

Proposed Vernonia City Budget Presented and Debated

By Scott Laird

On May 5th, Budget Officer M. R. “Dick” Kline presented the Vernonia City Council with the 2008-09 Budget Message and a bare bones proposed budget for the upcoming fiscal year. Kline noted “unique and debilitating circumstances” in his message and spotlighted some historic decisions that have now put the city in a precarious financial situation.

Kline pointed to the combination of cost overruns of \$270,433 in the OA Hill Sidewalk Project and the construction of the Community Learning Center that were un-budgeted. He also noted the addition of a fifth police officer in 2005 and a fifth public works utility worker in 2006 that cost the city about \$136,000 per year. And the decision to close out a Water Refunding Bond early in 2006 using required loan reserves from another loan left the city not in compliance, and needing to refund those reserve requirements in the amount of \$119, 950. All of this totaled a shortfall of over \$500,000 without any planned additional revenue. Kline also noted the impact of the flood, and the fact that city recovery projects are only funded at 75% of costs by FEMA, leaving the city to fund the other 25% of repairs from an already depleted budget.

Kline listed some key assumptions in his resource allocation and appropriations in the budget. All unanticipated revenue will be needed and used to help return the city to a balanced financial state, including the proposed sale of twenty acres of city property. He will no longer use inter fund loans to balance funds. He asked all city employees to accept a one year morato-

rium on step and cost of living increases, although it was questionable whether the employee unions would accept this request. No additions to staff will be expected. Any additional expenditures to the proposed budget will require adoption of new fees or charges or the reduction in proposed staffing and program levels.

Kline listed the priorities that were recognized when the proposed budget was created. The primary function of the City of Vernonia is to provide public works services and public safety services. Secondary functions include public service programs such as the library, parks and Community Learning Center.

In his message Kline reiterated that the city “... has come dangerously close to financial insolvency...” because of incomplete funding for past major projects, inaccurate financial reporting, uninformed increases in staff levels, the assumption of a too-heavy debt load, and on top of it all, a major natural disaster. Kline explained that through accurate reporting of revenue and expenditures during the past year and the knowledge gained, and with a commitment by the city to “... live within it’s means...”, the city can get financially healthy again.

Among trouble spots in the proposed budget was no funding for City Planning Services, for appropriate Legal Council, for a Public Works Director, for a Financial Officer, and for a Director for the Community Learning Center.

The City Budget Committee began meeting to discuss the proposed budget and look for possible solu-

tions on May 13 and continued meeting throughout the month. Among the decisions made by the committee was to recommend no transfers from the general fund to help balance city enterprise funds, which ideally would be self-sustaining. This was expected to free up money for the general fund to pay for needed administration and oversight at City Hall. The committee looked for and made recommendations to city council to increase fees in Parks, and to institute fees for water debt retirement and street maintenance. The committee also recommended council authorize studies in water, sewer, and storm water to gain a better understanding of operation needs and for needed rate and fee increases. The sewer remains an unknown quantity, as loans for the completed Phase I construction will need to begin being paid this year, and the ability of the city to construct Phase II and pay for it is in doubt. It is expected that increases in sewer rates will be needed once more information is gathered. The city is currently investigating alternative methods of wastewater treatment and removal.

The Budget Committee is also considering other income options including leasing of the Vernonia Airport, operation of the Community Learning Center by volunteers and increasing anticipated revenue, and a transient tax on room and campground rentals. The Committee is also investigating cost cutting and efficiency measures that could be implemented.

The City is scheduled to hold budget hearings on June 16th and will need to adopt a budget by June 30th.

Vernonia to Replace Interim City Administrator

By Scott Laird

Vernonia Mayor Sally Harrison has announced that the city is replacing Interim City Administrator Aldie Howard with a new Interim City Administrator, James Johnson. Johnson was scheduled to begin on June 1st.

Johnson arrives in Vernonia with an impressive resume and a reputation as a “Mr. Fix-it” since retiring in 2002 after a four year stint as City Manager in Eugene. He’s done local government consulting work, and has acted as Interim City Administrator in Creswell, Oregon, as Interim City Manager for Roseburg, Oregon, and Interim Director for the Lane County Air Protection Agency. In all three positions he helped recruit his eventual permanent replacement.

Johnson stepped in to a difficult role in Eugene, a city known for its contentious local political scene and was recognized for his ability to get along with the city council. His calm manner, neutral language, and patience have all been acknowledged. He is known as someone who can work with local governments and help them find solutions to their problems.

“I am excited about bringing Mr. Johnson on board,” said Mayor Harrison. “He brings us a wealth of experience, knowledge, skill, and expertise. We needed someone who has been through this before, and I think we are going to benefit from having him at the table and working for Vernonia.”

“I have had a long and fun career, and have always looked for opportunities to serve,” said Johnson about his new position in Vernonia. “Vernonia was a place that looked like it needed help, and I think I will be able to serve the community well. I am looking forward to getting started.”

Johnson has a Masters Degree in Urban Planning from the University of Oregon and has worked mostly in Lane County. He has worked as a Planner and Community Development Director for Lane County, County Administrator for Lane County, and as Manager of the Department of Library, Recreation and Cultural Services in Eugene.

Congressman Wu (cotinued)

special projects or programs) approved. The Congressman explained his advocacy of the earmark process as a way to take a small percentage of national spending out of the hands of the President, allowing congress to control some funds.

The congressman noted that he is working to do everything possible to assist the community in its recovery efforts. Funding for school construction and repair has been, and continues to be, primarily the responsibility of state and local governments, and because of this traditional American understanding, federal funds that go through the Congressional appropriations process are normally not eligible to be used for school construction or repairs. However, because of his deep concern for his constituents in Vernonia, he has requested federal funds for rebuilding projects that could be eligible.

Congressman Wu mentioned that he has made four specific requests for funds for Vernonia:

1. Federal funds for the reconstruction of all three Vernonia schools at a different site in an amendment to H.R. 3021, the 21st Century High Performing Schools Act. The decision to not allow this request was made after careful consideration by House leadership and an overt decision to fund school construction, as opposed to renovation, only in Hurricane Katrina affected school districts.
2. Federal funds for the Vernonia School District to replace equipment and other supplies that were lost due in the flooding. Although construction and repairs are not eligible for federal funds, equipment and other supplies are.
3. Federal funds for the City of Vernonia to assist the city with any repairs, renovations, or replacement of city assets, including improvement of the downtown corridor streetscape.
4. Federal funds for the City of Vernonia to assist in the repair or replacement of the city’s water and wastewater treatment system.

Congressman Wu ended his visit to Vernonia with the Oregon Solutions team meeting at the Vernonia Scout Cabin and commented about school relocation efforts, “Federal Government needs to be part of the solution, not part of the problem.”



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