

**CITY COUNCIL & BUDGET COMMITTEE
WORK SESSION
MAY 15, 2000**

Chair Cumings called the meeting to order at 6:00 p.m. in the Public Safety Community Meeting Room.

Budget Committee: David Aschenbrenner, Natalina Carbone, Arlene Marie Ebner, Mary King, Peter Koonce, Larry Lancaster, Jeff Marshall, Brian Newman, and Carolyn Tomei.

Staff: City Manager Bartlett, Assistant City Managers Bennett and Richards, Finance Director Gehlen, Public Works Director Stepan, Planning Director Rouyer, Neighborhood Services Manager Gregory, Chief Kanzler.

Audience: James Bernard, Ed Zumwalt, Sharon Phillips, Jeanne Garst, Jack Perry, and Sue Trotter.

Open Public Forum

None.

Proposed Budget Resolution

Bartlett reviewed the proposed budget resolution based on the Budget Committee's May 11, 2000, direction. He included his understanding of the votes and the across-the-board reductions for the purpose of increasing contingency and making a transfer to the street fund both in the amount of \$142,661. The approved budget was in the amount of \$34,968,759. He briefly reviewed each of the decision packages and the amounts funded.

Marshall asked for clarification of the software and hardware improvements.

Bartlett said the \$60,000 reduction in that package would net the general fund \$84,233.

Koonce referred to the Milwaukie Jr. High package and asked what the City's position would be if there were a payment plan and was the amount allocated only for the purchase.

Bartlett said this funding will facilitate work with potential tenants to determine what funding options are available. It will help sort out what actions need to be taken to complete the building renovations.

Aschenbrenner thought there was going to be further discussion on the feasibility of a five-year street improvement levy and subsequent street utility.

Bartlett understood from the previous meeting that the Committee did not support a levy at this time but wished to transfer funds while working on a street utility.

Marshall was disappointed that the Committee did not wish to go forward with the goal of increasing each neighborhood grant fund by \$1,000 annually. It brings the neighborhoods together, and they have done some good projects.

Aschenbrenner understood the \$8,000 in the urban forestry package was to be earmarked for neighborhood tree planting.

Koonce said the Ardenwald NDA already had next year's additional funds spent. The leadership wishes to continue its current programs and develop a neighborhood entry treatment.

King asked how the City would buy trees if the funds went into the neighborhood grant fund.

Koonce suggested taking some money out of the street fund transfer.

Newman did not see designating \$8,000 for neighborhood tree planting as taking money from the neighborhood program.

Koonce said the NDA leadership assumed the money would be there. He felt it was a sign of providing services for the greater good.

Marshall said the neighborhood program is about as close to local control as it gets. The money goes to things that people want in their neighborhoods and is not spent frivolously.

King was concerned that the Committee was being presented with a bare bones budget, and now the Committee is asking for more cuts.

Bartlett suggested he continue with the overview. The general fund reduction targets were generally 2%. Each department head was given a target reduction amount, and the staff report contained those items that were identified.

The Budget Committee sets the maximum levy amount. The City Council cannot increase any line item by more than 10% without a public hearing. He discussed the forfeiture and trust funds and the limitations on how that money is used.

King was concerned that dues and subscriptions and education and training were cut across the board. She felt training and networking were very important to organizations.

Bartlett said this is what department heads identified as something they can live with. Training opportunities can be negotiated between benefited department or aided through the citywide training budget. The bigger issues will come if certain ballot measures pass.

Tomei noted that the Americorp position was cut and asked what that person would have done.

Richards said that position would have been shared between several divisions to work on special projects. If the City's request for this position were successful, the cost would have been about \$6,000. She explained that this cut recommendation was made in lieu of reducing code enforcement and program services budgets.

Koonce was reluctant to give up the Americorp position since it is an opportunity to leverage some federal money.

Tomei was concerned that hiring the associate planner had been delayed until October 15 to reduce expenditures.

Bennett said that would realistically be the hire date anyway.

Koonce was concerned about being able to pay for these new positions next year and asked if this was a sustainable budget.

Cumings stated that staff had done what the Budget Committee asked, and it is the Budget Committee's job to listen and make the document work.

Aschenbrenner asked for clarification that that amount added back into the budget would not be transferred.

Bartlett said that was correct. He prepared a document that transferred \$142,661 into streets and contingency.

Lancaster offered a compromise on NDA funding by recommending, rather than requiring, that the funds be used to plant trees. Generally, he was also concerned about cuts to education and training and deferred maintenance to the phone and computer systems.

Tomei did not support the across-the-board cuts.

Koonce thought there would be reductions equal to the \$400,000 of add-in packages.

Bartlett understood the target was about \$210,000.

Newman thought it seemed like the department heads would prefer to identify the general fund reduction targets rather than the Budget Committee going through line-by-line. At the last meeting, he had suggested that a services audit be added, and he did not see that mentioned as a package.

Bartlett discussed the cost of services project and other items that might roll over into the next fiscal year.

Marshall agreed with Lancaster to increase NDA grant funding to \$8,000 and urge they use those funds to plant trees. People were complaining about the 2% reduction, but next year the cuts will probably be 10-12%.

King was concerned that citizens want more programs and services, and the Committee and staff are saying they can continue to provide the same level of service for the same or less money. People see this as something that can be done year after year and promotes the idea that there can be more services for less money.

Marshall understood Lancaster to say that \$8,000 should be moved from urban forestry to neighborhood grants with a strong recommendation that the funds be used for planting trees.

Bartlett said that would still meet the minimum requirements for an urban forestry program.

Newman asked why the City Council budget was not cut.

Bartlett replied that the Council is already on a tight budget because of demands for public information. A lot of the budget goes into televising public meetings.

Public Comment

Sue Trotter, Library Board, was disappointed in the \$5,000 cut from the already austere library budget. The library provides many services and is part of the downtown redevelopment.

Koonce noticed some departments reduced overtime and asked if that might be feasible in other departments.

Bartlett said there was little control in public safety because officers have to appear in court, and planners have to attend a lot of meetings outside of their normal work hours.

Aschenbrenner wanted to make it clear that next year there will be \$2.6 million shortfall. He wanted to fund as much as possible, but what will happen at the polls is unknown.

It was moved by Marshall and seconded by Aschenbrenner to approve the recommended budget in the amount of \$34,976,759 with the amendment that \$8,000 be moved from the urban forestry program into neighborhood grants.

Koonce was concerned about hiring new positions if there is to be a 10% reduction next year. Is there a better way to prepare the City for the future?

King understood the new neighborhood position would facilitate the Council goals of improved communication and youth involvement. Most or all of the assignments should be done by the end of the next fiscal year.

Koonce suggested spending money on a skateboard park to encourage youth involvement.

Tomei called for the question.

The motion to adopt the resolution passed 8 – 2 with Ebner and Koonce voting against.

Chair Cumings adjourned the meeting at 7:05 p.m.

Pat DuVal, Recorder