

SECOND MEETING OF THE CITY OF REDMOND BUDGET COMMITTEE WAS HELD APRIL 30, 2014, AT REDMOND CITY HALL IN CONFERENCE ROOM A.

BUDGET COMMITTEE MEMBERS PRESENT: Tory Allman – Bill Braly – Joe Centanni – Edwin Danielson – George Endicott – Anne Graham – Michael Haas – Camden King – Nicole MacTavish – Roger Mathus – Ginny McPherson – Ed Onimus – Jay Patrick – Kathy Williams (left at 8:00 p.m.)

OTHERS PRESENT: City Manager Keith Witcosky – Assistant City Manager Sharon Harris – City Recorder Kelly Morse – Finance/Budget Manager Jason Neff – Police Chief Dave Tarbet – Community Development Director Heather Richards – City Engineer Mike Caccavano – Interim Airport Director Bob Noble – Public Works Director Bill Duerden – Water Supervisor Dustan Campbell – Accounting Manager Jodi Burch – CIS Administrator Sheri Cleveland – Wastewater Division Manager Chris Miccolis – Environmental Programs Manager Larry Morse – Airport Operations Manager Winton Platt – Transportation Operations Supervisor Rob Peters

MEDIA PRESENT: Leslie Pugmire-Hole

Mayor Endicott called the meeting to order at 6:00 p.m.

CALL TO ORDER – CITY OF REDMOND URBAN RENEWAL AGENCY BUDGET COMMITTEE

ELECTION OF OFFICERS

A. Chair

Bill Braly moved, seconded by Anne Graham, to nominate Nicole MacTavish as Chair of the Urban Renewal Budget Committee, motion passed. (Allman-yes, Braly-yes, Centanni-yes, Danielson-yes, Endicott-yes, Graham-yes, Michael Haas-yes, King-yes, MacTavish-yes, Mathus-yes, McPherson-yes, Onimus-yes, Patrick-yes, Williams-yes)

B. Secretary

George Endicott moved, seconded by Tory Allman, to nominate Bill Braly as Secretary of the Urban Renewal Budget Committee, motion passed. (Allman-yes, Braly-yes, Centanni-yes, Danielson-yes, Endicott-yes, Graham-yes, Michael Haas-yes, King-yes, MacTavish-yes, Mathus-yes, McPherson-yes, Onimus-yes, Patrick-yes, Williams-yes)

PUBLIC HEARINGS – URBAN RENEWAL AGENCY BUDGET

A. Downtown Urban Renewal District Budget Presentation / Discussion

Chair MacTavish opened the public hearing on the City of Redmond Urban Renewal Agency's Budget for Fiscal Year 2014-2015 (FY 2014/15).

Finance/Budget Manager Jason Neff and Community Development Director Heather Richards provided an overview of the proposed Urban Renewal Agency budget highlighting the following areas:

Debt Service

1. Resources
 - Property Tax/Current
2. Debt Service
 - Principal
 - Interest
3. Transfers
 - To Downtown Urban Renewal Development

URA Project Administration

1. Resources

- Interfund Transfers
- Beginning Fund Balance
- 2. Materials & Services
 - Administrative Services

Ms. Richards also reviewed the various activities under the urban renewal programs and answered questions from the committee.

There being no testimony, Chair MacTavish closed the public hearing.

COMMENTS FROM CITIZENS

There were no comments from citizens.

DISCUSSION & MOTIONS

Michael Haas moved, seconded by Tory Allman, that the City of Redmond Urban Renewal Agency Budget Committee approve the proposed Fiscal Year 2014-2015 budget including 100 percent collection of division taxes for the Downtown Urban Renewal District as proposed, motion passed. (Allman-yes, Braly-yes, Centanni-yes, Danielson-yes, Endicott-yes, Graham-yes, Michael Haas-yes, King-yes, MacTavish-yes, Mathus-yes, McPherson-yes, Onimus-yes, Patrick-yes, Williams-yes)

ADJOURN – CITY OF REDMOND URBAN RENEWAL AGENCY BUDGET COMMITTEE

The City of Redmond Urban Renewal Agency Budget Committee was adjourned at 6:15 p.m.

RECONVENE – CITY OF REDMOND BUDGET COMMITTEE

Chair Braly reconvened the City of Redmond Budget Committee at 6:15 p.m.

COMMENTS FROM STAFF

City Manager Keith Witcosky reviewed the evening's agenda, noting that discussion on the Transportation and General Funds will take place tonight.

Finance/Budget Manager Jason Neff clarified discussion on Evergreen School's redevelopment and use as the site of City Hall, adding that it is a high priority of the Council and staff's top priority. One assumption for the project is that \$1 million of the "extra reserve" will need to be used as an equity contribution based on the City's model. Mr. Neff explained that using those funds for other projects would significantly hamper the project moving forward.

Ed Onimus clarified that while the Evergreen Elementary rehab is a Council goal, he still believes the purchase of the facility for use as a City Hall is a mistake.

PUBLIC HEARING – CITY OF REDMOND BUDGET

Chair Braly continued the public hearing on the City of Redmond Budget.

A. General Operating Funds

Mr. Neff provided an overview of the proposed Transportation budget highlighting the following:

i. Transportation Fund

Operations

1. Resources
 - State Grants & Awards – \$174,000 transit grant for CET to COIC
 - Highway Fund Apportionment
 - Interfund Transfers
 - Beginning Fund Balance - \$1.9 million

2. Materials & Services
 - Rentals/Leases
 - Temporary Personnel Services
 - Contractual Services
3. Debt Service
4. Intrafund Transfers
 - Intrafund Transfer – to CM
 - Intrafund Transfer – to CVE
5. Contingency
6. Reserve
 - Reserve for Future Expenditures

Public Works Administration

1. Resources
 - Charges Service from Other Fund
2. Personnel Services
 - Regular Pay

GIS

1. Materials and Services
 - Contractual Services – Reduced by \$70,000 since aerial photos were taken in FY 2013/14

Vehicle Maintenance

1. Resources
 - Deschutes County Fire District #1
 - COIC – CET Bus Maintenance
 - ISF Vehicle Maintenance
2. Capital Outlay
 - Machinery & Equipment

Capital Maintenance

1. Materials & Services
 - Asphalt Maintenance – Proposing a \$100,000 decrease in road maintenance for use in ADA sidewalk maintenance.
 - Surface Seals
 - ADA Sidewalk Maintenance/Repair

Capital Vehicle & Equipment

1. Capital Outlay
 - Machinery & Equipment – 10 yard dump truck, a snow blower attachment, and a road grader

SDC

1. Resources
 - SDC Improvement
 - Beginning Fund Balance
2. Capital Outlay
 - SDC Capital Expansion

CIP

1. Resources
 - STP Funds
 - Interfund Transfers
 - Beginning Fund Balance
2. Capital Outlay
 - Capital Projects

Mr. Duerden noted that all of the projects are done in conjunction with waterline work.

There were no comments from the public.

ii. General Fund

Mr. Neff provided an overview of the proposed General Fund budget highlighting the following:

General

1. Resources
 - Property Tax/Current
 - Pacific Power
 - Central Electric CO-OP
 - Cascade Natural Gas
 - Telecommunications
 - Bend Cable
 - Water/Sewer
 - FTV/First Point Communications
 - Quantum Fiber Optics Ordinance
 - Federal Grants & Awards
 - Cigarette Tax
 - State Revenue Sharing
 - Liquor Revenue (OLCC)
 - Beginning Fund Balance
2. Materials & Services
 - Building Maintenance
 - Economic Development
3. Transfers
 - To Police
 - To Parks & Facilities Fund
 - To CDD
 - To Transportation
 - To LID Debt Service
 - Interfund Loan – Golf Fund
4. Special Payments
5. Reserve
 - Reserve for Rainy Day

Regarding the funding for Redmond Economic Development, Inc, Joe Centanni encouraged continued financial support by the City. Mayor Endicott encouraged REDI to provide a clear breakdown of their budget.

Room Tax & Tourism

1. Resources
 - Room/Lodging-City
2. Materials & Services
 - Promotion

Administration

1. Resources
2. Personal Services
 - Proposed 3 percent Cost of Living Adjustment for non-represented employees
 - VEBA Contribution for increased insurance deductible
3. Materials & Services
 - Technical Service
 - Contractual Services

Mayor/Council

1. Materials & Services
 - Small Tools & Work Equipment

Information Technology

1. Resources
 - ISF IT
2. Materials & Services
 - Contractual Services – New Website, Phone System Upgrade
3. Capital Outlay
 - Machinery & Equipment

Risk Management

1. Resources
 - ISF Risk Management
 - Beginning Fund Balance
2. Materials & Services
 - Property Insurance
 - Auto Insurance
 - General Liability
 - Aviation Liability
 - Crime Liability

There were no comments from the public.

B. Enterprise Funds Presentation / Discussion

i. Airport

Mr. Neff and Interim Airport Director Bob Noble provided an overview of the proposed Airport budget highlighting the following areas:

General Operations

1. Resources
 - Parking
 - Supplemental Security Fee
 - Forest Service
 - Passenger Facility Charge
 - Beginning Fund Balance
2. Personnel Services – Allocations have been shifted throughout all airport funds. One FTE proposed for this cost center.
3. Materials & Services
 - Building Maintenance – HVAC
 - Promotion – Marketing the Airport
 - Systems Maintenance – repaving of vendor parking lot
 - Contractual Services – Standard Parking, RAMS, and seasonal landscaping
 - Consulting Services – Airline agreement consultant, etc.
4. Capital Outlay
 - Machinery & Equipment – Tractor with front end loader
 - Building-New Construction – Tennant/Concessionaire improvements pre- and post-security
5. Debt Service
 - 09-Terminal Expansion-REV-P – \$255,000
6. Intrafund Transfers
 - Intrafund Transfer – to DS – Required 25 percent of incremental growth
7. Contingency
8. Reserve

Terminal Operations

1. Resources
 - Terminal O&M
 - Rental Car Commissions

Airfield Operations

1. Resources

- Landing Fees
- Fuel Flowage
- 2. Materials & Services
 - Systems Maintenance - \$88,000 for deicer
 - Contractual Services – ARFF services

There were no comments from the public.

ii. Water

Mr. Neff and Mr. Duerden provided an overview of the proposed Water Fund budget highlighting the following areas and answered questions from the committee:

Water – Operations

1. Resources
 - Water Sales
 - Reconnect Service Fee
 - Urban Renewal
 - Rentals/Leases
 - Beginning Fund Balance
2. Materials & Services
 - Utility Electric – staff continues to look for ways to be more energy efficient
 - Franchise Fees
 - Software Maintenance
3. Debt Service
 - Principal
 - Interest
4. Transfers
 - To Stormwater
5. Intrafund Transfers
 - Intrafund Transfer – to CM
 - Intrafund Transfer – to CVE
6. Contingency
7. Reserve
 - Reserve for Future Expenditures

Mr. Duerden explained that the budget proposes a 4 percent increase in water rates. Jay Patrick and Mr. Onimus expressed concern with increasing rates.

Water – Capital Maintenance

1. Resources
 - Intrafund Transfer from Operations
2. Capital Outlay
 - Capital Projects – NW Dogwood Ave (5th Street to Canal Boulevard), North Rim Phase 1, N Canyon Drive (Antler Avenue to Dogwood Avenue and Larch Avenue to Maple Avenue), SW 15th Street (Canyon Drive to Highland Avenue), NW Larch Avenue (6th Street to Canal Boulevard), reservoir maintenance, water rights acquisition, water system modeling/capital phasing update, and future projects.

Water – Capital Vehicle & Equipment

1. Resources
 - Intrafund Transfer from Operations
2. Capital Outlay
 - Heavy Equipment – heavy duty service truck, service bed/dump truck, and service truck

There were no comments from the public.

iii. Wastewater

