

**CITY OF SPRINGFIELD  
BUDGET COMMITTEE MEETING**

Tuesday, April 21st, 2015, 6:15 p.m.  
Library Meeting Room, Springfield City Hall  
225 Fifth Street  
Springfield, Oregon

**AGENDA**

- |  |                       |            |
|--|-----------------------|------------|
| <b>A.) COMMITTEE OPENING REMARKS</b>   |                       | 5 minutes  |
| 1. Welcome from the Chair  | Chair Diana Alldredge |            |
| 2. Roll Call   | Staff                 |            |
| <br>   |                       |            |
| <b>B.) NEW BUSINESS</b>  |                       |            |
| Department presentations   |                       |            |
| 1. City Manager's Office   | Jeff Towery           | 20 minutes |
| 2. Human Resources   | Greta Utecht          | 20 minutes |
| <br>   |                       |            |
| <b>C.) BUSINESS FROM THE AUDIENCE</b>  |                       | 10 minutes |
| <br><b>BREAK</b>   |                       |            |
|  |                       | 15 minutes |
| <br>   |                       |            |
| <b>D.) NEW BUSINESS CONTINUED</b>  |                       |            |
| Department presentations   |                       |            |
| 1. Police  | Chief Tim Doney       | 30 minutes |
| <br>   |                       |            |
| <b>E.) ANNOUNCE NEXT BUDGET COMMITTEE MEETING</b>                                  | Chair                 |            |
| 1. Tuesday, April 28, 2015 – 5:30 PM, Springfield City Hall – Library Meeting Room |                       |            |
| <br>   |                       |            |
| <b>F.) ADJOURN</b>   |                       |            |

Citizens' comments are normally scheduled under the agenda item "Business from the Audience" and are limited to three (3) minutes each. All subsequent meetings will have time scheduled for citizen input and anyone wishing to make a longer presentation should contact the City Manager's Office at 726-3700, so that the presentation can be included separately on the agenda.

**ATTACHMENTS**

- 1) April 21<sup>st</sup>, 2015 Agenda Memo
- 2) Street Fund Fiscal Health Chart
- 3) City of Springfield Financial Management Policies
- 4) Fire & Life Safety Call Volume

**To:** Members of the Springfield Budget Committee

**From:** Bob Duey, Finance Director

**Date:** April 16, 2015

**Subject:** Budget Meeting April 21, 2015

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We want to express our appreciation for your interest and questions at Tuesday's Budget Committee meeting. The interest level and knowledge behind the questions shows the benefit of having a committee of veterans back from previous years. We value your willingness to look at the issues we anticipate needing to address and be able to show all the things that we are still able to accomplish. Thank you for lending us your time and expertise.

The SEDA meeting is scheduled to begin at 5:30 pm with dinner being provided and available by 5:00 pm. At the conclusion of the SEDA meeting, we will be prepared to go right into the City Budget Committee meeting at approximately 6:15 pm. The meeting of the SEDA Budget Committee is historically pretty short due to the limited resources available to the agency. SEDA is recognized as a separate agency from the City and must adhere to all the same budget requirements: including a budget message, a presented proposed budget and official action by the Budget Committee to approve a budget that will then be taken to the SEDA Board for a public hearing and final adoption. We are not attempting to rush the process by scheduling only one meeting, for a limited time, but prior experience tells us that process can be completed in this allotted time.

The agenda for the meeting on April 21st includes presentations from our City Manager's Office, Human Resources Department and Police Department. The presentation material for these departments is behind the April 21<sup>st</sup> tab of your budget binders that was delivered as part of the main packet from last week's meeting.

There are just a few items from Tuesday night that we would like to follow-up on the make sure that your questions are being addressed.

First, Attachment 2 is a reprint of the Street Fund Fiscal Health chart that I had used in my opening presentation. It has been updated to display the FTE (full-time equivalent) numbers for this fund over the past 10 years. Attachment 3 is a copy of the Council's adopted Financial Management Policies that were referenced during the same presentation. And, Attachment 4 is a copy of the Call Volume by City chart that was presented during Fire & Life Safety presentation.

During the Library presentation by Rob Everett there were questions asked concerning the expansion and cost of the Library's e-book program and Rob has supplied the following information that is included in the most recent submittal to Salem for the Oregon Public Library Statistical Report (2014).

|  |           |
|--|-----------|
| Total number of e-books                    | 30,806    |
| Number of e-books added                    | 5,045     |
| Total number of digital audio books        | 21,575    |
| Number of digital audio books added        | 1,468     |
| Total number of physical and digital units | 205,725   |
| Library General Fund materials budget      | \$108,098 |
| Library Gift and Memorial materials budget | \$ 26,000 |

During the Fire & Life Safety presentation there were also some additional information requested that staff has compiled responses to.

- 1) Discussion on Ambulance transport costs and metrics.

Cost per transport (FY14 Springfield Only)                      \$529.26

- 2) Springfield transports by payment source (FY14)

|                   | <u>% Transports<br/>By Pay Source</u> | <u>Avg Payment<br/>by Pay Source</u> |
|-------------------|---------------------------------------|--------------------------------------|
| Medicare          | 58.6%                                 | \$ 359.01                            |
| Medicaid          | 18.1%                                 | \$ 347.47                            |
| Government        | 1.7%                                  | \$ 577.08                            |
| Insurance         | 14.7%                                 | \$1,522.29                           |
| Facility Contract | .5%                                   | \$ 536.26                            |
| Bill Patient      | 6.4%                                  | \$ 89.11                             |

The mix of payers varies slightly from year-to-year, based upon the changing demographics and employers in the Springfield area.

- 3) What is the average annual hours worked for a Firefighter?

|                            |             |
|----------------------------|-------------|
| Total hours available      | 2,912       |
| Kelly Days                 | -168        |
| Avg Time off (18.5 shifts) | <u>-444</u> |
| Avg hours worked           | 2,300       |

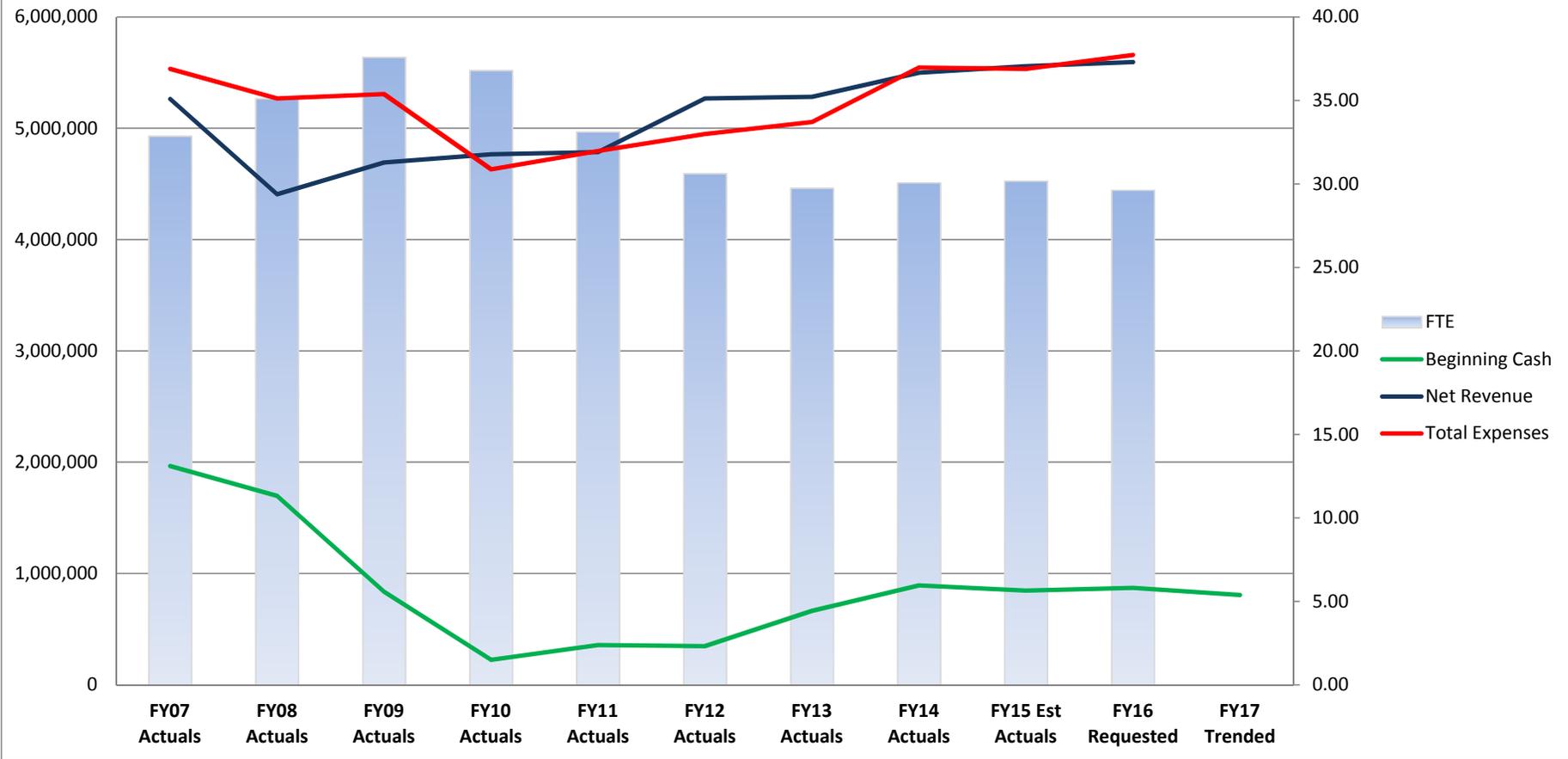
- 4) How many water rescue responses were there in the Springfield city limits or UGB last year?

For FY14: Incidents inside the UGB 6 (including 5 in the city limits)

East of I-5 was assumed Springfield's primary area because it runs contiguous with the UGB even though much of it is just outside the City. There were a few calls where Springfield was called to back up Eugene's water rescue boat west of I-5, and a similar number of calls where Eugene backed up Springfield.

As always, if you have questions about the packets or you have questions about something you would like to address at the next meeting please contact myself at [541-726-3740](tel:541-726-3740)/[rduey@springfield-or.gov](mailto:rduey@springfield-or.gov) or Paula Davis at 541-726-3698/ [pldavis@springfield-or.gov](mailto:pldavis@springfield-or.gov). We will make every to get you an answer in a timely manner.

## Street Fund



| Street Fund    | Actuals<br>FY07 | Actuals<br>FY08 | Actuals<br>FY09 | Actuals<br>FY10 | Actuals<br>FY11 | Actuals<br>FY12 | Actuals<br>FY13 | Actuals<br>FY14 | Est Actuals<br>FY15 | Requested<br>FY16 | Trended<br>FY17 |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|-------------------|-----------------|
| Total Revenue  | 7,232,199       | 6,106,135       | 5,532,912       | 4,992,560       | 5,145,147       | 5,615,908       | 5,950,427       | 6,393,935       | 6,406,419           | 6,466,549         |                 |
| Beginning Cash | 1,967,679       | 1,698,346       | 838,570         | 225,299         | 359,501         | 347,825         | 666,281         | 893,681         | 847,351             | 872,049           | 798,508         |
| Net Revenue    | 5,264,520       | 4,407,789       | 4,694,343       | 4,767,261       | 4,785,646       | 5,268,083       | 5,284,146       | 5,500,254       | 5,559,068           | 5,594,500         |                 |
| Total Expenses | 5,533,853       | 5,267,565       | 5,307,613       | 4,633,059       | 4,797,323       | 4,949,626       | 5,056,747       | 5,546,584       | 5,534,370           | 5,668,041         |                 |
| Capital XFR    | 750,000         | 400,000         | 0               | 0               | 0               | 350,000         | 100,000         | 100,000         | 250,000             | 150,000           |                 |
| FTE            | 32.87           | 35.11           | 37.59           | 36.80           | 33.12           | 30.62           | 29.75           | 30.07           | 30.17               | 29.53             |                 |

# FINANCIAL MANAGEMENT POLICIES

## *Operating Budget and Financial Practices Policies*

- ↵ The city budget will support City Council goals and priorities and the long range needs of the community.
- ↵ The city will maintain adequate cash reserves for both contingencies and working capital. Each fund will maintain adequate cash reserves, borrow internally from another city fund, or as a last resort, borrow externally to provide for cash flow and contingency requirements.
- ↵ The city will maintain an accounting and reporting system that conforms to generally accepted accounting principles and applicable state and federal statutes. The city will issue an audited Comprehensive Annual Financial Report (CAFR) and will also regularly prepare and publish reports comparing actual revenue and expenditures to budgeted amounts.
- ↵ The city will provide for adequate maintenance of equipment and capital assets. The city will make regular contributions to the Equipment Replacement Fund to ensure that reserve funds will be available as needed to replace city vehicles and other rolling stock equipment.
- ↵ The city will provide adequate funding for long term liabilities, including employee retirement system contributions, debt service and casualty claims.
- ↵ The city will not rely on federal or state grants to provide funding for basic city operations or for debt service requirements.
- ↵ The city will manage its funds as independent entities in accordance with applicable statutes and with generally accepted accounting principles. One fund will not usually subsidize another fund on an ongoing basis.
- ↵ The city will update its long range financial projections each year. Projections will include estimated revenues and expenditures for the next five years, including the estimated operating costs of capital improvements that are included in the capital budget.
- ↵ The city will set policies for employee compensation, working capital reserves, and other major financial issues each year prior to budget preparation.
- ↵ The city will manage and sell properties foreclosed under the Bancroft program in a manner that attempts to recover the city's incurred costs and does not disrupt the marketplace.

- ↪ The city has established the following principles, which are listed in priority order, for the investment of city funds:
  1. Preservation of capital
  2. Maintenance of liquidity
  3. Maximum yield
- ↪ The city's investment policies are contained in a separate document. (Reference Oregon Revised Statutes (O.R.S.) 294.035 through 294.048).

### ***Capital Improvements and Debt Policies***

- ↪ The city will adhere to state statutes limiting the amount of general obligation debt to three percent (3%) of the true cash value of taxable property within the city limits. Under state law and city policy, Bancroft bonds are separately limited to three percent (3%) of the true cash value and utility bonds are excluded from the limit. (Reference O.R.S. 287.004 and 223.295.)
- ↪ Financing of public improvements through assessment bonds will be limited to neighborhood projects having a minimum of vacant land and a ratio of true cash value to assessment of two to one or greater. Total assessment bonds issued annually for neighborhood projects will not exceed \$1,300,000 per year and for large economic development projects will not exceed \$1,600,000. All economic development projects in which the city provides assessment financing require that the developer provide performance guarantees or meets equity requirements that appropriately protect the city's interests. The city's assessment policies are contained in a separate series of resolutions adopted by the City Council. (Reference city Resolutions 88-11, 84-36, 83-41, 91-36 and Ordinance 5393.)
- ↪ The city will seek to maintain and improve its bond rating to minimize borrowing costs and to ensure its access to credit markets.
- ↪ The city will use self-supporting revenue bonds, which may be general obligation backed, to finance improvements to enterprise or utility functions such as sewerage systems.
- ↪ The city will plan for capital improvements over a multi-year period. The city will annually update its Capital Improvements Program, identifying capital needs and potential capital funding sources. The Capital Improvements Program will reflect the priorities of the City Council and the long range needs of the community.
- ↪ The city will include funds in the operating budget to maintain and operate capital improvements included in the capital budget.
- ↪ The city will not use long-term borrowing to finance current operations.

### ***Revenue Policies***

- ↪ The city will work to decrease dependence on property taxes and to diversify the revenue base.

- ↪ The city will estimate its annual revenues by an objective, analytical process. Because most revenues are sensitive to conditions outside the city's control, estimates will be conservative.
- ↪ The city will charge fees to the direct beneficiaries of city services that recover some or all of the full costs of providing that service. The city will work to recover at least fifty (50) percent of the cost of direct services, and, in some specific cases, will set guidelines ranging from seventy-five (75) to one hundred (100) percent for cost recovery.
- ↪ The city will work aggressively to collect all delinquent accounts receivable. When necessary, collection procedures will include termination of service, submission to collection agencies, foreclosure and other available legal remedies.
- ↪ The city will establish charges for enterprise funds that fully support the total cost of the enterprise.
- ↪ The city will apply one-time or short term revenues to short term expenditures, to the greatest extent possible.

### ***Management Policies***

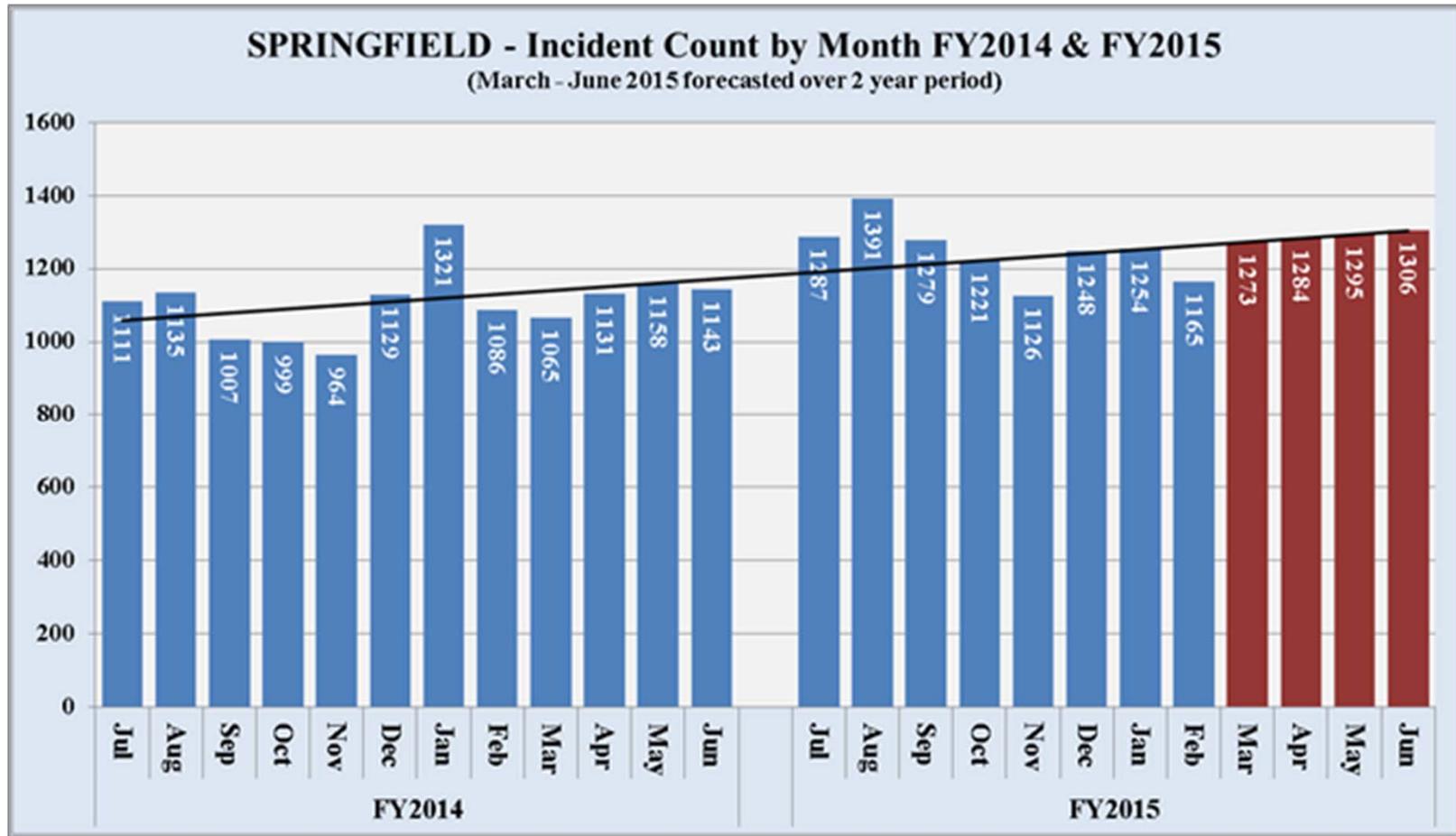
- ↪ The city will regularly review its service delivery systems to determine their efficiency and effectiveness. The city will actively seek the most cost-effective solutions for providing services, including provision by city staff, by agreement with a private contractor, or by establishing cooperative programs with other public agencies.
- ↪ The city will set employee compensation in relation to the median rates for comparable public jurisdictions within the relevant recruitment area. (Reference city Resolution 87-06)
- ↪ The city will be committed to maintaining and improving productivity of staff. To that end, the city will provide staff with a proper working environment, adequate equipment and supplies, and appropriate training and supervision.
- ↪ The city will maintain a comprehensive risk management program. The city will annually review its levels of insured and retained risks, its safety programs and its insurance fund cash reserves to ensure that the city is employing the most cost effective risk management programs.
- ↪ The city will review the organization's structure at regular intervals to ensure that it is responsive to current conditions and to eliminate service duplications.
- ↪ The city will comply with applicable federal, state, and local statutes and with appropriate industry and professional standards.



# Fire & Life Safety

FY 2016

## Call Volume - Springfield





# Fire & Life Safety

FY 2016

## Call Volume - Eugene

