



**Kent Taylor Civic Hall  
200 NE Second Street  
McMinnville, OR 97128**

**City Council Meeting Agenda  
Wednesday, November 15, 2017**

**6:00 p.m. – Special Called Meeting - Work Session of the City Council**

*Welcome! All persons addressing the Council will please use the table at the front of the Council Chambers. All testimony is electronically recorded. Public participation is encouraged. If you desire to speak on any agenda item, please raise your hand to be recognized after the Mayor calls the item.*

**6:00 PM – WORK SESSION – COUNCIL CHAMBERS**

1. CALL TO ORDER
2. DISCUSSION RELATED TO CITY COUNCIL’S GOAL: PLAN AND MANAGE FINANCIAL RESOURCES
3. ADJOURNMENT

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## **MEMORANDUM**

**DATE:** November 13, 2017  
**TO:** Mayor and City Council  
**FROM:** Jeff Towery, City Manager  
**SUBJECT:** City Council Work Session – Revenues

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### **Council Goal:**

Goal: Plan For and Manage Financial Resources

Objective: *Establish Comprehensive Strategic Financial Planning*

### **Report in Brief:**

The City Council has asked for the evaluation of a variety of revenue proposals to support ongoing City Services and unmet needs. Several have been presented to the Council for possible action and some have been implemented over the past several months. The purpose of this Work Session is to review the actions taken to date, other possible revenue concepts, the City's current financial status and to consider a process for analyzing future service needs and supporting revenue strategies.

### **Discussion:**

The Work Session will include time to discuss how to best incorporate this work into the Strategic Planning Project, to get any Council feedback on priorities and any additional guidance the Council may have.

- Revenue initiatives that have been brought to the Council for consideration and the impacts to date.
  - Transient Lodging Tax (~\$55,000 increase)
  - NW Natural Gas Franchise (~\$40,000 increase)
  - Recology Franchise (~\$60,000 increase)
  - Marijuana Tax (~\$210,000 [150K local, 60K state])
- Revenue work in progress.
  - Wastewater Franchise (presentation in December)
- Additional revenue items for consideration.

- Specialty Business License – Licensed Care Facilities (annual cost approximately \$1 million, details attached)
  - General Business License (\$85k program cost [includes one FTE])
  - Cost Recovery System for Fees and Charges including: Planning, Parks & Recreation, Code Enforcement
  - Utility Surcharge
  - Construction Excise Assessment
- Mid-year financial status report.
- The General Fund Forecast has been updated to reflect data that wasn't available at the time the Fiscal Year (FY) 2018 budget was prepared. Significant changes to the forecast include the following:
    - FY 2018 Beginning Fund Balance – Actual beginning fund balance exceeded the forecast estimate by approximately \$1.0 million, due to favorable variances in both revenues (primarily property taxes) and expenditures (due to vacant public safety positions). This favorable variance is similar to previous forecasts.
    - Assessed values – For FY 2018, the City's assessed values increased by nearly 4 percent. The budget for FY 2018 and all forecasted years reflect a 4 percent increase.
    - Additional revenues – Revenues were not included in the FY 2018 budget that were either unknown (local marijuana tax) or tentative (Recology, NW Natural, and transient lodging tax rate increases). However, projections for some of these revenue streams were included in the original forecast.
    - Police personnel services – The forecast was revised to include the police officer and code enforcement officer hired mid-year in FY 2018 and two additional officers to be hired in FY 2019.
  - General Fund Reserve as a Percent of Expenditures
    - FY 2018 – 28%
    - FY 2019 – 28%
    - FY 2020 – 21%

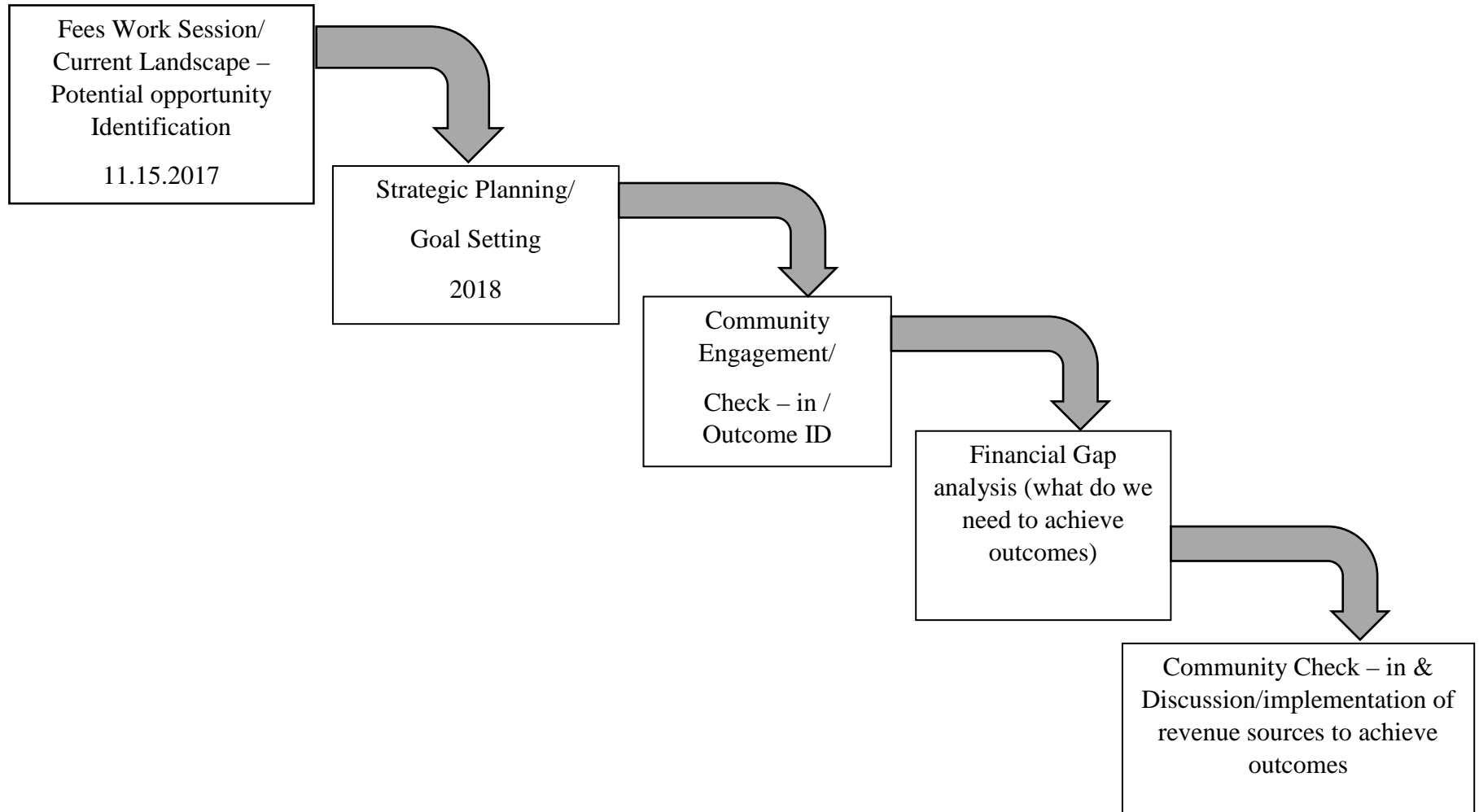
**Attachments:**

- Process Map
- Care Facility License
- General Obligation Bond Charts

**Recommendation:**

Review and discuss items presented and deliver any consensus direction regarding future actions.

# Process Overview – Program, Service and Facility Needs



### ***Specialty Business License for Licensed Care Facilities***

There are 16 Licensed Care Facilities within McMinnville with space for 1,093 residents. These care homes house an estimated 3% of the City's population and create 37% of the EMS call volume within the City of McMinnville. All of the care homes are for-profit, either publicly traded companies or other corporations. Only two of the care homes parent companies are located within the State of Oregon.

The businesses have stated that the municipal ambulance service is a part of their business plan. It is recommended that a business license addressing these businesses and their impacts be considered. The goal would be to offset the financial impact the businesses are having on emergency services. The department cost to respond to these incidents is over \$1.1 million after figuring in reimbursements for transport services.

The Licensed Care Facilities consume one (1) full time ambulance 24 hours/7 days per week. This use drives delays in service and overloads the EMS system. Funds allocated could improving staffing to help reduce impacts to EMS service throughout the community.

A portion of this business license would be an additional fee, to the care home, to address nuisance calls. These types of calls are when the care facility staff calls for an ambulance to provide services that the Care Facility is licensed and should be capable of providing. Some examples of these include:

- a. Lift Assist.
- b. Transport to hospital because Care Facility did not renew prescription.
- c. Start IV because care facility staff cannot get IV started.
- d. Replacing Catheter.
- e. Convenience of the Care Facility.
- f. Wound Care.
- g. Following corporate policies designed to transfer liability from the Care Facility.

Below are charts showing estimated tax rates for all General Obligation Bonds and the Series 2018 Transportation Bonds.

