projects are new play equipment, construction of Entryway at Adams Street & Hwy 42, possibly purchase of a lot downtown, and a underground utility consultant.

Member Anderson made a motion to recommend approval of the proposed 2011-2012 Urban Renewal Agency budget. Member Graham seconded the motion; all present voted in favor.

3. Adjournment

Chairman Wiese adjourned the budget meeting at 10:15.

ATTEST: _____
Secretary, Mollie Anderson

Chairman, Loran Wiese