

**CITY OF CORVALLIS  
COUNCIL WORK SESSION MINUTES**

**February 12, 2013**

The work session of the City Council of the City of Corvallis, Oregon, was called to order at 7:00 pm on February 12, 2013, in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon, with Mayor Manning presiding.

**I. ROLL CALL**

PRESENT: Mayor Manning, Councilors Hervey, Hogg, York, Brown, Beilstein, Sorte, Brauner, Hirsch (7:03), Traber

**II. UNFINISHED BUSINESS**

Each of the four presenting Department Directors distributed one-page handouts to Council members' places prior to the presentations (Attachment A).

**A. Department Budget Presentations**

Public Works Director Steckel presented budget information related to the Public Works Department. She noted that the Department has the largest total budget and most full-time equivalent (FTE) employees. She summarized Department services, challenges, and opportunities in the current year budget and near future. Councilors Beilstein and Hirsch inquired about parking revenues, operations, and fund expenditures. Ms. Steckel explained that parking revenues and operations are accounted for in the Parking Fund. Finance Director Brewer added that the Parking Fund is relatively stable and that parking revenue is dedicated to the Parking Fund per Council policy. Councilor Hirsch inquired about Airport revenues and whether they could be redirected by Council. Ms. Steckel explained that airport revenues are dedicated to airport uses and cannot be used elsewhere. Councilor Sorte noted that there is a safety and congestion issue associated with neighborhood parking near OSU; therefore, parking revenues should not be considered as potential cash flow. Budget Commissioner Wright, recognized in the audience, added that there are potential positive economic development impacts related to a healthy, thriving airport.

Library Director Rawles-Heiser presented information about Library services and budget. She talked about the County element of the Library's dedicated revenue support as well as the property tax and levy funding components. Mayor Manning inquired about technology-intensive Library services and items included within the "other revenue" category on the handout. Ms. Rawles-Heiser provided various examples of how technology is used in the Library. She explained that donations, fines, and meeting room rentals are included in the "other revenue" category. In response to Councilor Traber's inquiry, Ms. Rawles-Heiser said visitor statistics do not include virtual visits. Councilor

Traber asked for FTE specifics and Library District revenue information relative to property taxes. Ms. Rawles-Heiser explained that many of the Library's FTE are part-time; however, that number does not include casual staff or volunteers. Councilor Beilstein noted that the parking garage is not well-utilized, and inquired about changing parking meter rates to increase revenue. He also asked about the Philomath branch hours relative to the downtown location. In response to Councilor Brown's inquiry about the timeline for the "Complete the Block" project, Ms. Rawles-Heiser reported that acquisition would not occur until the building owner passes away.

There were no questions requiring follow-up.

Fire Chief Emery reviewed the Fire Department's budget and services as presented in the handout. Chief Emery noted that deferred maintenance and eligible retirees are his two largest potential cost concerns. Councilor Hervey asked whether assumptions related to closing Scott Zimbrick Memorial Fire Station 5 have been confirmed, and Councilor Traber asked about response times in the northwest area of Corvallis. Chief Emery responded that a detailed analysis has not been completed, but it appeared that assumptions relating to emergency medical response were accurate and that staff exceeded assumptions regarding overtime savings. Chief Emery noted that current data is not reliable due to the hypothetical nature of calls since there have not been any large fire calls in the northwest neighborhood. Councilor York inquired about Department responses to Oregon State University (OSU). Chief Emery noted that the OSU Fire Prevention officer is paid by OSU. Councilor Beilstein requested a comparison of the estimated 300 OSU calls to the total number of Department calls/responses and asked whether a "cost of service" could be determined based on the number of calls. In response to Councilor Beilstein's inquiry, Chief Emery said a significant recruitment effort would need to occur if all eligible retirees leave at the same time. Councilor Hirsch suggested a study of OSU cost recovery. Councilor Traber said \$800,000 might be a rough estimate based on calls for service outside of contracted overtime for football games and other activities.

Questions requiring follow-up include:

- Determine cost of service based on calls for entities served by the Department who do not pay property taxes.

City Manager Patterson presented the City Manager's Office (CMO) budget information. He said CMO provides service to the entire organization, the Mayor, and Council. He noted that the Economic Development Program was recently added to the CMO budget. Mr. Patterson requested Assistant to City Manager/City Recorder Louie outline the Governance Division activities. Ms. Louie noted that the Division lost .5 FTE when the Assistant City Manager position was dropped, resulting in a total FTE of 5, including the City Manager. Ms. Louie reviewed the major functions of the Governance Division and specific changes outlined in the handout. She also updated the Council on the new City Hall Ambassador program coordinated by the Division, and noted that Governance staff processed more than 15,000 pages of information or created 86 electronic packets for Council action last year. Councilor Hirsch inquired about CMO revenue sources and

Councilor Beilstein asked about the phone numbers noted in the presentation. Ms. Louie explained that in addition to the Mayor/City Manager phone line (6901), the Division answers the City's general information line (6900) in support of all City Departments.

There were no questions requiring follow-up.

In response to Councilor York's inquiry about other City operations not yet presented, Ms. Brewer noted that the approximate \$2 million non-departmental budget has not been discussed.

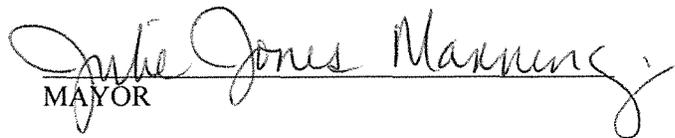
B. Next Steps

Mayor Manning announced that the next Budget-related meeting will be held on April 23, 2013. She encouraged Councilors to inquire about budget development or seek further information at future Council meetings. She noted that Directors will continue to develop a balanced Fiscal Year 2013-2014 proposed budget that meets Council's revised financial policies.

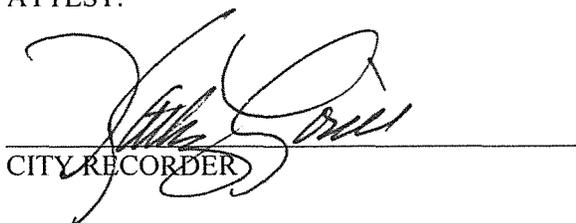
III. ADJOURNMENT

The work session adjourned at 8:25 pm.

APPROVED:

  
MAYOR

ATTEST:

  
CITY RECORDER

**City of Corvallis  
Public Works Department  
Presentation to February 2013 City Council Work Session**

Total Public Works FY 12-13 Revenue Budget (all funds) \$34,124,890  
 Total Public Works FY 12-13 Operating Expenditure Budget (all funds) \$29,651,700  
*(does not include capital projects)*  
 Total Public Works FY 12-13 Budgeted FTE (all funds) 117.50

Department FY 12-13 Expenditure Budget in the General Fund \$ 1,218,900 4.11%  
 Department FY 12-13 Expenditure Budget in all other Funds \$28,432,800 95.89%

Fund	FY 12-13 Budgeted Expenditures	Portion Funded by Property Taxes	FTE	Main Services
General	\$ 1,218,900	\$ 571,310	2.83	Sustainability; street lighting (50%); government and public access programming (PEG)
Street	\$ 4,003,730	\$ -	20.71	Street maintenance; bike facilities; street lighting (50%)
Parking	\$ 184,280	\$ -	1.10	Parking meters; pay stations; residential parking district
Transit	\$ 4,080,490	\$ -	3.62	Bus service; paratransit service; Beaver Bus
Water	\$ 7,840,490	\$ -	33.69	Drinking water treatment and distribution; Corvallis Forest and watershed management
Wastewater	\$ 7,608,910	\$ -	34.37	Wastewater collection and treatment
Storm Water	\$ 2,216,440	\$ -	12.36	Rain water runoff control; urban stream maintenance
Airport	\$ 664,940	\$ -	1.70	Airport operation; industrial park management
Fleet	\$ 823,610	\$ 97,210	2.21	Vehicle and equipment maintenance
Facility	\$ 799,160	\$ 360,720	4.22	Building maintenance
Technology	\$ 210,750	\$ 104,020	0.70	Telephone system maintenance
<b>TOTAL</b>	<b>\$ 29,651,700</b>	<b>\$ 1,133,260</b>	<b>117.50</b>	

General Fund	FY 12-13 Budgeted Expenditures	Portion of Total Program in the General Fund	Dedicated Revenues (other than property tax)	FTE	Main Core Responsibility
Street Lighting	\$ 265,240	50.10%	\$ -	0.155	Safety for community
GIS/Mapping	\$ 81,000	14.81%	\$ -	0.550	Support for infrastructure activities
Engineering	\$ 104,400	7.98%	\$ -	0.950	Support for infrastructure projects
Admin	\$ 95,410	1.84%	\$ -	0.070	
Sustainability	\$ 67,010	100%	\$ 41,750	1.000	Organization and community livability
PEG-Inet	\$ 230,390	100%	\$ 230,390	0.100	
Special Projects	\$ 375,450	100%	\$ 375,450	0	Community livability (federal sustainability grant programs)
<b>TOTAL</b>	<b>\$ 1,218,900</b>			<b>2.825</b>	

**Significant recent actions to reduce department reliance on property taxes by \$1,104,380:**

- FY 10-11** Eliminated property tax support to the Transit Fund by creating the Transit Operations Fee  
 Reduced by 15% the portion of street light program funded by property taxes  
 Eliminated 1.0 FTE (Administrative Specialist)  
 Eliminated radio maintenance program  
 Deferred building maintenance projects that were not related to health and safety
- FY 11-12** Eliminated 0.5 FTE (Fleet Services Specialist)
- FY 12-13** Eliminated 0.625 FTE in the Sustainability program  
 Eliminated property tax support for the Surveyor position

**CORVALLIS-BENTON COUNTY PUBLIC LIBRARY**

*"Bringing People and Information Together"*

January 2013

- County-wide service with 3 branches and bookmobile
- Library Service District funds branches, bookmobile and part of the Corvallis Library
- Major role in resident well-being. Typical comment: "I love the Library!"

**Service Priorities:**

- Books and other library materials
- Youth programs
- Public computing and online services
- Public space and meeting rooms
- Maintain Corvallis Library
- Continue to implement efficiencies

**Budget Reductions since FY 09-10**

- 3.9 regular FTE and 2.5 (equivalent) casual cut, plus management reorganization
- FTE from 46.65+ casual to 42.75 and almost no casual; **staffing level below 1996 level but activity 30% greater**
- Fewest FTE among national comparator libraries, but highest activity level per FTE
- \$219,000 less for books and materials

REVENUES	Actual FY 09-10	Actual FY 10-11	Actual FY 11-12	FY 12-13 Budget
Levy	NA	NA	\$920,252	\$1,009,360
Library District	\$2,227,600	\$2,336,447	2,412,300	2,443,370
Other Revenue	287,553	287,016	183,906	264,790
<b>Total Dedicated Revenue</b>	<b>\$2,515,153</b>	<b>\$2,623,463</b>	<b>\$3,516,458</b>	<b>\$3,717,520</b>
EXPENDITURES	Actual FY 09-10	Actual FY 10-11	Actual FY 11-12	FY 12-13 Budget
Personnel Services	\$3,786,941	\$3,770,588	\$3,853,068	\$4,038,890
Supplies & Services	2,224,359	2,051,392	2,014,862	1,998,120
Capital Outlay	126,558	85,604	33,542	17,000
<b>Total Operating Expenditures</b>	<b>\$6,137,393</b>	<b>\$5,907,437</b>	<b>\$5,901,472</b>	<b>\$6,053,510</b>
FTE	46.65	45.375	45.375	42.75

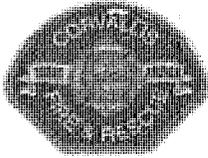
Numerous vacancies in 10-11 and 11-12 because of levy are now filled.

	Library Hours and Usage		
	FY 02-03	FY 09-10	FY 11-12
Open Hours	75	69	56
Checkouts	1,525,303	1,674,365	1,682,083
Physical Visits	755,278	926,028	755,747**
Total Visits	755,278*	1,885,582	1,512,697
*didn't count online visits		**new people counters	

*Hours cut 25% since FY 02-03 and are now "below adequate" per library standards. FY 10-11 hours cuts impacted usage. Tough reduction choice between materials (our primary purpose) and hours.*

**Upcoming:**

- New Monroe Community Library in 2013! Funded by community fundraising and grants. Library Friends and Foundation to provide furnishings; library to provide computers, collection, and staff (existing).
- Levy renewal in 2013-2014
- Library Foundation "Complete the Block" fundraising nearing its goal. The City signed an option agreement in 2007 with John Fenner to buy the adjoining property from his estate when the time comes. The Foundation wants to ensure the Library does not lose the chance for future expansion on our current site.



## City of Corvallis Fire Department Budget Presentation Summary

*Courage, Honor, Commitment, and Teamwork*

	Adopted FY 10/11	Actual FY 10/11	Adopted FY 11/12	Actual FY 11/12	Adopted FY 12/13
<b>Operating Expenditures</b>	<b>\$10,626,930</b>	<b>\$10,413,153</b>	<b>\$11,384,830</b>	<b>\$11,015,259</b>	<b>\$10,499,720</b>
<b>Operating Revenue</b>	<b>\$ 3,267,530</b>	<b>\$ 3,408,219</b>	<b>\$ 3,489,490</b>	<b>\$3,522,466</b>	<b>\$ 3,540,780</b>
<b>Expenditures</b>					
Personal Services	\$ 8,297,920	\$ 8,317,495	\$ 8,760,020	\$ 8,660,128	\$ 8,577,900
Non-Personal Services	\$ 842,510	\$ 793,935	\$ 890,520	\$ 793,144	\$ 865,200
Internal Service Charges	\$ 890,190	\$ 862,489	\$ 877,130	\$ 843,038	\$ 831,200
9-1-1 Cost Share	\$ 134,360	\$ 134,360	\$ 137,410	\$ 137,410	\$ 138,610
Special Projects	\$ 461,950	\$ 304,874	\$ 719,750	\$ 581,539	\$ 36,810
<b>FTE</b>	69	69	69	69	66
Number unfunded	2	2	1	1	0

**Divisions:** Hazard Abatement  
 Transport Ambulance  
 Fire and Rescue Operations  
 Management Services

**Area of service:**  
 City of Corvallis: 15 sq. mi.  
 Rural Fire District: 30 sq. mi.  
 Ambulance Service Area: 765 sq. mi.

**Adjustments Made to Budgets, Programs, and Plans:**

- Eliminate the replacement of the 1991 Grumman Engine: \$601,470
- Held additional positions vacant to meet budgetary targets (FY 10/11 and FY 11/12)
- Closed Zimbrick Fire Station 5 in FY 12/13 \$325,810
- Reduce contributions to Vehicle Reserves:  
     FY 10/11: \$321,000      FY 11/12: \$350,000      FY 12/13: \$149,310
- Reduce/eliminate supplies, maintenance, and training (hose, EMS disposable supplies, technology, apparatus maintenance, etc.)

**Significant Challenges Faced by the Department in Past, Present, and Future Years:**

- Secure adequate funding for Vehicle Reserves
- Delay hiring consultant, as recommended in the Strategic Plan: \$60,000
  - Station relocations: Station 2 and Station 3
  - Identified need to increase staffing for Prevention and Training
- Unfunded: Seismic upgrades/ roof/attic space repairs at Station 2 and Station 3: \$300,000
- Delay Station 2 and Station 3 partial roof replacements to FY 15/16: \$26,000
- Operating with additional vacancies contributes to escalating overtime costs
- Unfunded potential retirements: FY 12/13: \$663,000
- Secure additional revenue to re-open Fire Station 5 and address other staffing issues

**Mission Statement:**

*To protect the lives, safety, property, and environment of all persons in the community and surrounding areas we serve; to educate, inform, and enforce life safety with knowledge and fairness; to give the fullest measure of service for the cost.*

# City Manager's Office Budget Presentation

February 12, 2013



**MISSION:** *The City Manager's Office provides leadership, coordination, and management for the affairs of the City to ensure effective community service.*

<b>Administrative Services Fund</b>						
	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Actual FY 2011-12	Adopted FY 2012-13	% CHANGE BUDGETED 11-12 TO 12-13
Expenditures	\$2,003,998	\$2,122,104	\$2,100,260	\$1,931,726	\$1,920,720	-8.55%
FTE	10.00	10.00	9.75		8.80	-9.74%

<b>Risk Management Fund</b>						
	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Actual FY 2011-12	Adopted FY 2012-13	% CHANGE BUDGETED 11-12 TO 12-13
Expenditures	\$957,646	\$955,591	\$959,950	\$923,092	\$1,001,950	4.38%
FTE	0.00	0.00	0.00		0.00	n/a

<b>General Fund</b>						
	Actual FY 2009-10	Actual FY 2010-11	Adopted FY 2011-12	Actual FY 2011-12	Adopted FY 2012-13	% CHANGE BUDGETED 11-12 TO 12-13
Expenditures	n/a	n/a	n/a		\$380,000	n/a
FTE	n/a	n/a	n/a		2.00	n/a

### Significant changes 11-12 and 12-13

- \* Asst City Mgr position dropped; HR Manager position added
- \* Added Economic Development Program
- \* Added back Council Meeting Videotaping
- \* Added Benefits Consultant contract
- \* New 2013-2014 City Council Term
- \* Citywide Management Training Program
- \* City newsletter change from quarterly to monthly online
- \* Citizen Survey coordinated in-house

### Looking to the Future

- \* 2013-2014 Council Goals
- \* Economic Development Strategy
- \* Collaboration Corvallis
- \* Elections
- \* 2013 Oregon Mayors Assn Conference
- \* Labor negotiations

### Challenges

- \* Ability to meet deadlines and expectations within available resources