

**CITY OF CORVALLIS  
BUDGET COMMISSION MEETING  
January 28, 2010**

The City of Corvallis Budget Commission meeting was called to order at 7:01 p.m. on January 21, 2010, in the Fire Station Main Meeting Room, 400 NW Harrison Boulevard, Corvallis, Oregon, with Chair Jacque Schreck presiding.

**ROLL CALL**

Present: Commissioners Mike Beilstein, Hal Brauner, Dan Brown, Barbara Bull, Karyle Butcher, Tim Cadman, Rich Carone, Patricia Daniels, John Davis, Elizabeth French, Guy Hendrix, Richard Hervey, Joel Hirsch, Mark O’Brien, Jeanne Raymond, Barbara Ross, Jacque Schreck

Excused: Commissioners Dave Hamby, Joel Hirsch, Patricia Daniels

Visitors: Stewart Wershow, David Low, Linda Low

Staff: Jon Nelson, Nancy Brewer, Tony Krieg, Janet Chenard, Mindy Perez, Steve Rogers, Ken Gibb, Marci Laurent, Bob Richardson, Ellen Volmert, Karen Emery, Carol Rathbun, David Neighbor, James Mellein, Carolyn Rawles-Heiser, Roy Emery, Douglas Bailey, Gary Boldizar, Mike Dohn (Recorder)

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Action/Recommendations
I. Visitors’ Propositions			
II. Library Presentation	X		
III. City Manager’s Office Presentation	X		
IV. Parks & Recreation Presentation	X		
V. Community Development Presentation	X		
VI. Other	X		
VII. Adjourn	X		

Chair Schreck called the meeting to order at 7:01 pm.

There was a discussion that ensued about when the appropriate time to start asking questions about the possible cuts to the department heads. Chair Schreck and City Manager Nelson stated the best time for that to happen is at the March and May meetings. Mr. Nelson stated he would expect in March for the Budget Commission to adopt the methodology for how the deficit is allocated, then in May it can be decided on how those effect services. Several commissioners expressed concern they would rather start sooner than later in discussing those services with staff and department heads, but were ok with the March and May meeting times to do so.

## **I. VISITORS' PROPOSITIONS**

David Low, who serves on the Corvallis Benton Public Library Budget Board, stated his support of the library and how valuable it is to the community. He also expressed support for the council and commission for past decisions in support of the library.

## **II. LIBRARY PRESENTATION**

Library Director Rawles-Heiser presented the FY 10-11 Library budget. She presented the budget through a power point handout (Attachment 2B) distributed to the commissioners and posted on the City's website.

Commissioner O'Brien inquired about the key efficiency that the Library returns at least \$13 in services for each \$1 invested and how it is calculated. Ms. Rawles-Heiser stated if you were to go out and buy the services yourself, it would cost about \$70 million versus \$5 million received in property taxes. She stressed that they give much more in services than the cost to run the library.

Commissioner Hendrix asked who services the Library functions for North Albany. Ms. Rawles-Heiser stated the portion within the Albany city limits is served by the City of Albany and the remaining portion is served through the Corvallis-Benton Public Library via the Bookmobile.

Commissioner French asked whether staff has fluency in other languages. Ms. Rawles-Heiser stated they have two employees that are considered bilingual and certified by the City's testing. She went on to state they have all kinds of material that is bilingual (Spanish and English) including a book club. They do have other language material, but not a strong emphasis on materials or programs except in Spanish since that is the largest local population of non-English speakers.

Commissioner Beilstein commented that through the past few years he has seen the library improve its efficiencies through a volunteer coordinator, self-checkout, and reserves. He also proposed that the commission look at efficiencies citywide in hopes of other savings, but is very pleased with what the library has done to date. Ms. Rawles-Heiser went on to comment that a majority of these increased efficiencies does mean an increased workload for staff, so although there are efficiencies it does not necessarily mean the work has gone away.

Commissioner Davis inquired about the Apple iPad and how that may effect operations at the library. Ms. Rawles-Heiser stated that technology always has a big impact on how the library functions, however, to know the full effects of this particular device will have is unknown. Currently, the library uses Facebook, Twitter, blogs, and is now implementing eBooks, which is downloadable by the iPad, so it could have some effect. She also went on to state that even with the development of eBooks there will still be a need for books and they will still need to be purchased.

Commissioner Ross inquired about the Library's strategic plan and which of the strategies have an impact on how the library operates. Ms. Rawles-Heiser commented that the plan was just adopted

by the City Council a few months ago and they are currently working hard with the Library Board to strengthen the board, to be effective advocates for the library, and reach out to the community for more partnerships because those are really the keys to success in this community. She stated they have a very strong mission to keep up with technology and serve children with information, as the school libraries are not doing well.

Commissioner Raymond inquired about the revenue generated from the use of the library main meeting room that may be rented out for meetings. Ms. Rawles-Heiser stated the revenue is very minimal and comes in roughly around \$10,000 a year.

Commissioner Carone inquired about the \$850,000 that is spent on books and wondered how it was determined. Ms. Rawles-Heiser stated it is typical of libraries to spend about 15-20% of their budget on books. She also stated that they do a competitive process to purchase books to get the best rate they possibly can. Commissioner Carone then asked how staff decides the exact amount to budget. Ms. Rawles-Heiser stated there is an “art” in trying to decide the amount, but you try to keep up with inflation and where the money has been spent in the past. In follow-up Commissioner French asked if the library is able to determine which are the most heavily used collections? Ms. Rawles-Heiser stated yes and if something isn’t being used much its time to replace it with something that is.

### **III. CITY MANAGER’S OFFICE PRESENTATION**

Assistant City Manager Volmert presented the FY 10-11 City Manager’s Office (CMO) budget. She presented the budget through a power point handout (Attachment 2B) distributed to the commissioners and posted on the City’s website.

Commissioner Carone asked how many people are employed in the City Manager’s Office. Mrs. Volmert stated they have a total of 10.0 FTE, with one of those FTE being a job share between two employees. In addition they have a casual, less than half-time, Communications Specialist that was added a couple of years ago. Commissioner Carone then asked about the cost of the Electronic Records Management System. Ms. Volmert stated the cost of the design work is about \$43,000 with the CMO portion being \$5,000.

Commissioner O’Brien commented on the article that was put in the Gazette Times on January 28, 2009 and the related blog entries. He commented that there seems to be confusion regarding the percentage of each departments share in budget reductions. He stated this was something that may need to be clarified in the future.

### **IV. PARKS & RECREATION PRESENTATION**

Parks and Recreation Director Emery presented the FY 10-11 Parks and Recreation budget. She presented the budget through a power point handout (Attachment 2B) distributed to the commissioners and posted on the City’s website.

Commissioner Cadman asked for clarification on what the \$500,000 spent on the Senior Center consists of. Ms. Emery stated the \$500,000 is the operating budget for the Senior Center, including

utilities, staffing, programs, materials, contractors, and instructors. Commissioner Cadman requested more detail be provided at the next meeting. Ms. Emery stated she would provide it.

Commissioner Hervey asked if Ms. Emery could provide copies of the notes which she spoke from at the next meeting as they appeared to be slightly different from what was provided in the slides. Ms. Emery confirmed that she would.

Commissioner Beilstein asked what the tax subsidy is for the \$1.4 million operating budget for the aquatic center. Ms. Emery said the amount is estimated around \$646,000, but went on to state the Osborn Aquatic Center is the highest rated public swimming pool that is opened year round in the state of Oregon with respect to cost recovery. The Osborn Aquatic Center revenue covers about 69% of its budget. Commissioner French then asked how the 69% compares to the other pools in the state. Ms. Emery stated she'll bring the specifics to the next meeting.

Commissioner Bull inquired about how much staff time ( in Full Time Equivalents(FTE)) would be required to get the Arts & Culture Commission up and running. Ms. Emery stated the FTE is strictly administrative and would pay for the minutes recorder and for about four hours a week staff support. She stated that the cost for the administrative piece is about \$6,000, but she would like to double check the numbers and bring that back to the next meeting. Commissioner Bull then asked how much the strategic plan vision development would cost . Ms. Emery estimated the cost to be around \$57,000 based on two other plans recently done by contractors. Mr. Nelson clarified the cost is for administrative FTE support such as minutes taking not administration support as Ms. Emery and Assistant Director Steve DeGhetto stated they would try to absorb the administrative costs themselves.

## **V. COMMUNITY DEVELOPMENT DEPARTMENT PRESENTATION**

Community Development Director Gibb presented the FY 10-11 Community Development Department budget. He presented the budget through a power point handout (Attachment 2B) distributed to the commissioners and posted on the City's website.

Commissioner Butcher, regarding the code enforcement program, inquired about the number of citizen complaints increasing. Mr. Gibb stated this was predicted by the nature of the program and it being more well known. The highest complaint areas were in solid waste and land-use. Commissioner Butcher asked for clarification on the term solid waste. Mr. Gibb clarified that it consists of yard waste, couches, and other large item debris.

Commissioner Hervey asked if there is any monitoring occurring of the good and bad will of code enforcement. Mr. Gibb stated they tend to get both and it really depends on which side of the fence you sit on. He also elaborated that the City Council prioritizes which cases to spend time on, for example, a sign complaint has a lower priority than a health complaint. There is also a huge backlog and they have been working hard to get through some of those cases, however, there are more things they would like to do with projects.

Commissioner French inquired about strategic plan initiatives to direct economic development and Community Development's role. Mr. Gibb expressed the Department's job with the economic

development allocation is not to drive the vision, but to manage the process. There is initiative to provide more review in benchmarking for what they would like to accomplish with the program. Mr. Gibb went on to state that from the bigger picture the Vision 2020 is the guiding document on development of Corvallis.

Commissioner Ross asked whether, without any additional staff, the City could be more aggressive toward landlords abuses like those occurring in the last year. Mr. Gibb stated that in general staff addresses the rental housing code pretty well. They receive about 500 contacts a year with about 900 issues raised and they are able to work through them and get to a point where almost all of the cases are solved before it gets to a violation standpoint. However, it does not cover every situation that you may see in media coverage; to actually cover some of the issues that have been in the media lately would take code expansion and a pretty lengthy public process.

Commissioner Raymond asked if there was a certain amount of time or positions devoted to research for additional funding. Mr. Gibb stated their portion of the stimulus received to date is around \$140,000 and it had some requirements for a quick turn around and they were able to make that happen.

Commissioner Bull inquired about long range planning projects and the dedicated FTE to those long range plans. Mr. Gibb stated in the very near future there is the buildable lands inventory, not being mandated by the state, but to take a look at buildable lands after the City implemented all of the new land development code provisions and other areas that may impact the development of the land. He stated they have one or two individuals dedicated to long range planning, but current land-use planning has a 120 day turn-around and has first priority.

Commissioner Bull then asked if the processes for housing and social services are similar to the process for managing economic development. Mr. Gibb stated they have a larger role in economic development, but for social services they contract with United Way. However, staff monitors the contract and facilitates the review of the United Way Allocations Committee's recommendations through Human Services Committee and City Council.

Commissioner Bull inquired about how the transient occupancy tax is allocated to different programs. Mr. Gibb stated the amount is split between economic development and the general fund, with 55% to the economic development and 45% to the general fund. Of the 55% for economic development, 30% is for Corvallis Tourism, 2% to project management and the remaining to be allocated out through the economic development process.

## **VI. OTHER**

Commissioner Schreck asked fellow commissioners if they had any other requests from staff.

Commissioner Cadman stated that each year different citizen requests come to the table and asked if a list could be provided of the enhancements that are included in the City budgets already, as they should be listed on the cut list as well. Ms. Brewer clarified that the majority of requests that come in are approved one year at a time and others that are done through Council policy and

would have to be removed by the Council. In late February or early March staff plans to go to council to see if some of these other items could be put on the table.

Commissioner Brauner commented that there are things permanently in the budget and there are things that are funded for one-time uses based on what Budget Commission and City Council decide upon. He wanted to make it clear that everything is on the table whether it be in the baseline budget or a one time enhancement, the commission can decide to take any action they deem necessary.

Commissioner Carone asked if we could get a feel of the attrition last year as far as how many people left or retired last year. Ms. Brewer stated she would provide that information.

Commissioner French then commented on the earlier discussion about what and when to ask questions of directors. She reiterated the point of sooner than later, but asked that department heads have more than one alternative they would suggest in possible cut situations. Mr. Nelson stated all the department directors are taking ownership of their staff and services, with some keeping current vacancies open now. He also suggested there will probably be a host of things they bring forth if they have to cut as they work with management staff, employees, services, and the boards and commissions. Mr. Nelson stressed again that the \$3.6 million is most likely going to change multiple times and we need to be watchful of the message we send.

Commissioner Bull stated that if the public comes back and says not to cut any funding from police and fire with the way the deficit is allocated out now, we would have spent time on something we can not approve. She then asked if department heads would be available to come back and suggest an increase for a fee or another revenue source. Mr. Nelson responded by stating that is something that happens every year by policy (rate review). He went on to state that our revenues are reviewed every year and then brought forth for elasticity testing with the City Council and includes stakeholders affected by those as well. Beyond all that, what staff tries to get the Council and community to focus on when it comes to the big items is the return on the investment, considering the time it takes and the political will of council to see it through. He also mentioned with there being a new council in January 2011 and that these big ticket revenue ideas would have to be carried through by them. However, he did state that one large revenue item that the current Council will be able to make a decision on is a possible fee on the utility services bill for the transit system. Currently about \$500,000 comes from property taxes to transit and adding the fee would allow those funds to circulate back to other property tax funds.

Commissioner Cadman inquired about the \$1.6 million budget for non-departmental and whether the items budgeted there would be on the table. Ms. Brewer stated that it will be on the table for council discussion. The non-departmental budget includes economic development allocations (\$500,000), social service allocations (\$400,000), Prosperity That Fits, and property taxes paid to the Art Center. There are a few other things there that are either revenue generators or a net no-impact. There some things there that would not be on the table and some items that would be up to Council and come back for discussion to Budget Commission to discuss.

Commissioner Schreck asked if the discussion with Council will be at the noon or evening meeting on February 16<sup>th</sup>, regarding social services and economic development items. Mr. Nelson stated he thought it would be at the noon meeting.

## **VII. ADJOURNMENT**

### **SUMMARY OF ATTACHMENTS**

- Attachment 2A – Corvallis Environmental Center
- Attachment 2B – Department Presentations
- Attachment 2C – Community Development Handout

Respectfully Submitted:

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Budget Commission Secretary

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Finance Director