

To: City of Scio Budget Committee
From: Ginger Allen, Scio City Manager
Re: Scio City Budget Document 2019-2020
Date: Monday, May 20, 2019

Message from the City Manager

This is my fourth budget message as the Scio City Manager. Over the past three plus years city staff has worked hard to increase and improve the services delivered to the citizens of Scio and the surrounding area. As we move through this years' budget you will find that the overall level of public services have increased and the financial health of the city has improved.

Many people do not understand the complexities of public sector financing, nor are they familiar with the rules that govern how funds are to be spent. Distinguishing between local resources of revenue, such as property taxes, franchise fees, grants and state revenue sources verses Enterprise Funds can be difficult.

For these reasons I remain committed to an "Open Door Policy, with an "Open Mind" regarding questions and suggestions. While I cannot always deliver on the requests put before me, I try my best to be a good listener to the people who approach me with questions about city services.

You will find the budget format very similar to the past years. This format is easy to read and those who have visited with me and have asked questions about our spending have found the format "user friendly".

Here are some of the highlights of the 2019-2020 fiscal year:

ADMINISTRATION DEPARTMENT

1. The Future of Scio City Hall: On May 6, 2019 the Scio City Council voted unanimously to purchase the building located directly east of City Hall. The title change and closing date is expected to take place before July 1, 2019. This year I will be working closely with the Scio City Council on the future of a new City Hall. Many details must be worked out before any ground breaking takes place. The following is a punch list of the tasks that will take place in the 2019-2020 fiscal year.

- a. Demolition and Asbestos Abatement of existing structure
- b. Secure Financing
- c. Building Design and Site Visits
- d. Possibility Select an Architectural and/or Structural Engineer Firm(s)
- e. Town Hall Meetings

2. Public Safety: The City of Scio has been actively participating in the Linn County Small Cities Coalition. The synergy produced by this coalition gives leverage to small cities when discussion service contracts. In the case of public safety services we collectively negotiated a Public Safety Contract that fits the needs of small cities verses large cities inside Linn County. Our current contract reads that increases to small cities will be the equivalent of the increases in employee costs. This year Linn County Sheriff's Department informed our Coalition that they would be raising our fees by 4.5%. We answered back by saying we would place an increase in our budgets for that increase, but we would not pay the increase until Linn County finalized their union negotiations.

3. Additional Library Programs: The Scio Public Library continues to grow in users and services. This fall we will be introducing new library hours and two new evening programs.

The new hours will be:

Monday and Wednesdays:	10:00 a.m. – 5:00 p.m.
Tuesday and Thursdays:	10:00 a.m. – 7:30 p.m.
Fridays:	10:00 a.m. – 12:00 p.m.

The two new evening programs will take place between the hours of 5:30 – 7:30 p.m. on Tuesdays and Thursday evenings. The evening programs will center on “family activities and adult programing.

The Library will continue to be open through the lunch hour.

4. Library Donations: This year I wish to draw your attention to a level of detail added in the budget to track both Library Revenues and Library Expenses. Additional line items provide detail tracking of both revenues received and revenue spent. I want to point out the increase in library donations from both individual donors as well as the financial assistance received from the Friends of the Scio Public Library. One must not lose sight of the fact that donations cannot be “expected” to remain the same year after year. Therefore, we remain thankful for the level of financial support received in support of our public library.

5. Covered Bridge Park: This summer we will be cleaning up the Covered Bridge Park located next to Shop N Save market. We will be removing the dead shrubbery and old fence, limb-up the Blue Spruce tree and install a new fence, plant new grass, and new shrubs.

ROAD DEPARTMENT

1. SCA Grant Carried Over: Due to a work order change on the Small City Allotment Grant this grant project has been scheduled to take place in the 2019 – 2020 fiscal year. We are hoping to have this project completed this summer.

2. Expect Street Repairs: \$45,000.00 has been set aside to address cracking in the Thomas Creek sub-division and on SE Cedar Streets. In addition, we will be working Right-of-Way improvements on SW 2nd Street, also identified by the State of Oregon as the “Safe Route to School.

WATER DEPARTMENT

1. Reservoir Cleaning: The water reservoir is on a cleaning cycle of every 3-5 years. This year is the time for which that cleaning is scheduled. The cost of this cleaning ranges from \$3500.00 – \$5000.00.

2. Calibrated Water Source Measurement Gauges: In accordance with our Water Master Plan the City should be having our water measuring gauges calibrated and maintenance reviews scheduled to ensure our equipment is working correctly.

3. Water Line Rotation Schedule: After conferring with the Public Works Staff and two different Vac Companies I have decided to cancel the purchase of a vac-truck. Instead the city will entered into a Water and Sewer Line Maintenance Program with a service provider. We will divide the city into four quadrants and rotate the maintenance of the lines annually. We will deal with individual emergencies as they occur. This decision came about when we learn about the annual maintenance of a Vac-Truck and the cost of the truck itself.

SEWER DEPARTMENT

1. TVing Sewer Lines: This year the Public Works Department will begin “TVing and Jetting the city’s sewer lines. This process is long over-due and needs to be placed on a routine maintenance rotation.

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3. Sewer Master Plan Projects: This past fiscal year we began a Sewer Master Plan Project with The Dyer Partnership. A Master Plan is a “road map” for city’s regarding the state of the current infrastructure and what infrastructure repairs, replacements and additions are needed in the future. The Sewer Master Plan is near completion and some major projects have been identified. A full report will be given to the Scio City Council at the July 2019 city council meeting.

ISSUES ACROSS THE BOARD

The following issues have affected expenses in all of the operating funds (General, Road, Water, and Sewer):

1. Medical Insurance: At last year’s budget hearing I stated that the time was approaching where employees would have to be asked to pay a percentage of insurance costs. I have spoken with several of the small cities and have found that all of the cities have their employees pay a percentage of the insurance package. The costs range from 5% - 10% or a flat rate depending upon what their cost of living and salary ranges are.

This year I met and spoke to each of the employees affected by this decision and they understand why we are at this cross roads. Therefore, each of the employees electing to take the city’s insurance coverage will pay 7% of the insurance cost.

2. Property and Liability Insurance: Has stabilized this year, but we can expect to see an increase in 2020-2021.

3. Cost of Living Increase: Consumer Price Index for the West Region – 2018 3.1 percent increase. 2019 COLA (Cost-of-Living Adjustments) increase is 2.8% for those on Social Security. This year I have built in a 2.5% COLA. It is important to note that a COLA is not the same as a Salary/Merit Increase. Merit increases are bases upon job performance and comparative salary schedules. This year I will be conducting a salary and benefit survey to see where all of the positions stand when compared to comparative cities and comparative job duties.

4. Certified Employees: As each of the Public Works employees obtain their professional levels of certification, required by the Oregon Department of Environmental Quality (DEQ), they will qualify for a \$1.00 per hour increase up to a maximum of \$27.00 per hour. At this time one of the two public works employees have passed the level one certification tests in water and wastewater. Thus, you will see a higher salary forecast for that employee.

5. Ending Expense Totals Compared to 2018-2019

	<u>2018-19</u>	<u>2019-20</u>	<u>% Difference</u>
• Personnel Service	\$383,958	\$389,274	1.39% Inc.
• Materials & Services	\$329,181	\$358,990	9.1% Inc.
• Capital Outlay	\$330,300	\$562,409	70% Inc.
• Debt Service	\$50,500	\$50,500	No change
• Interfund Transfers	\$235,000	\$296,663	Inc. of \$61663.00

Acknowledgements

I wish to thank the city staff and all the budget committee members for assisting with this years' budget process and for your consideration of this proposed budget document.

Sincerely,

Virginia (Ginger) A. Allen
City Manager