



**City Council Study Session
January 9, 2018 - 6:00 PM
Public Safety Building 401 East Third Street**

- 1. CALL MEETING TO ORDER**
- 2. ROLL CALL**
- 3. PRESENTATION OF INFORMATION**

Long Range Financial Plan Information
[2019-01-09 LRFP Presentation Information.pdf](#)
- 4. DISCUSSION AND QUESTIONS**
- 5. SPECIFIC ITEMS FOR PRESENTATIONS**
- 6. REPORTS OR PRESENTATIONS FROM BOARDS, COMMISSION, COMMITTEES
OR GROUPS INVITED BY THE COUNCIL**
- 7. ADJOURN**

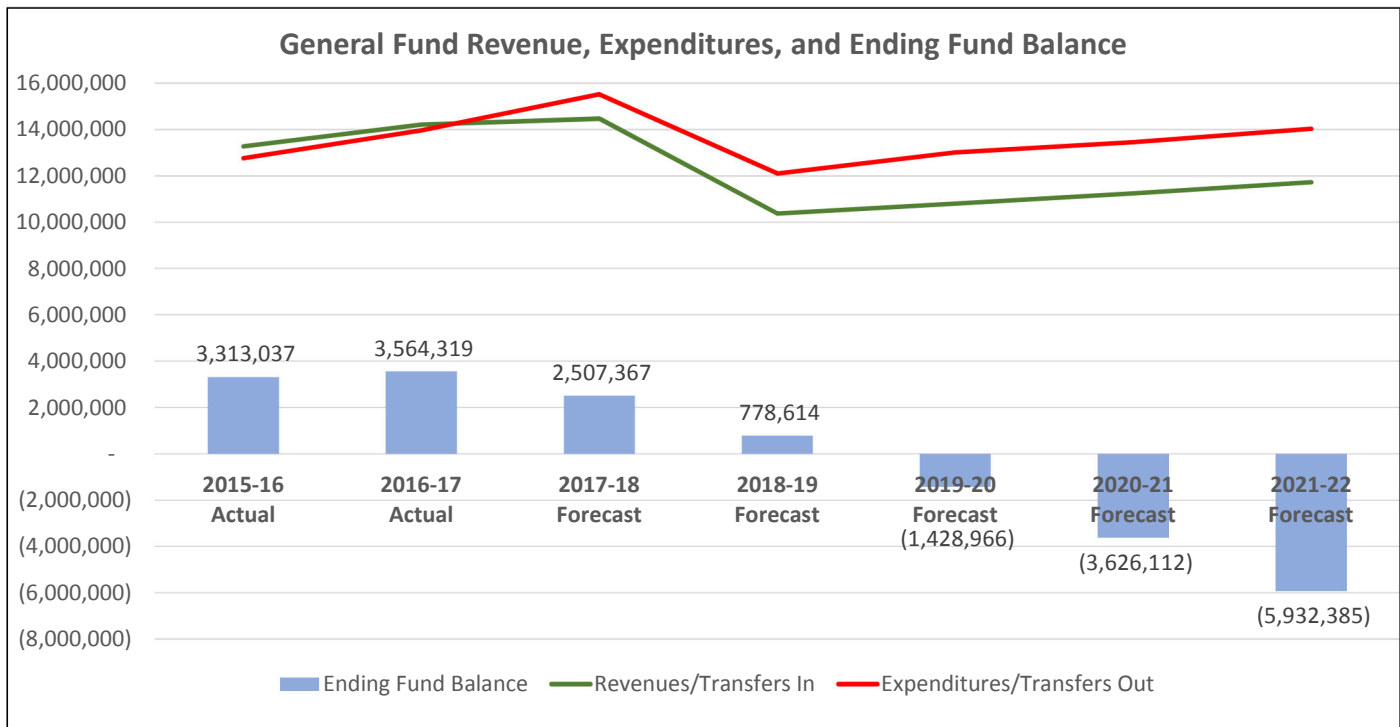
Summary of Revenue Options

Type of Revenue	2018-19	2019-20	2020-21	2021-22
Local Option Levy - \$1.00, 0% compression	-	1,877,102	1,957,817	2,042,004
Franchise Fee Increase from 5% to 7%	303,995	310,075	316,277	322,602
Public Safety Fee Increase from \$5 in 2017-18 to \$15 in 2018-19 and \$20 in 2019-20	1,000,000	1,500,000	1,500,000	1,500,000
Local Option Levy - \$1.14, 0% compression	-	2,139,896	2,231,912	2,327,884
Public Safety Fee Decrease from \$5 to \$0	(500,000)	(500,000)	(500,000)	(500,000)

General Fund - Base Projection

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see #1, bottom of page).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see #2, bottom of page).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	778,614	(1,428,966)	(3,626,112)
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,368,719	10,794,166	11,245,296	11,723,770
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,097,473)	(13,001,746)	(13,442,442)	(14,030,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,728,754)	(2,207,580)	(2,197,146)	(2,306,273)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	778,614	(1,428,966)	(3,626,112)	(5,932,385)
Fund Balance % (Target = 16%)	25.98%	25.53%	16.15%	6.44%	-10.99%	-26.98%	-42.28%



	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(1,391,504)	(1,561,944)	(1,551,510)	(1,660,637)
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(1,728,754)	(2,207,580)	(2,197,146)	(2,306,273)

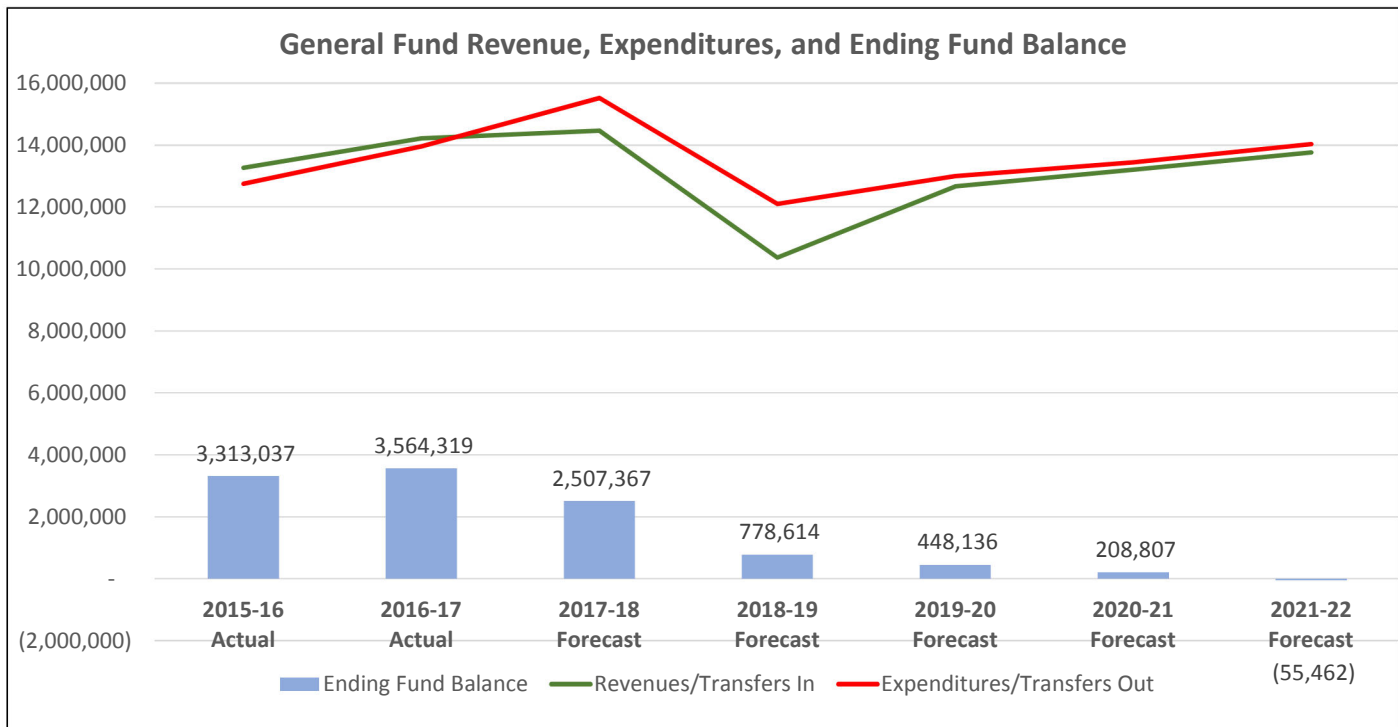
2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.							
Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

General Fund - Local Option Levy

Scenario 1

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see #1, bottom of page).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see #2, bottom of page).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) **Local Option Levy, with 0% compression, of \$1.00 per \$1,000 of assessed value in 2019-20 and each subsequent year.**

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	778,614	448,136	208,807
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,368,719	12,671,268	13,203,113	13,765,774
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,097,473)	(13,001,746)	(13,442,442)	(14,030,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,728,754)	(330,478)	(239,329)	(264,269)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	778,614	448,136	208,807	(55,462)
Fund Balance % (Target = 16%)	25.98%	25.53%	16.15%	6.44%	3.45%	1.55%	-0.40%



	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(1,391,504)	315,158	406,307	381,367
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(1,728,754)	(330,478)	(239,329)	(264,269)

- 2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.

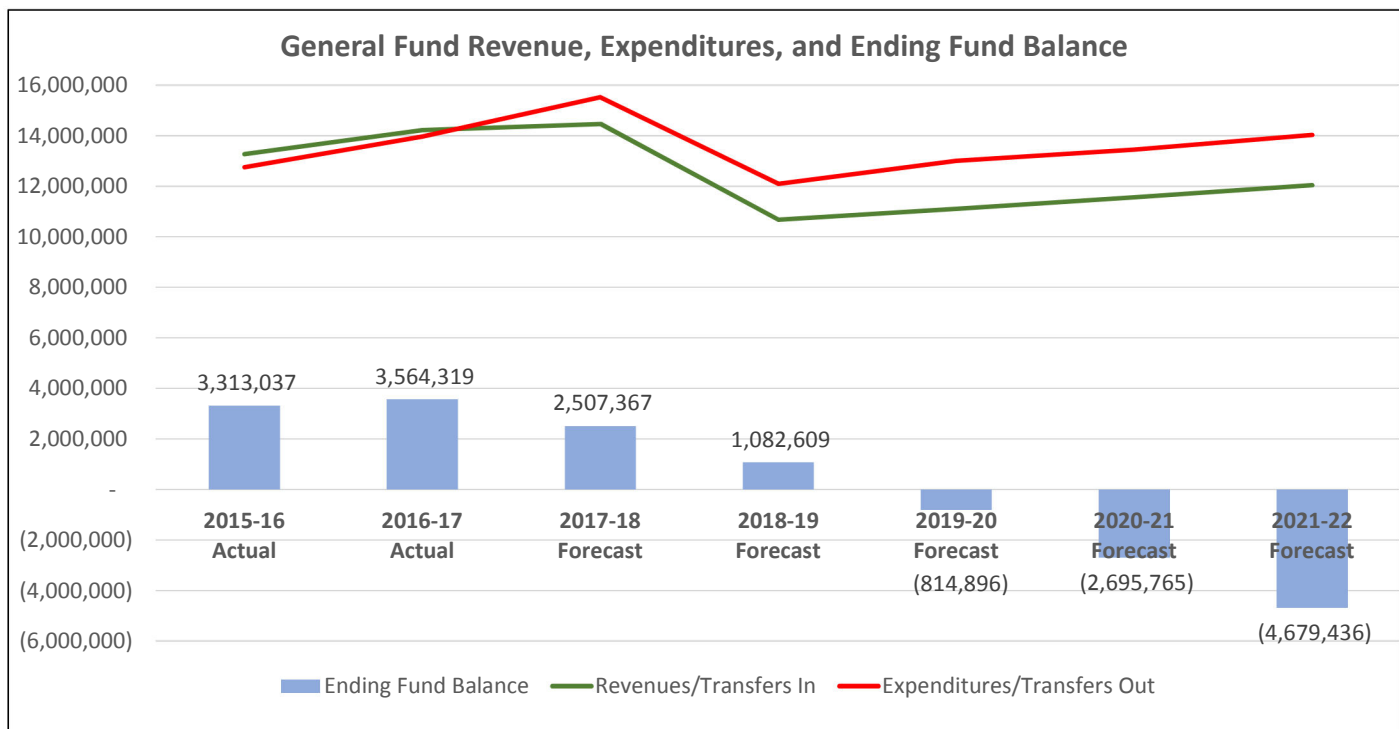
Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

General Fund - Internal Franchise Fee Increase

Scenario 2

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see #1, bottom of page).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see #2, bottom of page).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) Internal Franchise Fee on Water, Wastewater and Stormwater revenue from 5% to 7% in 2018-19 and each subsequent year.

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	1,082,609	(814,896)	(2,695,765)
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,672,714	11,104,241	11,561,573	12,046,372
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,097,473)	(13,001,746)	(13,442,442)	(14,030,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,424,759)	(1,897,505)	(1,880,869)	(1,983,671)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	1,082,609	(814,896)	(2,695,765)	(4,679,436)
Fund Balance % (Target = 16%)	25.98%	25.53%	16.15%	8.95%	-6.27%	-20.05%	-33.35%



	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(1,087,509)	(1,251,869)	(1,235,233)	(1,338,035)
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(1,424,759)	(1,897,505)	(1,880,869)	(1,983,671)

- 2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.

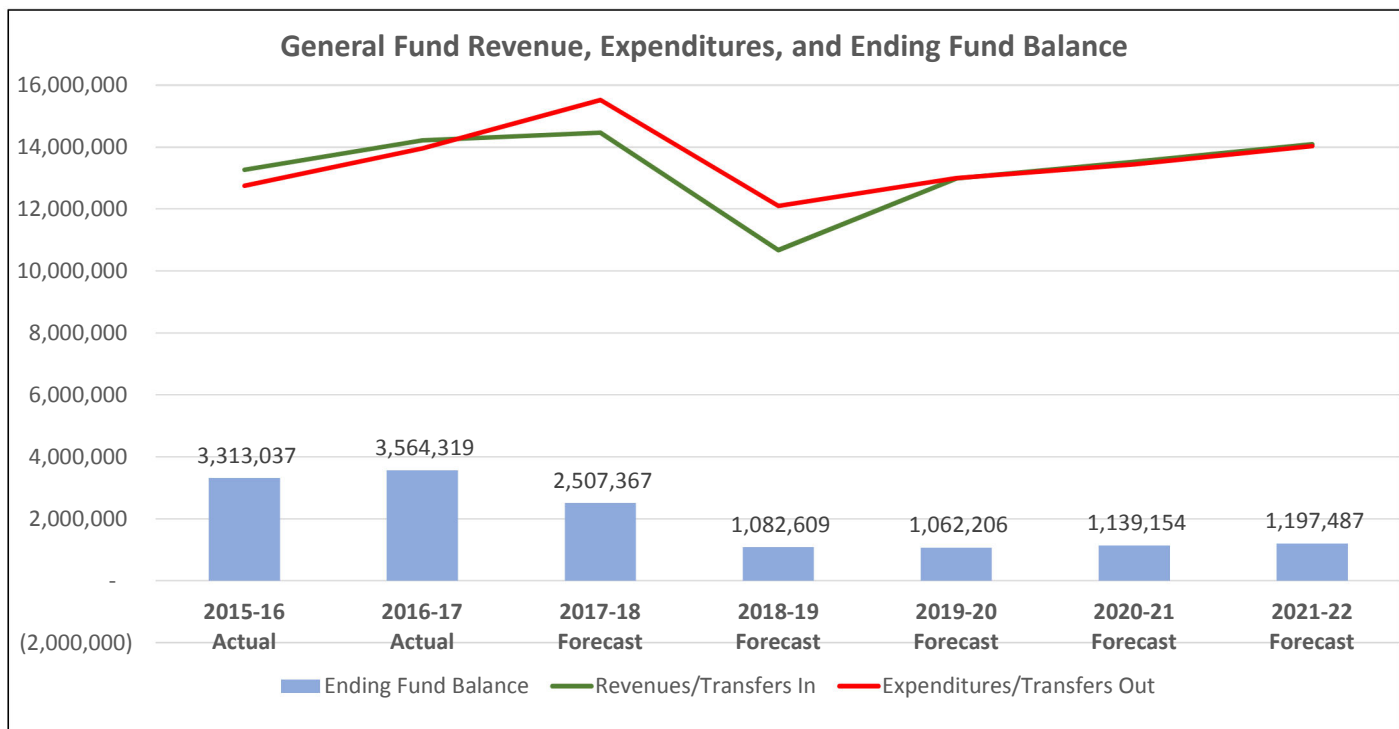
Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

General Fund - Local Option Levy & Internal Franchise Fee Increase

Scenario 3

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see #1, bottom of page).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see #2, bottom of page).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) **Local Option Levy, with 0% compression, of \$1.00 per \$1,000 of assessed value in 2019-20 and each subsequent year.**
- 6) **Internal Franchise Fee on Water, Wastewater, and Stormwater revenue from 5% to 7% in 2018-19 and each subsequent year.**

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	1,082,609	1,062,206	1,139,154
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,672,714	12,981,343	13,519,390	14,088,376
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,097,473)	(13,001,746)	(13,442,442)	(14,030,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,424,759)	(20,403)	76,948	58,333
Ending Fund Balance	3,313,037	3,564,319	2,507,367	1,082,609	1,062,206	1,139,154	1,197,487
Fund Balance % (Target = 16%)	25.98%	25.53%	16.15%	8.95%	8.17%	8.47%	8.54%



	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(1,087,509)	625,233	722,584	703,969
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(1,424,759)	(20,403)	76,948	58,333

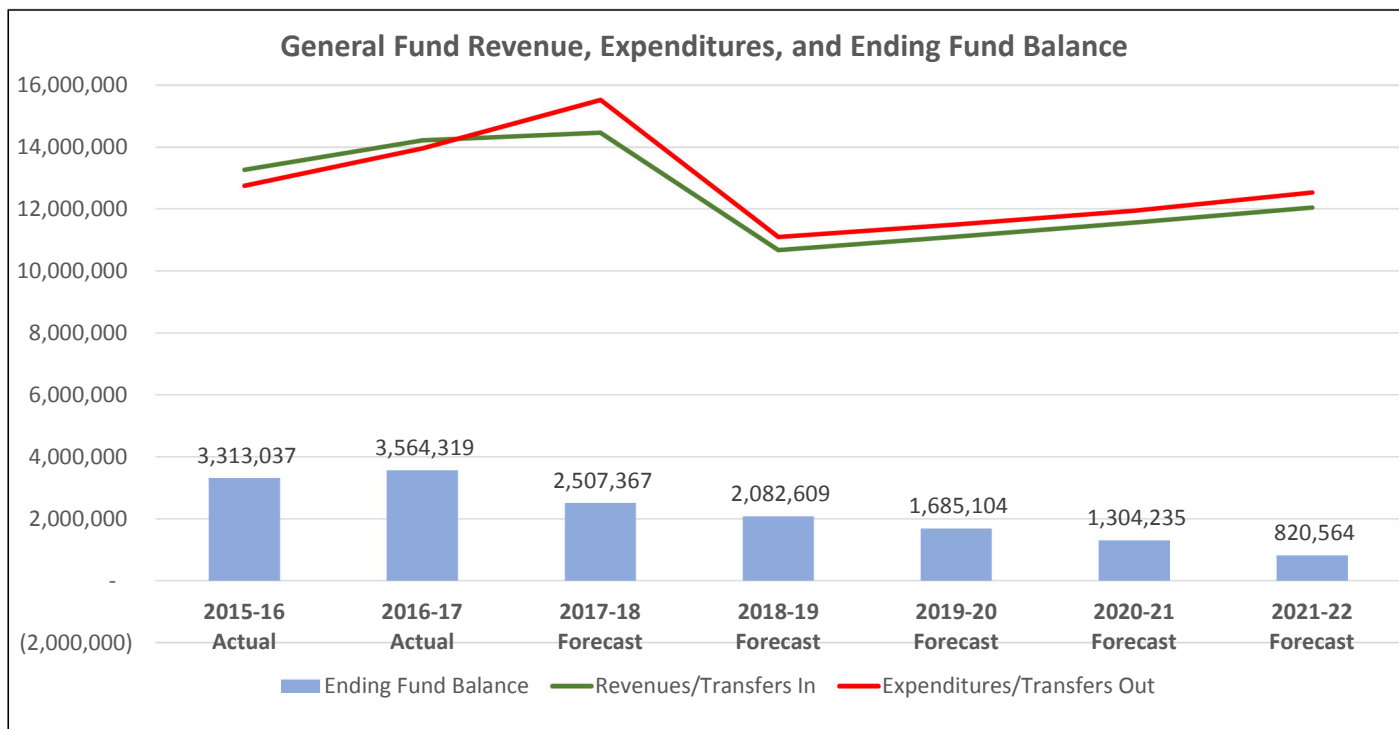
- 2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.

Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

General Fund - Public Safety Fee Increase and Internal Franchise Fee Increase Scenario 4

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see #1, bottom of page).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see #2, bottom of page).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) **Public Safety Fee increases from \$5 in 2017-18 to \$15 in 2018-19 and \$20 in 2019-20 (and subsequent years).**
- 6) **Internal Franchise Fee on Water, Wastewater, and Stormwater revenue from 5% to 7% in 2018-19 and subsequent years.**

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	2,082,609	1,685,104	1,304,235
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,672,714	11,104,241	11,561,573	12,046,372
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(11,097,473)	(11,501,746)	(11,942,442)	(12,530,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(424,759)	(397,505)	(380,869)	(483,671)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	2,082,609	1,685,104	1,304,235	820,564
Fund Balance % (Target = 16%)	25.98%	25.53%	16.15%	18.77%	14.65%	10.92%	6.55%



	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(87,509)	248,131	264,767	161,965
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(424,759)	(397,505)	(380,869)	(483,671)

- 2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.

Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

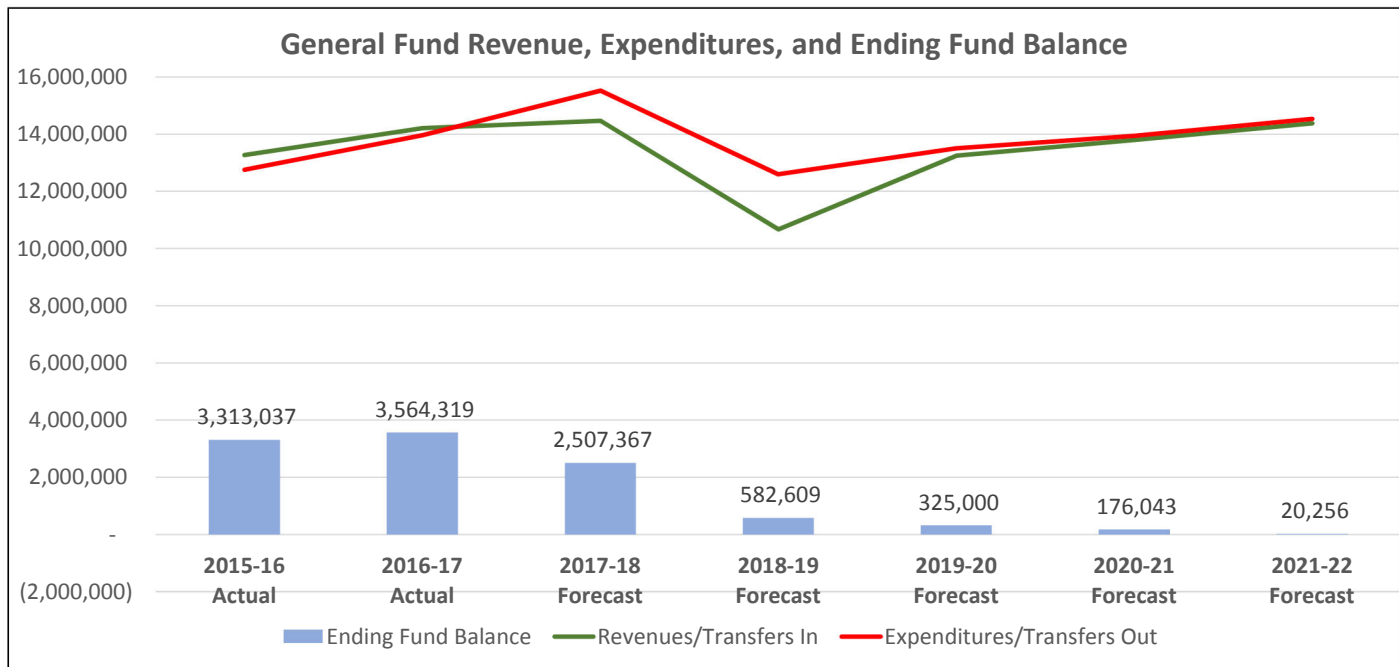
General Fund - Local Option Levy & Internal Franchise Fee Increase

Scenario 5

No Public Safety Fee

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see #1, bottom of page).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see #2, bottom of page).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) **Local Option Levy, with 0% compression, of \$1.14 per \$1,000 of assessed value in 2019-20 and each subsequent year.**
- 6) **Internal Franchise Fee on Water, Wastewater, and Stormwater revenue from 5% to 7% in 2018-19 and each subsequent year.**
- 7) **Public Safety Fee decreased from \$5 to \$0 (eliminated) in 2018-19 and each subsequent year.**

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	582,609	325,000	176,043
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,672,714	13,244,137	13,793,485	14,374,256
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,597,473)	(13,501,746)	(13,942,442)	(14,530,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,924,759)	(257,609)	(148,957)	(155,787)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	582,609	325,000	176,043	20,256
Fund Balance % (Target = 16%)	25.98%	25.53%	16.15%	4.62%	2.41%	1.26%	0.14%



	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(1,587,509)	388,027	496,679	489,849
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(1,924,759)	(257,609)	(148,957)	(155,787)

2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.							
Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633



Long Range Financial Planning Presentation

Newberg City Council Special Session
January 9, 2018

Challenges to Address

1. How to pay for \$3.15 million upgrade to Public Safety Communications system?
2. How to close the ongoing difference of \$1.3 million in General Fund revenues versus expenditures?

Public Safety Communications Upgrade

- Council #1 priority
- Components of project
 - Antenna
 - Radios
 - Dispatch equipment
 - Computer Aided Dispatch (CAD) upgrade

Public Safety Communications Upgrade (continued)

- Funding

- City

- ❖ Butler Property – appraisal contract signed, expect report in one month.
 - ❖ Animal shelter – appraisal contract under negotiation and ongoing discussions with Newberg Animal Shelter Friends (NASF) and potential foundation grant for purchase, expect report in one month after contract signed.

- Tualatin Valley Fire & Rescue

- ❖ Sale of equipment – Suspended until March 13 TVF&R vote
 - ❖ Transfer of Springbrook station and additional lot. Retain downtown station – Suspended until March 13 TVF&R vote.

- Dundee Fire

Impact of 2% Cost of Living Adjustment (COLA) on General Fund

The impact of a 2% COLA applied to each future fiscal year would increase annual expenditures above the December 4, 2017 forecast by the following amounts, regardless of the various revenue-generating scenarios :

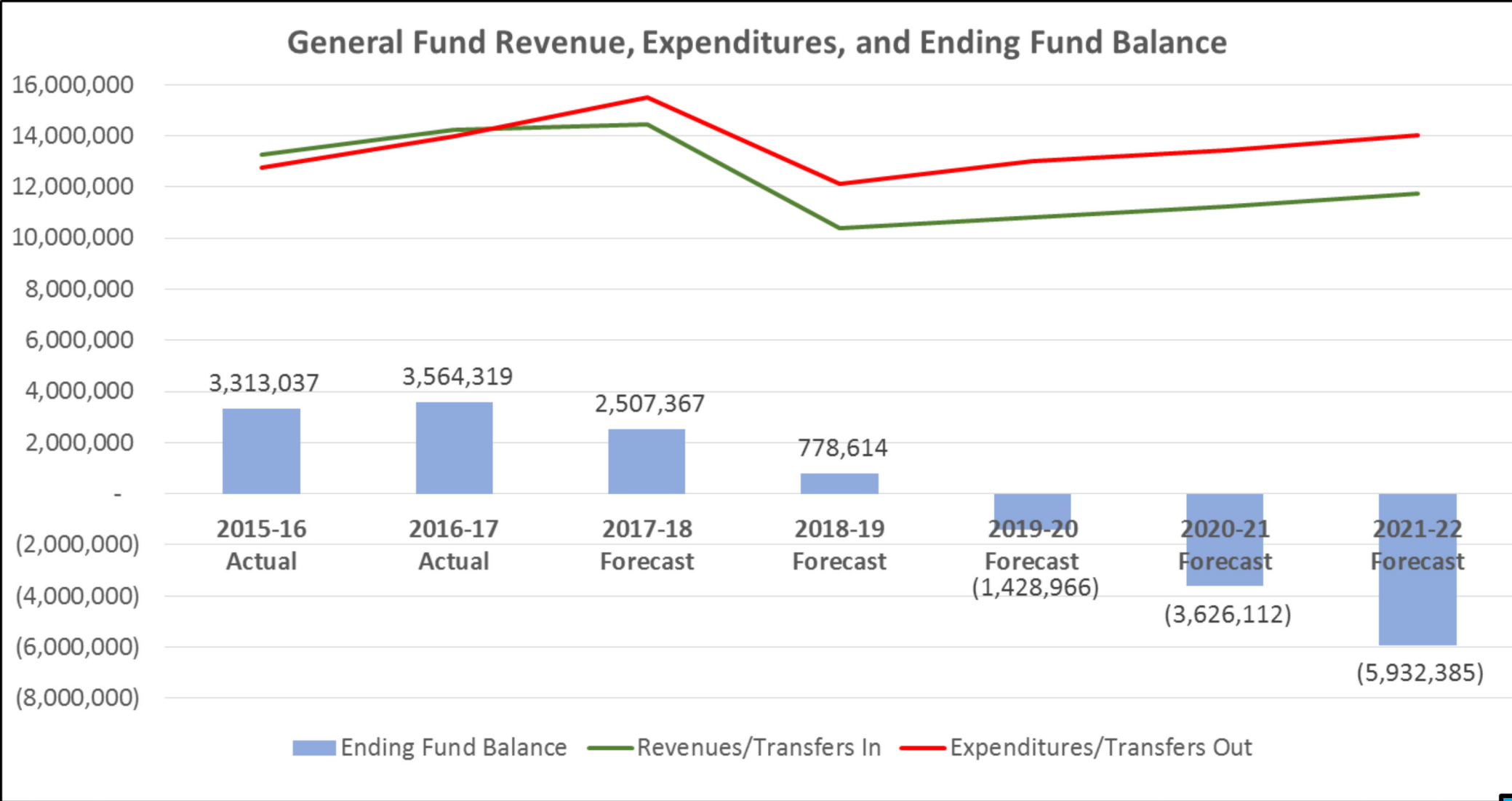
2018-19	\$149,562
2019-20	\$312,105
2020-21	\$478,362
2021-22	\$661,017

General Fund – Base Projection

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see slide #8).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see slide #8).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.

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Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,097,473)	(13,001,746)	(13,442,442)	(14,030,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,728,754)	(2,207,580)	(2,197,146)	(2,306,273)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	778,614	(1,428,966)	(3,626,112)	(5,932,385)
<i>Fund Balance % (Target = 16%)</i>	25.98%	25.53%	16.15%	6.44%	-10.99%	-26.98%	-42.28%

General Fund – Base Projection



General Fund – Base Projection

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Tier 1/Tier 2	21.09%	21.09%	21.09%	26.32%	26.32%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	13.11%	16.02%	16.02%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	17.22%	20.79%	20.79%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.80%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

General Fund – Local Option Levy

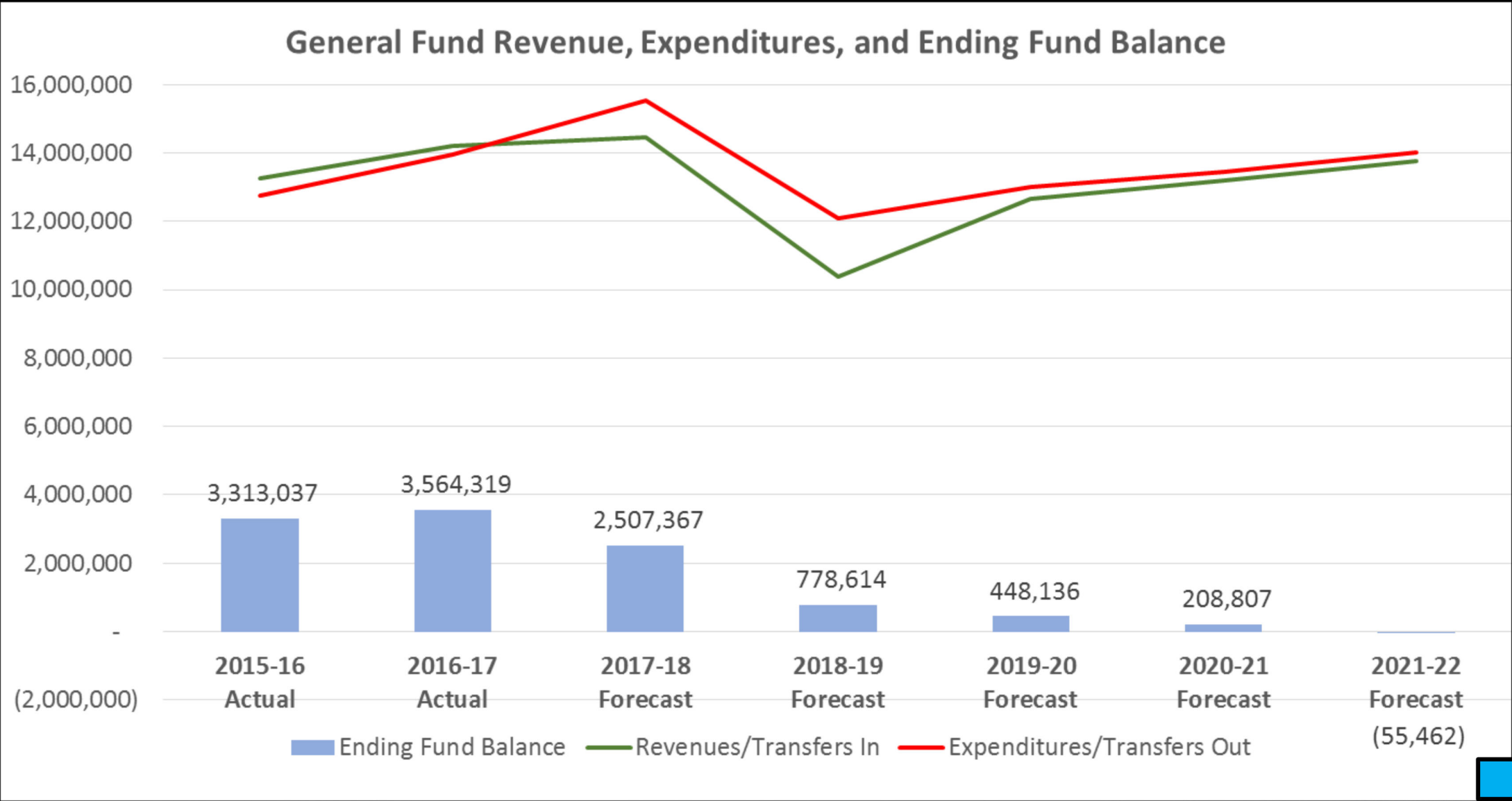
Scenario 1

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see slide #11).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see slide #11).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) **Local Option Levy, with 0% compression, of \$1.00 per \$1,000 of assessed value from 2019-20 through 2023-24 (5 yrs).**

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	778,614	448,136	208,807
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,368,719	12,671,268	13,203,113	13,765,774
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,097,473)	(13,001,746)	(13,442,442)	(14,030,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,728,754)	(330,478)	(239,329)	(264,269)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	778,614	448,136	208,807	(55,462)
<i>Fund Balance % (Target = 16%)</i>	25.98%	25.53%	16.15%	6.44%	3.45%	1.55%	-0.40%

General Fund – Local Option Levy

Scenario 1



General Fund – Local Option Levy

Scenario 1

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(1,391,504)	315,158	406,307	381,367
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(1,728,754)	(330,478)	(239,329)	(264,269)
2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.							
Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

General Fund –Internal Franchise Fee Increase

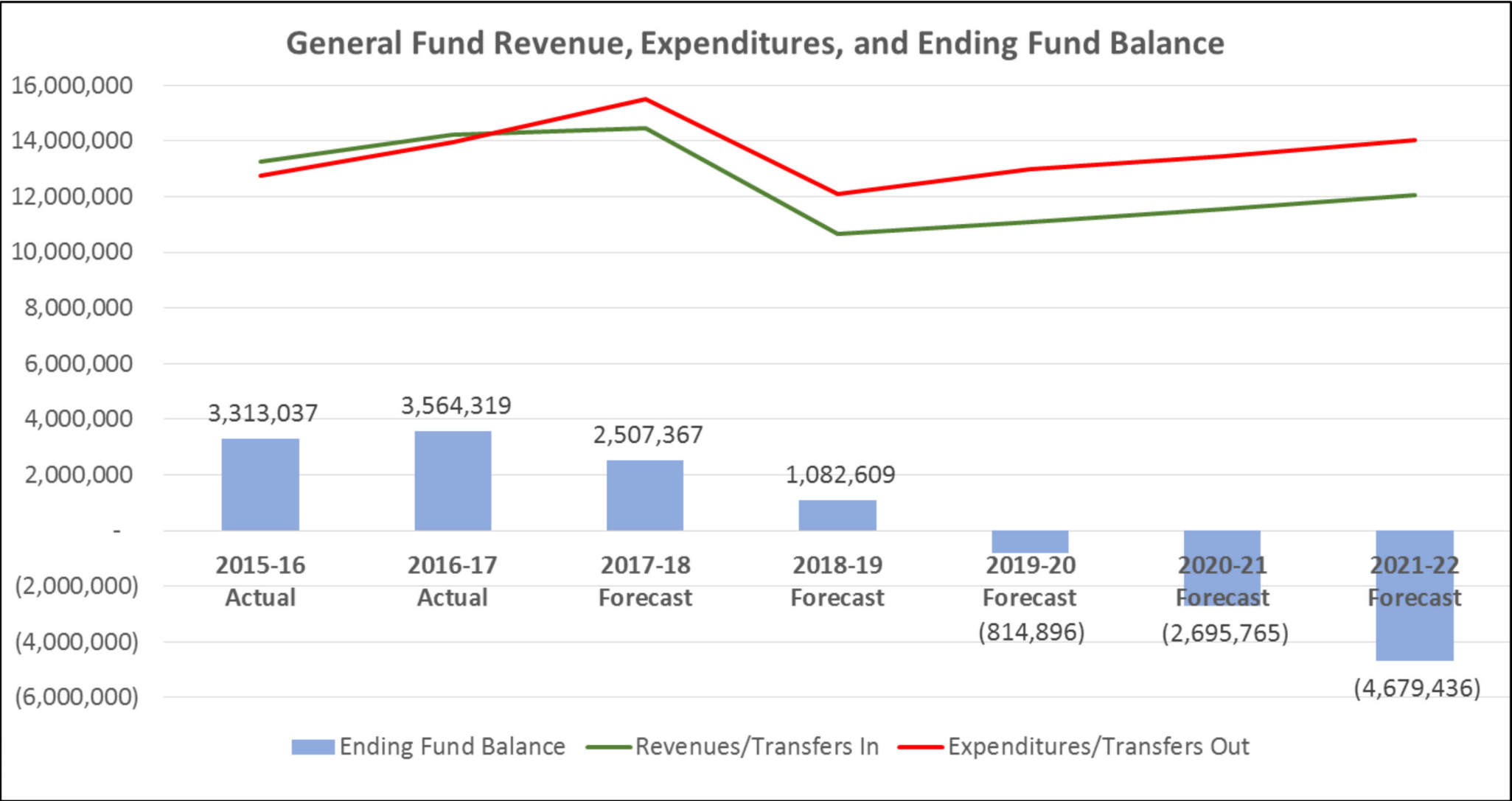
Scenario 2

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see slide #14).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see slide #14).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) Internal Franchise Fee on Water, Wastewater and Stormwater revenue from 5% to 7% in 2018-19 and each subsequent year.**

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	1,082,609	(814,896)	(2,695,765)
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,672,714	11,104,241	11,561,573	12,046,372
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,097,473)	(13,001,746)	(13,442,442)	(14,030,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,424,759)	(1,897,505)	(1,880,869)	(1,983,671)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	1,082,609	(814,896)	(2,695,765)	(4,679,436)
<i>Fund Balance % (Target = 16%)</i>	25.98%	25.53%	16.15%	8.95%	-6.27%	-20.05%	-33.35%

General Fund –Internal Franchise Fee Increase

Scenario 2



General Fund –Internal Franchise Fee Increase

Scenario 2

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(1,087,509)	(1,251,869)	(1,235,233)	(1,338,035)
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(1,424,759)	(1,897,505)	(1,880,869)	(1,983,671)
2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.							
Tier 1/Tier 2	21.09%	21.09%	21.09%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	13.11%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	17.22%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.80%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

General Fund – Local Option Levy & Internal Franchise Fee Increase

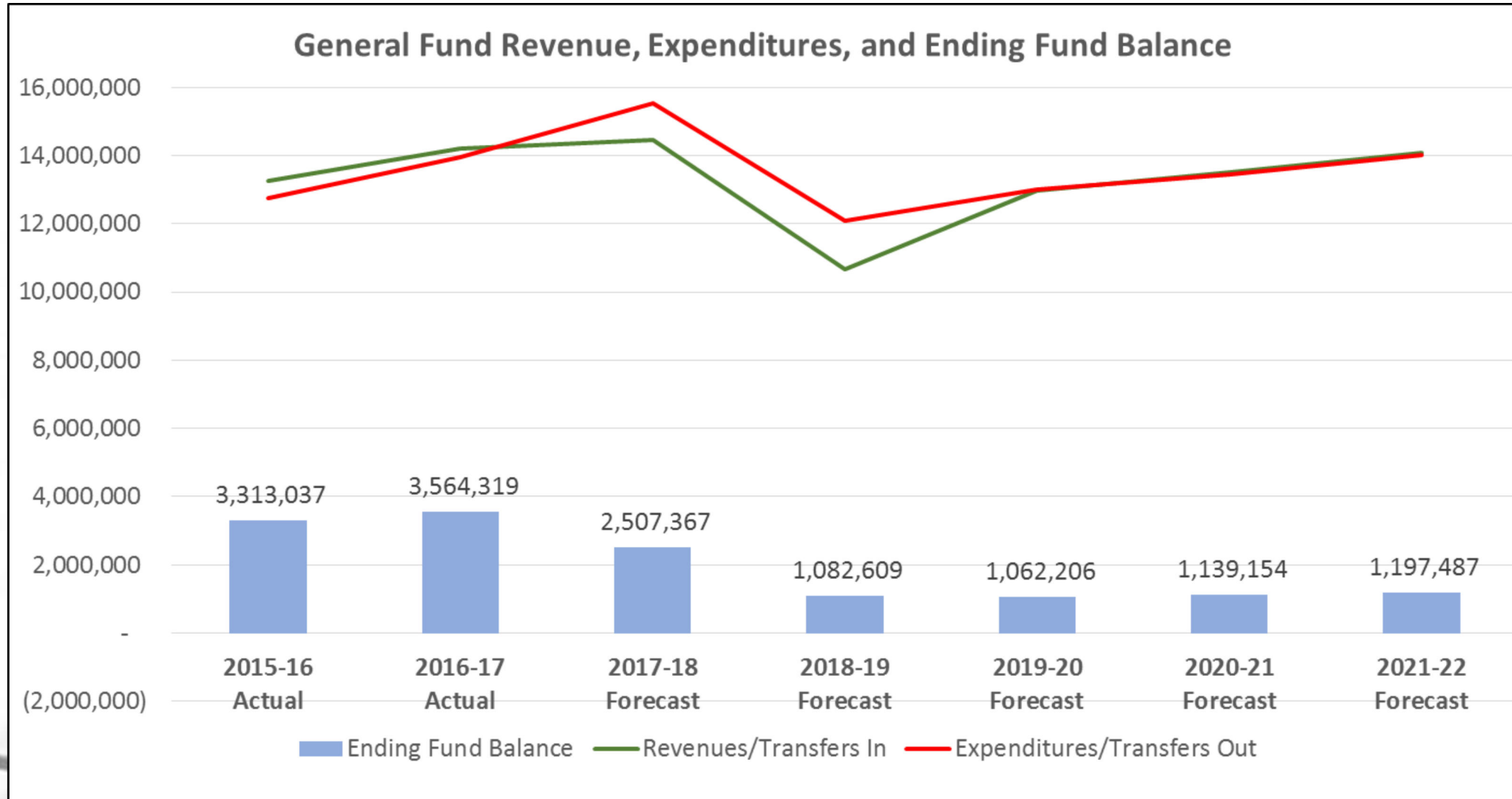
Scenario 3

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see slide #17).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see slide #17).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) **Local Option Levy, with 0% compression, of \$1.00 per \$1,000 of assessed value from 2019-20 through 2023-24 (5 yrs).**
- 6) **Internal Franchise Fee on Water, Wastewater, and Stormwater revenue from 5% to 7% in 2018-19 and each subsequent year.**

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	1,082,609	1,062,206	1,139,154
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,672,714	12,981,343	13,519,390	14,088,376
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,097,473)	(13,001,746)	(13,442,442)	(14,030,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,424,759)	(20,403)	76,948	58,333
Ending Fund Balance	3,313,037	3,564,319	2,507,367	1,082,609	1,062,206	1,139,154	1,197,487
<i>Fund Balance % (Target = 16%)</i>	25.98%	25.53%	16.15%	8.95%	8.17%	8.47%	8.54%

General Fund – Local Option Levy & Internal Franchise Fee Increase

Scenario 3



General Fund – Local Option Levy & Internal Franchise Fee Increase

Scenario 3

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(1,087,509)	625,233	722,584	703,969
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(1,424,759)	(20,403)	76,948	58,333

2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.

Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

General Fund – Public Safety Fee Increase & Internal Franchise Fee Increase

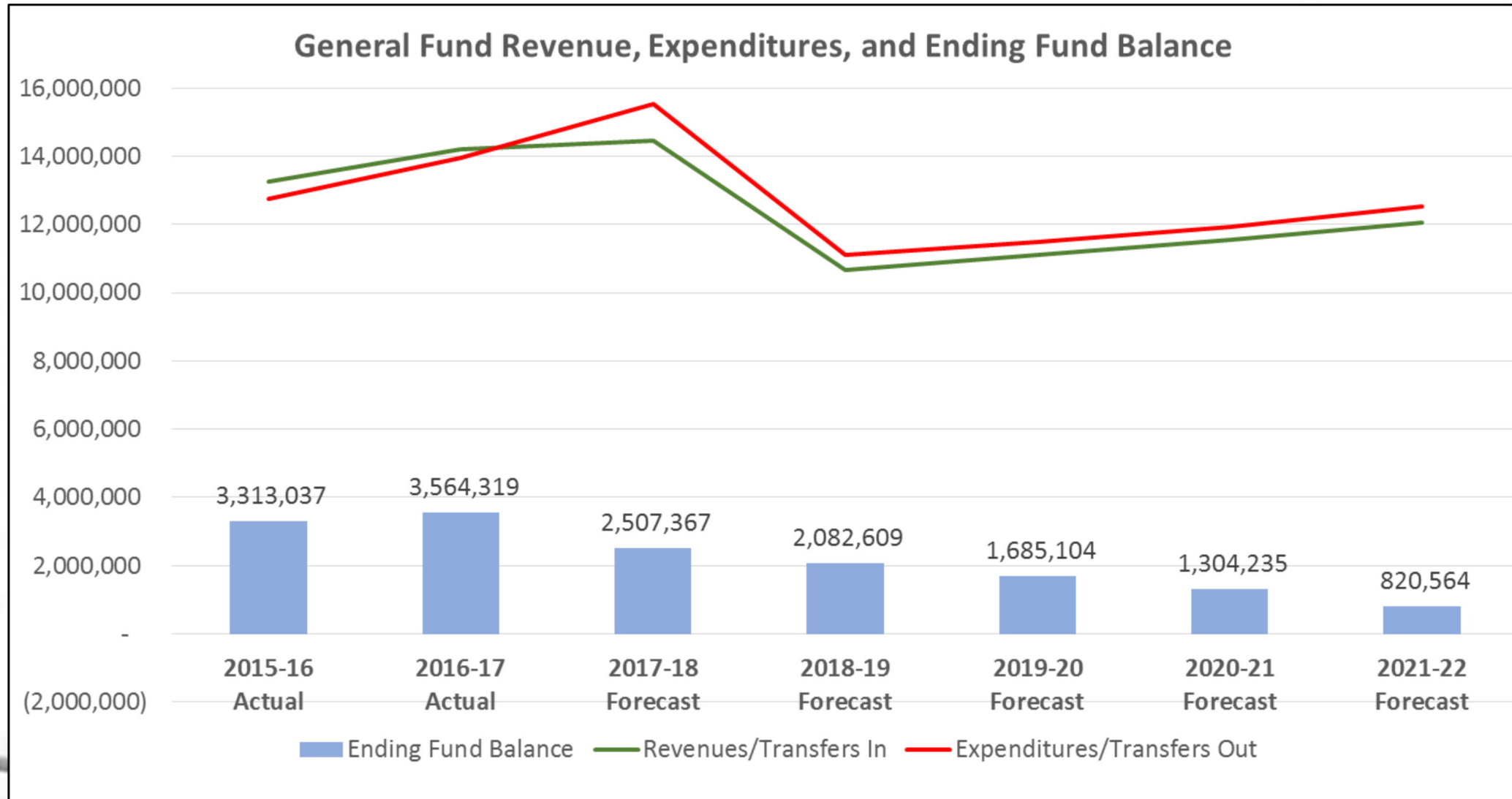
Scenario 4

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see slide #20).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see slide #20).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) **Public Safety Fee increases from \$5 in 2017-18 to \$15 in 2018-19 and \$20 in 2019-20 (and subsequent years).**
- 6) **Internal Franchise Fee on Water, Wastewater, and Stormwater revenue from 5% to 7% in 2018-19 and subsequent years.**

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	2,082,609	1,685,104	1,304,235
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,672,714	11,104,241	11,561,573	12,046,372
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(11,097,473)	(11,501,746)	(11,942,442)	(12,530,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(424,759)	(397,505)	(380,869)	(483,671)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	2,082,609	1,685,104	1,304,235	820,564
<i>Fund Balance % (Target = 16%)</i>	25.98%	25.53%	16.15%	18.77%	14.65%	10.92%	6.55%

General Fund – Public Safety Fee Increase & Internal Franchise Fee Increase

Scenario 4



General Fund – Public Safety Fee Increase & Internal Franchise Fee Increase

Scenario 4

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
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1) Annual Surplus/(Shortfall) Composition

Public Safety communication project debt payments
(extends into 2023-24)

Operational surplus/(shortfall)

Annual Surplus/(Shortfall), as stated above

-	(337,250)	(645,636)	(645,636)	(645,636)
(1,056,951)	(87,509)	248,131	264,767	161,965
(1,056,951)	(424,759)	(397,505)	(380,869)	(483,671)

2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.

Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

General Fund – Local Option Levy, Internal Franchise Fee & No Public Safety Fee

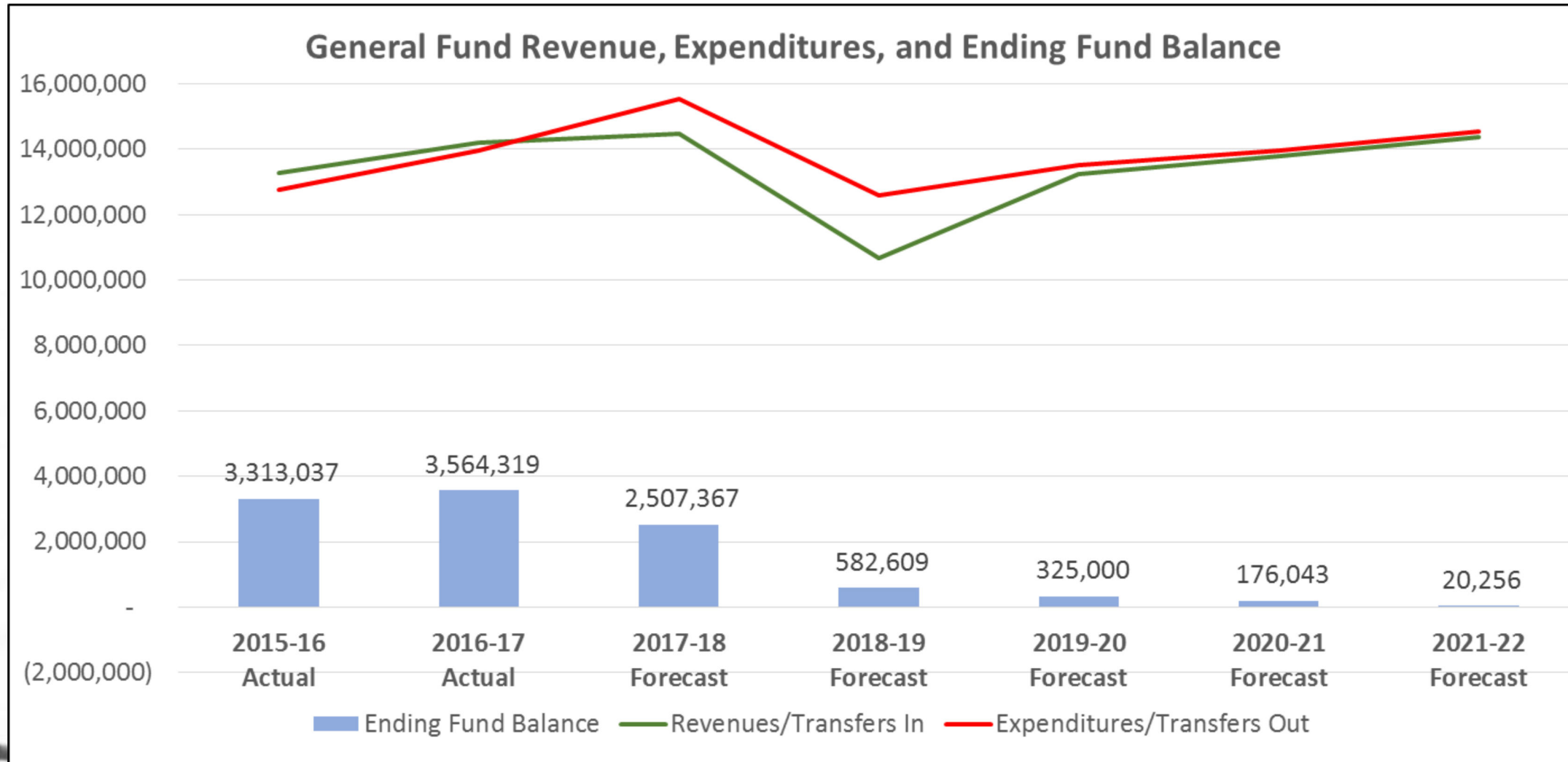
Scenario 5

- 1) 2018-19 levy drops to \$2.50 and increases 3% in each subsequent year. 4.3% growth in Tax Assessed Value.
- 2) Includes debt service payments for Public Safety communications project (see slide #23).
- 3) Includes December 2017 advisory PERS rate increases for 2019-21, and assumes same rate increase for 2021-22 (see slide #23).
- 4) 2% Cost of Living Adjustment (COLA) in 2018-19 and each subsequent year.
- 5) **Local Option Levy, with 0% compression, of \$1.14 per \$1,000 of assessed value from 2019-20 through 2023-24 (5 yrs).**
- 6) **Internal Franchise Fee on Water, Wastewater, and Stormwater revenue from 5% to 7% in 2018-19 and each subsequent year.**
- 7) **Public Safety Fee decreased from \$5 to \$0 (eliminated) in 2018-19 and each subsequent year.**

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,319	2,507,367	582,609	325,000	176,043
Revenue & Transfers In	13,266,735	14,212,032	14,464,456	10,672,714	13,244,137	13,793,485	14,374,256
Expenditures & Transfers Out	(12,751,373)	(13,960,750)	(15,521,408)	(12,597,473)	(13,501,746)	(13,942,442)	(14,530,043)
Annual Surplus/(Shortfall)	515,361	251,282	(1,056,951)	(1,924,759)	(257,609)	(148,957)	(155,787)
Ending Fund Balance	3,313,037	3,564,319	2,507,367	582,609	325,000	176,043	20,256
<i>Fund Balance % (Target = 16%)</i>	25.98%	25.53%	16.15%	4.62%	2.41%	1.26%	0.14%

General Fund – Local Option Levy, Internal Franchise Fee & No Public Safety Fee

Scenario 5



General Fund – Local Option Levy, Internal Franchise Fee & No Public Safety Fee

Scenario 5

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Forecast	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast
1) Annual Surplus/(Shortfall) Composition							
Public Safety communication project debt payments (extends into 2023-24)			-	(337,250)	(645,636)	(645,636)	(645,636)
Operational surplus/(shortfall)			(1,056,951)	(1,587,509)	388,027	496,679	489,849
Annual Surplus/(Shortfall), as stated above			(1,056,951)	(1,924,759)	(257,609)	(148,957)	(155,787)
2) PERS Rates (including 6% City-paid employee pickup). These rates are applied to employees subject salary.							
Tier 1/Tier 2	21.09%	21.09%	26.32%	26.32%	29.05%	29.05%	31.78%
OPSRP-General Empe	13.11%	13.11%	16.02%	16.02%	19.36%	19.36%	22.70%
OPSRP-Police & Fire	17.22%	17.22%	20.79%	20.79%	24.09%	24.09%	27.39%
PERS Bond	4.80%	4.80%	4.50%	4.60%	4.75%	4.90%	5.02%
Total PERS Costs	\$1,189,921	\$942,994	\$1,206,219	\$1,246,912	\$1,421,129	\$1,462,830	\$1,643,633

Summary of Revenue Options

Type of Revenue	2018-19	2019-20	2020-21	2021-22
Local Option Levy - \$1.00, 0% compression	-	1,877,102	1,957,817	2,042,004
Franchise Fee Increase from 5% to 7%	303,995	310,075	316,277	322,602
Public Safety Fee Increase from \$5 in 2017-18 to \$15 in 2018-19 and \$20 in 2019-20	1,000,000	1,500,000	1,500,000	1,500,000
Local Option Levy - \$1.14, 0% compression	-	2,139,896	2,231,912	2,327,884
Public Safety Fee Decrease from \$5 to \$0	(500,000)	(500,000)	(500,000)	(500,000)

City of Newberg Franchise Fee Rates

Electric	5%
Natural Gas	5%
Telecom Utility	7%
Other Telecom Utility	5%
Cable	5%
Water	5%
Sanitary Sewer	5%
Storm Sewer	5%

WCCCA Dispatch Model (General Fund)

	<u>Option 1</u>	<u>Option 2</u>
Assumed WCCCA Costs (Tualatin) Using Tualatin as example due to similar size population to Newberg/Dundee	\$ 354,218	\$ 354,218
City Personnel		
2 records clerks (2.0 FTE)	180,000	
1 manager (0.50 FTE), with other half already in Police Office Support	<u>68,225</u>	68,225
Materials & Services		
Supplies, Training, etc.	30,000	30,000
Internal Charges-Admin Support Svcs		
Existing cost of dispatch services that would be retained by the City and reapportioned over the remaining departments	361,000	361,000
Total Costs	<u>\$ 993,443</u>	<u>\$ 813,443</u>
Dundee contract revenue	(41,483)	(41,483)
Net costs	<u>\$ 951,960</u>	<u>\$ 771,960</u>

WCCCA Dispatch Model (General Fund) (cont'd)

Cost Comparision between Current and New Models

Cost of CON-operated dispatch model

Cost of General Fund WCCCA dispatch model

Savings

Annual revenue raised by a \$2 Communications Officer
Fee

<u>Option 1</u>	<u>Option 2</u>
1,228,577	1,228,577
(951,960)	(771,960)
<u>\$ 276,617</u>	<u>\$ 456,617</u>

\$ 194,000	\$ 194,000
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Police & Communications Revenues & Expenditures

	FY17-18				FY18-19			
	Gen Fund	911 Fund	PSF Fund	Total	Gen Fund	911 Fund	PSF Fund	Total
Revenue								
Police Grants	1,500			1,500	1,500			1,500
Dundee Police Contract	450,555			450,555	459,566			459,566
School District-SRO	35,000			35,000	35,000			35,000
Forensic Services	-			-	-			-
Police Reports, Impound Fees	8,000			8,000	8,000			8,000
Police Reserves Revenue	-			-	-			-
Traffic Fines	474,754			474,754	479,502			479,502
Alarm Fees	1,500			1,500	1,500			1,500
Traffic School Fee	86,909			86,909	87,778			87,778
Photo Red Light	2,000			2,000	2,000			2,000
K-9 Donations	750			750	750			750
911 Excise Taxes		205,000		205,000		207,050		207,050
911 Dundee Excise Taxes		16,000		16,000		16,160		16,160
Public Safety Fee-Patrol			295,000	295,000			295,000	295,000
Public Safety Fee-Commun			201,209	201,209			205,233	205,233
	1,060,968	221,000	496,209	1,778,177	1,075,596	223,210	500,233	1,799,039
Expenses								
Police	6,835,552	-	353,042	7,188,594	7,047,571	-	402,040	7,449,611
Communications	1,270,060	224,502	186,630	1,681,192	1,317,647	232,856	210,822	1,761,325
	8,105,612	224,502	539,672	8,869,786	8,365,218	232,856	612,862	9,210,936
Net Police Costs	7,044,644	3,502	43,463	7,091,609	7,289,622	9,646	112,629	7,411,897
Property Tax Levy Revenue (Net Collections)	7,562,424				4,499,286	\$2.50 per \$1,000 Assessed Value		

Amount of tax to cover Net Police Costs is approximately \$4.05 per \$1,000 Assessed Value in FY 18-19.

General Fund Impact of FY16-17 New Positions

Position	FTE Increase	FY 17-18			FY 18-19		
		Total City-wide	General Fund Allocation		Total City-wide	General Fund Allocation	
		Cost	%	\$	Cost	%	\$
Community Engagement Specialist	1.00	106,046	47.39%	50,255	113,204	47.39%	53,647
HR Assistant	0.50	38,647	57.74%	22,315	39,680	57.74%	22,911
Assistant Planner	1.00	97,293	100.00%	97,293	102,387	100.00%	102,387
Senior Accountant	0.50	63,020	25.62%	16,146	66,168	25.62%	16,952
Systems Administrator	1.00	110,378	75.25%	83,059	114,687	75.25%	86,302
Facilities & Ground Maint Worker	1.00	73,058	71.02%	10,377	76,990	71.02%	10,936
	<u>5.00</u>	<u>488,442</u>		<u>279,445</u>	<u>513,116</u>		<u>293,135</u>



Questions?

NEWBERG CITY COUNCIL MEETING INFORMATION

Meeting Date: January 9th, 2018

Prepared by: Sue Ryan

Councilors	Roll Call Work Session on LRFP No votes
ANDREWS, Bob, Mayor	X
BACON, Denise	X
COREY, Mike	X
ESSIN, Scott	X
JOHNSON, Patrick	X
McKINNEY, Stephen	Absent
MURRAY, Matt	X

Meeting adjourned at 7:55 p.m.