Tuesday, 7:30 P.M. April 21, 1987

MINUTES OF A MEETING
OF THE BUDGET COMMITTEE

Council Chambers Newberg, Oregon

The meeting was called to order by Chairman Harold Grobey.

ROLL CALL:	**Council Members**	**Citizens**
Present -	Roger Gano Harold Grobey Quentin Probst Donna Proctor Marily Rementeria	Joe Brugato Aaron Corum Lee Hall Rick Rementeria (at 8:15) Wingert Walker
Absent -	Alan Halstead Tommy Tucker Joe Young	Fred LaBonte Marty McIntosh Lyle Wilson

Staff Present: Elvern Hall, Manager Pro Tem and Budget Officer
Brenda Stroud, Finance Director
Doug Richmond, Asst. Finance Director
Terrence Mahr, City Attorney
Arvilla Page, City Recorder
Doreen Turpen, Library Director
Bert Teitzel, Public Works Director
Mike Soderquist, Special Consultant on Sewage Plant

Others Present: One citizen.

Minutes of the meeting of April 14, 1987 were approved as presented.

Ms. Stroud provided the Committee with the corrected figures for their budget book. Corrections were needed for action taken by the Committee at the previous meeting.

Motion: Gano-Corum to approve the changes. Carried with one (1) nay - Brugato.

CENTRAL SERVICE:

Motion: Gano-Rementeria to approve the Central Service budget. Carried unanimously.

STATE TAX STREET:

Ms. Stroud and Mr. Teitzel responded to questions from the Committee on projected revenues and expenditures.

Motion: M. Rementeria-Corum to approve State Tax Street Fund. Carried unanimously.

SANITARY SEWER:

Mr. Hall, Budget Officer, reviewed the revenues and expenditures of this fund. In response to questions from the Committee, he said that rates will continue to rise in the future. Ms. Stroud noted that future rate adjustments will depend on a new cost to serve study.

Councilman Gano questioned Operating Supplies and Lab Supplies. He noted that some of the costs for start up of the new plant are grant eligible. Mr. Richmond responded that the grant status was unknown at the time the budget was prepared. Mr. Teitzel added that some other items in this section are budgeted too low.

Chairman Grobey questioned the estimated cost to shut down the old plant. Mr. Teitzel responded that this is the expected cost and there will be some safety hazard to consider.

Mr. Brugato said he was concerned about the increased cost of the new plant. Mr. Teitzel responded that EPA requires us to reach certain levels in the sludge that will require more chemicals. The line item for chemicals is a guess at this time until we have some operating experience. He added that he does not think the estimate is low.

Motion: Gano-Corum to approve the Sanitary Sewer Fund. Carried with three (3) nay. Brugato, L. Hall, Proctor.

SEWER REPLACEMENT RESERVE:

The Budget Officer provided corrections to this fund by adding $12,000 to the Transfers - Capital Improvement Fund.

Motion: Gano-M. Rementeria to approve Sewer Replacement Reserve. Carried unanimously.

SEWER SYSTEM DEVELOPMENT:

The Budget Officer reviewed the revenues and expenditures for this fund.

Mr. Brugato stated these monies should be given back to the people.

Motion: Gano-M. Rementeria to approve Sewer System Development. Carried with one (1) nay, Brugato.

WATER:

The Budget Officer reviewed the revenues and expenditures for this fund. He noted that the cost to serve study is budgeted and that no depreciation is funded for this year.

Mr. Lee Hall questioned the $45,000 figure for Professional Service. Ms. Stroud responded that most of this is for the cost to serve study on which rates and depreciation are based.

Mr. Hall then asked about the pavement study budgeted in prior years and noted that no work has been done on the streets. Ms. Stroud responded that street work is budgeted for this year.

Motion: Gano-M. Rementeria to approve Water. Carried unanimously.

WATER REPLACEMENT RESERVE:

Corrections were made to add $6,000 under Transfers - Capital Improvement Fund.

Motion: R. Rementeria-Gano to approve Water Replacement Reserve. Carried unanimously.

WATER SYSTEMS DEVELOPMENT:

No comment was made by Committee members on this fund.

Motion: Corum-M. Rementeria to approve Water Systems Development. Carried with one (1) nay, Brugato.

Committee member Rick Rementeria now present at 8:15 p.m.

DEBT SERVICE:

Motion: Proctor-Gano to approve Debt Service. Carried unanimously.

FEDERAL REVENUE SHARING:

The Budget Officer pointed out that this is the last year for this fund. The fund balance is transferred to the General Fund.

Motion: Corum-Proctor to approve Federal Revenue Sharing. Carried unanimously.

SPECIAL ASSESSMENT:

The Budget Officer explained that this fund is used for improvements that are not Bancrofted where people need to pay for improvements in installments.

Motion: Corum-Proctor to approve Special Assessments.

Mr. Brugato stated he was bothered by the political concept of offering credit to some people.

Vote on motion carried unanimously.

BANCROFT REDEMPTION:

Motion: Gano-Proctor to approve Bancroft Redemption. Carried unanimously.

9-1-1 EMERGENCY:

The Budget Officer explained the purpose of this fund and the source of revenue.

Motion: Corum-M. Rementeria to approve 9-1-1 Emergency.

Councilman Gano stated that this fund should be expended only on capital improvements, rather than transferring $42,000 to the General Fund for personnel. We need to treat this fund the same as we have Federal Revenue Sharing. He added that we cannot change this year.

Vote on motion. Carried unanimously.

ECONOMIC DEVELOPMENT:

Motion: M. Rementeria-Corum to approve Economic Development.

Mr. Corum asked questions on the number of applications for loans and the criteria used in granting loans. The Budget Officer and Ms. Stroud responded listing loans made in the past year and explaining the method used to review loan applications.

Vote on motion. Carried with one (1) nay, Brugato.

LSCA TITLE I:

Motion: Proctor-Gano to approve LSCA Title I.

Mr. Corum questioned the use of these funds and Mrs. Turpen responded.

Vote on motion. Carried unanimously.

STATE REVENUE SHARING:

Motion: Corum-Proctor to approve State Revenue Sharing. Carried unanimously.

STORM SEWER:

The Budget Officer noted there are projects from this fund budgeted this year.

Motion: Proctor-Gano to approve Storm Sewer. Carried with one (1) nay, Brugato.

LIBRARY GIFT:

Motion: Corum-Proctor to approve Library Gift. Carried unanimously.

LIBRARY BUILDING:

Motion: Proctor-M. Rementeria to approve Library Building. Carried unanimously.

STP BUILDING:

Motion: Corum-Gano to approve STP Building. Carried with one (1) nay, Brugato.

CAPITAL IMPROVEMENT:

Motion: M. Rementeria-Corum to approve Capital Improvement. Carried Unanimously.

Motion: Gano-M. Rementeria to approve the following seven (7) Capital Improvement Funds: OFFICE EQUIPMENT, POLICE, FIRE, STATE TAX STREET, COMPUTERS, CCRLS, and Public Land Fund. Carried unanimously.

HOSPITAL:

Motion: Corum-Proctor to approve the Hospital.

Mr. Corum asked for the current financial status of the hospital. Chairman Grobey, a member of the Hospital Board, gave a comprehensive report and noted that the hospital is operating in the black. He also called attention to the value of volunteers to the hospital.

Councilman Gano questioned the increased revenue shown for ambulance and emergency room. Chairman Grobey responded that the estimated increases are because the hospital is looking at expanding its area of service.

Vote on motion. Carried unanimously.

A motion by Gano-Proctor to adjourn at this time was withdrawn.

Motion: Gano-Corum to recommend the 1987-1988 Budget to the City Council. Carried with one (1) nay, Brugato.

Mr. Brugato complemented the Budget Officer and the Staff on their knowledge of and many hours of work preparing the Budget.

Motion: Gano-Corum to adjourn. Carried unanimously.

Meeting adjourned at 9:00 p.m.

Donna Proctor

Donna Proctor - Secretary

DP/ap