

MINUTES



City of Salem Budget Committee

DATE: Wednesday, April 9, 2008
TIME: 6:00 PM
CHAIRPERSON: Laura Tesler

STAFF LIAISON:
Debra Neville, Budget Officer
503•588•6049
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Kelley Jacobs, Budget Analyst
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PLACE: Salem Civic Center
City Council Chambers
555 Liberty Street SE

COMMITTEE PROCEDURES:

- A. An overview of the department will be presented by the City Manager Pro Tem and the respective department head.
 - B. The public will then be invited to testify. In order to allow time for everyone wishing to testify, there will be time limits on testimony.
 1. Groups are asked to select a spokesperson whose testimony will be limited to five minutes.
 2. After the spokesperson's presentation, the Budget Committee Chairperson will ask all of those in the audience to indicate their support by a show of hands.
 3. If other members of the same group have additional information, their testimony will be limited to three minutes.
 4. Individuals not affiliated with a group are, of course, also encouraged to testify. Individual testimony will be limited to three minutes.
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1. CALL TO ORDER – Chairperson Laura Tesler

The meeting was called to order at 6:10 p.m.

2. ROLL CALL

Absent: Member Priem, Member Griggs

- a. Pledge of Allegiance - Member Reich

3. APPROVAL OF MEETING AGENDA

Motion: Move to approve the April 9, 2008 meeting agenda.

Motion by: Member Sullivan
Seconded by: Member Freed

Action: Motion passed

Vote:
Aye: Unanimous
Nay:
Abstentions:

4. MINUTES

- a. Minutes from February 4, 2008 Budget Committee Meeting

Motion: Move to approve the City of Salem Budget Committee minutes dated February 4, 2008.

Motion by: Member Rogers
Seconded by: Member Sullivan

Action: Motion passed
Vote:
Aye: Unanimous
Nay:
Abstentions:

5. CORRESPONDENCE

Budget Officer Debra Neville reported there was no correspondence.

6. HANDOUT MATERIAL

Budget Officer Debra Neville reviewed the handout material.

- a. Approved Meeting Procedures

RECOMMENDATION: INFORMATION ONLY

- b. Revised Budget Committee Review Schedule – indicating 6:00 p.m. starting time.

RECOMMENDATION: INFORMATION ONLY

- c. Errata #1-REVISED and corrected pages attached to agenda

RECOMMENDATION: ACCEPT CORRECTIONS TO SCRIVENER ERRORS

Motion: Move to accept item 6c, scrivener error report.

Motion by: Member Green
Seconded by: Member Whitney

Action: Motion passed
Vote:
Aye: Unanimous
Nay:
Abstentions:

7. GOAL SETTING/POLICY DISCUSSION

This is an opportunity for the Budget Committee members to discuss goals, concerns and general policies.

8. PUBLIC TESTIMONY FOR FUTURE BUDGET ISSUES

The Budget Committee has set aside time for public comment to address items not on the agenda. A total of twelve (12) minutes will be allotted for testimony on future budget issues. Each individual testifying will be limited to no more than three (3) minutes.

9. REVIEW OF ADMINISTRATIVE SERVICES DEPARTMENT BUDGET

GENERAL FUND

Department Overview	Book 1, Pages 3 – 6
ASD Administration	Book 1, Pages 7 – 9
Contracts and Procurement	Book 1, Pages 11 – 14
Facilities	Book 1, Pages 15 – 20
Parking Services	Book 1, Pages 21 – 26
Municipal Court	Book 1, Pages 27 – 30
Finance	Book 1, Pages 31 – 38

DOWNTOWN PARKING (Fund 170) Book 1, Pages 277 – 284

CITY SERVICES (Fund 355)

Fleet Services	Book 1, Pages 385 – 394
Shops Facilities Maintenance	Book 1, Pages 395 – 400

- a. City Manager Pro Tem Linda Norris introduced Tony Mounts, Director of Administrative Services. Director Mounts introduced members of his management team who were present to assist with answering questions including Don Thomson, Fleet Superintendent; Gary Kanz, Purchasing Administrator; Mark Connors, Facilities Manager; Jim Upham, Parking Services Manager; Jon Ellis, Assistant Finance Director; Sandra Montoya, Treasury Officer; Shery Stump, Administrative Analyst; Dan Swinney, Court Administrator; Municipal Court Judge Jane Aiken; and Alisha Arnesen, Facilities Division.

Questions:

Member Taylor inquired about the reduction in Leasehold funds supporting the Parking Fund. Director Mounts explained it reflects the fund balance has been drawn down. He verified and explained dollar amounts. City Manager Pro Tem Norris stated staff will bring back information about the leasehold fund to clarify dollar amount differences.

Member DeHart inquired if the Fleet Services budget reflected a change in rates. Director Mounts indicated it does not, and explained the fleet rates were set in early September and have not been re-examined subsequent to the Fleet

Services reserve rebate. City Manager Pro Tem Norris added fuel and fleet rates issues will be presented to the City Council's Subcommittee on Finance. They will examine levels of reserves.

Member DeHart inquired about the 25% charge on materials in Fleet Services revenue budget detail. Director Mounts reported the 25% markup on materials supports warehouse operations.

Member DeHart asked for clarification regarding what Fleet Services does for the City of Keizer. Director Mounts indicated Fleet Services repairs Keizer's fire department apparatus.

Member DeHart asked for clarification on the \$3.7 million reserve. Director Mounts explained the reserve is for equipment and indicated the City Council Finance Subcommittee will be reviewing the level of cash balance.

Member Bennett asked if there has been a discussion over time regarding the balance between leasing and purchasing fleet vehicles. Don Thompson, Fleet Superintendent, explained the City primarily purchases equipment and keeps it a long time – up to 12 to 15 years – as it is more cost effective.

Member Bennett asked what about the main causes of damage to the parking garages. Director Mounts responded most damage is weather related, however, studded tires are also a problem. Member Bennett suggested it may be worth reviewing the wear and tear caused to the parking structures by the use of studded tires.

Member Strozut expressed her concerns about reducing security at City Hall. She commended Security Officer Vern Golden for the job he is doing at the Salem Library.

Member Strozut was asked by several citizens to pass onto the Budget Committee the citizens' concerns regarding water bills being sent to Portland, and why it wasn't done locally to support the local economy. Director Mounts explained the lock box service is provided by an umbrella banking service. U.S. Bank consolidates all services in one operation in Portland. It is actually saving the City money as U. S. Bank is able to process payments quicker and returns are coming back to the City faster.

Member Rogers expressed concern about the shops at Public Works and the safety of workers. Director Mounts indicated Facilities is monitoring the building problems and safety. City Manager Pro Tem Norris added a new building for Public Works is currently in the design phase and construction is anticipated to begin FY 09-10.

Member Taylor inquired about past due fines and fees and the status of collections in the Municipal Court. Director Mounts indicated the case

management system used by the court has changed, and court staff are just now getting the past due collections issues addressed.

Mayor Taylor requested Director Mounts provide information on how much is due in fines that is 30 days, 60 days and 90 days past due at present. Director Mounts verified he would gather that information.

Member Freed inquired what the difference in cost is from the eliminated accountant position and added analyst position. Director Mounts indicated approximately \$40,000 is being funded through savings from other areas.

Member Freed asked, if when looking at the RFP process, does Purchasing look at piggyback bids. Director Mounts indicated they do.

Member Freed asked if there is really a savings using the lock box service. Director Mounts indicated at the time the City initially looked at the service, it was cheaper. Today, the City would have to go back and re-evaluate.

Member James expressed his concern about sending millions of dollars to Portland-based companies for contracted services. He would like to see City of Salem look at that in future budgets to reduce the amount of funds sent out of town and keep the business in town within the limitations and statutes.

City Manager Pro Tem Norris acknowledged the City needs to get the best price of services and follow contracting requirements. There isn't currently a policy to buy locally, and it may raise costs.

Member Rogers noted, in reference to detail on page 22 of Parking Services budget, that he thought the City would be performing future parking surveys internally rather than having the work performed by a consultant. Director Mounts indicated the City does not have the capacity or manpower to do the surveying. City Manager Pro Tem Norris indicated consulting fees were reduced, but the department would be taking another look at the service.

Member Taylor asked if interns from Willamette University or Chemeketa Community College could do a parking survey to save money. Also, she indicated she has received a number of e-mails regarding the thickness of the paper used for water/sewer bills. Director Mounts indicated that is a question to direct to Public Works.

Member Whitney asked if there has been a cost benefit analysis done to compare green vehicles versus fossil fuel vehicles or if there is a future plan to do so. Director Mounts responded Fleet Services works with departments to consider use of alternative fuel or green vehicles. The City currently uses biodiesel.

Member Tarter requested the City look into using recycled monitors from Garten Foundation rather than purchasing new flat screen monitors.

Member DeHart asked Judge Aiken, if in the process of reviewing fines, did she have the general feeling the fine structure covers the cost of administrative and staff costs. Judge Aiken indicated they haven't done an analysis yet, but are trying to streamline the process to reduce waiting time and deferred to Director Mounts for additional information.

Member Freed asked if there is a process where if a ticket is paid within 24 hours the ticket fine is lowered. Judge Aiken explained the court has adopted a violations bureau with a set fee for different levels or categories of violations. The amount paid by an individual will be determined within the categories based on the individual's traffic record.

Member Nanke questioned Judge Aiken about the issue of citizens parking downtown, leaving downtown and returning to the same block to park, then receiving a ticket for exceeding the two hour limit. It was noted that new signage and a feature in the handheld ticket writers may help to alleviate this problem.

Member James questioned the inconsistencies in pricing for computer purchases detailed in the budget. Director Mounts explained IT provides pricing guidelines and there may be variation based on the type of specialized equipment being purchased.

Chair Tesler thanked the Administrative Services Department staff for preparation of the budgets.

b. Public testimony

Jennifer Wooley, 3668 Liberty R. S. Apt. 23, Salem, Oregon – gave testimony regarding concerns around budget cuts that were going to affect swimming pools, mobile libraries, and other programs available to families with low income. She uses Olinger Pool, and is concerned she will not have future access due to budget cuts. She suggested looking into generating revenue by increasing parking tickets and jail fines.

c. Discussion and review

10. REVIEW OF COMMUNITY DEVELOPMENT DEPARTMENT BUDGET

GENERAL FUND

Department Overview	Book 1, Pages 49 – 52
Community Development Administration	Book 1, Pages 53 – 55
Planning	Book 1, Pages 56 – 62
Compliance Services	Book 1, Pages 63 – 66

AIRPORT (Fund 160)	Book 1, Pages 247 – 258
BUILDING AND SAFETY (Fund 185)	Book 1, Pages 317 – 328

- a. Community Development Department Director Vickie Hardin Woods commended the staff in her department and introduced Alan Alexander, Ken Eatwell, Heidi Rietman, David Gullledge, Jeff Starkey, Brady Rogers, Glen Gross, and Tom Phillips.

Member DeHart recused himself from any discussion regarding the airport as he has a lease at the facility.

Member Taylor indicated she leases a hangar, but has no financial benefit, so will participate in the discussion.

Questions:

Member James expressed concern around the confusion and red tape around the zoning code and asked if research had been done on why land use fees are higher than other states.

Director Woods indicated the comparison to other jurisdictions shows our fees are average or below average right now. She anticipates a future debate will occur around land use fees and whose responsibility it is to pay for them. She noted the development community believes it is a shared responsibility with the rest of the community due to the public benefit. Director Woods further noted the efficiency study recommendations mentioned in her presentation should be implemented prior to that debate.

Chair Tesler requested Member James be given the comparable table that shows data for cities around the area. Director Woods will provide an updated copy of the analysis.

Member Bennett commended Director Woods for how the department is managed. He indicated the outcome has been very successful planning in this city. He has five neighborhood groups, and they all have something nice to say about Brady Rogers and Compliance Services. Member Bennett thanked staff for the excellent job they do.

Chair Tesler indicated she has five neighborhood associations as well, and the staff in Compliance Services is spoken of highly by all five neighborhood associations.

Member Whitney asked what is “Amanda” and how cost effective is it for the City. Director Woods explained Amanda is the City’s permit issuance and tracking software program, and it is very efficient in processing permits and applications.

Member Whitney inquired if it is a program that will be updated or will it be dependent on IT staff to keep the program running. Director Woods stated it takes two people in-house to keep the program running. Tom Phillips, Building and Safety Administrator, indicated Amanda is one of two software programs most widely used throughout the country. It is the department’s intention to update the program as needed due to the extensive investment in it.

Member Green indicated historical assets are getting a lot of publicity, and expressed her gratitude that funds are being made available to have a full time employee taking care of some of their concerns.

Member Freed inquired about Salem Airport’s prepaid parking system. He asked how it would be handled if a flight is delayed and the customer has prepaid. Director Woods indicated they will be working out those details during the next couple months.

Member DeHart inquired about the transfer of the five FTE from Building and Safety Division to Planning Division, and if they are the same positions transferred in a prior year. Director Woods indicated the positions are the same, and it benefited the department well at the time. However, with changes to land use actions, it is now better handled in the Planning Division.

Member Reich reminded Community Development as they try to improve services at the airport, remember the residences around the airport that were there prior to the airport. Director Woods responded that is one of the reasons for the master plan project next year. The airport is a completely restricted fund paid by fuel charges, land and facility leases and landing fees, not general tax money.

Member James concurred with member Bennett’s compliments to Building and Safety and Planning for their hard work.

b. Public testimony
None

c. Discussion and review

11. OTHER BUSINESS

None

12. ADJOURN

Chair Tesler adjourned the meeting at 8:12 p.m.

NOTE: *The next Budget Committee meeting will be Wednesday, April 16, 2008 at 6:00 pm in the City Council Chambers, 555 Liberty Street SE. The following sections of the budget are scheduled to be reviewed:*

<i>Legal</i>	<i>Book 1, Pages 153 – 166</i>
<i>Fire</i>	<i>Book 1, Pages 107 – 120</i>
<i>Emergency Medical Services Fund</i>	<i>Book 1, Pages 353 – 362</i>
<i>Police</i>	<i>Book 1, Pages 195 – 226</i>
<i>WVCC Fund</i>	<i>Book 1, Pages 365 – 376</i>

Budget staff is available for your convenience to discuss the budget document and process. Please call the staff listed above or 503-588-6255 if you have any questions.

Respectfully submitted,

Debbie Nealy
Minutes Recorder

The City of Salem budget information can be accessed on the internet at:
www.cityofsalem.net/departments/budget

NOTE: Americans with Disabilities Act (ADA) accommodations will be provided upon request with 24 hours notice. ADA Coordinator: Suelynne Hill, (503) 588-6231 TDD#: (503) 588-6009

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