

Monday, 7:00 p.m.

April 18, 1988

MINUTES OF A SPECIAL MEETING
OF THE NEWBERG CITY COUNCIL
AND BUDGET COMMITTEE MEETING

Council Chambers

Newberg, Oregon

The meeting was called to order by Mayor Elvern Hall.

ROLL CALL:

PRESENT:	Harold Grobey	Marily Rementeria
	Alan Halstead	Tommy Tucker
	C. Eldon McIntosh	Joe Young
	Donna Proctor	

ABSENT: Roger Gano

MEMBERS PRESENT:	Harold Dodge	Richard Rementeria
	Fred LaBonte	Wingert Walker
	Martin McIntosh	Lyle Wilson
	Bert Pennock	

ABSENT: Aaron Corum

STAFF PRESENT:

Jim Watson, City Manager
Terry Mahr, City Attorney
Dave Bishop, Police Chief
Elmer Christensen, Fire Chief
Tracie Remillard, Recording Secretary
Doug Richmond, Assistant Finance Director
Brenda Stroud, Finance Director
Bert Teitzel, Public Works Director
Doreen Turpen, Library Director

OTHERS PRESENT: John Collins and Jann Tankersley (Henderson House)
and Jim Kelly (Graphic)

Mayor Hall called the Special Meeting of the Council to order. He appointed Harold Dodge and Bert Pennock as members of the Budget Committee and announced the resignation of Joe Brugato from the committee.

MOTION: Halstead/Proctor to accept the Mayor's appointments of the two new Budget Committee members and also to accept the resignation of Joe Brugato from the committee. Carried unanimously.

Mayor Hall then called the Budget Committee meeting to order and asked for nominations for a committee chairman.

MOTION: Tucker/Halstead to nominate Harold Grobey as the committee chairman. Motion Carried. One No vote - Harold Grobey.

Chairman Grobey opened the nominations for secretary of the committee.

MOTION: Young/LaBonte to nominate Marily Rementeria as the committee secretary. Carried unanimously.

Mr. Grobey asked the City Manager to present his budget message to the committee. The City Manager summarized by saying that the budget is balanced and the City will not exceed the constitutional 6% limitations. The City is using a modified accrual basis of accounting. This is a hold the line budget, the City is trying to stretch a 1982 tax base for another year. There have been cutbacks in the general fund. The tax rate for the 1988/89 fiscal year remains the same, \$7.28. The general fund is \$5.82 and the debt load is \$1.46. There is an attachment which explains how the Council is subsidizing the sewer debt at this time. One of the problems is that we have a cash carry over of \$235,000 which is down from over a half of million. There are not many major changes in the budget other than to the city building fund. Expenditures are up about 2.45%, or about \$72,000. Overall the general fund remains about the same as the current year. Sanitary sewer revenues show a sizeable increase, mostly from the grant received for Allen Fruit's pretreatment facility. The sewer fund is in good overall condition. There are some unknown factors from starting up the new treatment plant because it has only been in operation for a few months. The compost portion of the plant is not in full operation yet. The water fund is in good condition and revenues show a sizeable increase.

Mr. LaBonte asked what the modified accrual system is. The Finance Director stated that it is not complete accrual, it is modified. It means that you recognize revenues when they are available and measurable as opposed to when they are earned. As far as expenditures go, you recognize an expenditure as opposed to an expense, so you do not recognize depreciation, amortization or anything that does not involve cash. Additionally, you recognize encumbrances, like you would a payable at the end of the year. For example, if you have issued a purchase order to a vendor and ordered something but have not received it, it is a reduction to your fund balance.

Mr. Grobey asked if there were any questions about how the debt service issue is being handled or will be handled depending on the final action of the Council.

Mr. Tucker asked if the Council had agreed upon the debt service formulation. Mr. Grobey said they had in past years in order to deal with the issue of monies bonded above amounts required for capitalization. The local bond monies were under expended and we have a surplus of cash and allocating that money to debt service is a way we can repay the money to the voters by reducing, in the immediate year, the money that would be collected from taxes to service the debt.

Mr. LaBonte asked if the Council plans to shift some of the load to the sewer users when the funds run out in 1991/92. Mr. Grobey indicated that they wanted to service the debt to the extent possible within the three year period without impacting the tax rates as heavily as they would be otherwise. The cost to service study should show us what we should be doing with the rates so we do not over or under charge the rate payers and still accrue the necessary funds.

Mr. Young indicated that over the next three years it is projected that there will be more users and that will help to reduce the dollars.

Mr. Grobey stated that the budget will be reviewed by sections and requested the Budget Officer to review the revenues section.

REVENUES:

The Budget Officer (City Manager) stated the revenues for the general fund has a beginning balance of \$504,000 and show projected revenues of \$235,000. The revenues are generally the same. We are out of federal revenue sharing, the state revenue sharing is dropping and income from other than property taxes is pretty bleak.

Mr. LaBonte asked what reimbursed costs, Liberty Cable access, expenditures are. The Budget Officer stated that was an amount of money paid for by the cable company to be expended by the cable commission to promote public cable television. The Finance Director stated that the City just serves as bookkeepers for that money. Mr. Grobey stated that he thought they under spent that amount every year, the Finance Director indicated that was correct.

NON-DEPARTMENTAL:

The Budget Officer stated there was a decrease of approximately \$14,000, primarily because of the reduction in the liability insurance.

Mr. Grobey asked if there were changes on this budget page or anywhere in the book. The Finance Director stated there were no changes, only a few typing errors.

Mr. LaBonte noted that \$45,000 had been budgeted for insurance this year and \$75,000 from February 1989 to February 1990 and asked if that was because of the modified accrual accounting method. The Finance Director stated that the insurance carriers would only give us a quote for five months of the year. Mr. LaBonte noted that with this type of premium, most insurance companies would take 25% down and take the balance over 9 or 10 payments without any interest or carrying costs. The Finance Director stated that our insurance carrier, CCIS, does not offer that option. Mr. Grobey indicated that the City Attorney had been reviewing this regularly to make sure that we have the lowest possible premiums for our coverage. Mr. Pennock

asked how long CCIS had been the insurance carrier. The City Attorney stated the City has had CCIS in two aspects. They had CCIS for about 3 years on workers compensation and that this is the first year for the general liability insurance. Previously the general liability was carried by Northland Insurance Company. We saved about \$30,000 by going with CCIS. Last year CCIS did not have a good umbrella coverage policy, this year they do and also we have tightened up our risk management to make sure we do not go over our tort limits.

Mr. LaBonte asked how much the umbrella was. The City Attorney indicated it was for \$1,000,000. The Budget Officer stated the tort limits in Oregon are \$300,000.

GENERAL GOVERNMENT:

The Budget Officer reported that this is the City Council's account. They have increased their budget by \$238 this year but it is basically the same budget as last year.

Mr. Grobey stated there were people present who would like to make a presentation to the committee. The Finance Director indicated that they were here to discuss the Henderson House.

John Collins, Member of the Board of Directors and Jann Tankersley, Current Chairman of the Board for Henderson House, also known as Yamhill County Family Crisis Center. They gave a presentation on the achievements and statistics for the Henderson House and they were requesting the City to consider some funding for this project. Henderson House serves women and children who are victims of domestic violence in all of Yamhill County. The average stay at Henderson House is six days. They provide counseling and referrals for legal and medical services and other service agencies. Approximately 20% of the people who receive help from Henderson House are from the Newberg community. The Henderson House is seeking stable financial funding. They currently receive about 1/3 of their funding from grants, 10% from marriage fees, 18% from United Way and the rest from membership support and donations and fund raising events. There is a definite need for this service in Yamhill County and within 2 to 3 years the demand for this service will be greater than the capacity of Henderson House. They requested the City consider funding in the amount of \$2,500 for the Henderson House.

Mr. Tucker asked why the increase in expenses, is it because of the increased usage of the facility. Ms. Tankersley stated part of it was because of the increased usage, and part of it was because the center had picked up some staff positions that had been funded through VISTA volunteers and other government programs.

Ms. Proctor asked if they charged a fee for staying at the center. Ms. Tankersley stated that a fee was charged but if they are not financially

able to pay the fee then they are not required to do so. Mr. Collins stated that it is a "pay if you can" policy. The center receives some payment from welfare for women who receive public assistance and stay at the center.

Mr. Pennock commented on the Board of Directors. Mr. Collins stated that the directors are spread out over Yamhill County. Ms. Tankersley stated that Henderson House belongs to a networking system in the State and there is a requirement that a certain percentage of the board members be female.

Mr. Eldon McIntosh asked how closely they work with Y-Cap. Ms. Tankersley stated that Y-Cap does different things than Henderson House, Y-Cap serves a more specific group of people than Y-Cap.

Mr. Young asked the source of the \$35,000 building fund. Mr. Collins stated that some of the money was from grants they received early on just for building purposes. He also said that a large portion of the money was received last year from an estate, about \$17,000, that was earmarked for the building fund.

Ms. Rementeria asked if this was the first time they had requested funds from the Cities. Mr. Collins indicated that they went to the County two years ago and the County put them in a supplementary budget which subsequently did not pass. He stated that they are currently approaching McMinnville and Yamhill County for funding. Ms. Tankersley indicated that they had received some small amounts from the smaller towns, Amity, Carlton, Willamina.

Mr. LaBonte asked what level of service the center can handle as compared to past years. Mr. Collins stated that the center is close to capacity, there are some days they do not house any one at the center and other days they have to send the overflow to other centers. Ms. Tankersley indicated that there is room for growth in the out reach program and support group sessions offered through Henderson House.

Mr. Grobey asked if the committee wanted to deliberate on the requested dollar amount or a different amount. Mr. Tucker asked if this should be deliberated after reviewing the entire budget and make the decision at that time. Mr. LaBonte asked where this would come out of the budget. The Finance Director stated the funds could come out of general government and it could go into general projects. It would probably fit better under the social services budget, but either way the funds would come out of contingency into one of the other departments.

Mr. LaBonte questioned the amount of \$17,000 for cost of the annual budget. The Finance Director stated that should read annual audit.

Mr. LaBonte asked who was covered under the Dues, Meeting, Training and Travel. The Finance Director stated the Council and the Mayor are covered

by this line item. It also includes dues for the League of Oregon Cities and other organizations the City participates in.

Ms. Proctor asked what the \$3,000 under the Chamber of Commerce covers. The Finance Director stated this was the annual dues for the City's membership. She said there is also another request from the Chamber, under general projects, for \$2,597 for extra staffing.

Mr. Grobey suggested a review of all the items listed under general projects. The Finance Director stated all items had been presented to the Finance Committee and recommended for budget review. Items were \$5,000 matching funds for the Welcome to Newberg signs, \$2,500 donation to George Fox College to improve and maintain the athletic fields at the College and the Chamber's request for \$2,597. Mr. Grobey indicated that City employees have use of the college facilities. Chief Bishop stated that the college is available for training and testing of the police department employees. However, all City employees have access to these facilities.

RECORDER:

The Budget Officer stated that the City Recorder's position had been eliminated in the current year's budget. There are still expenses even though there is not a City Recorder. The City Manager holds the position in title only and the legal secretary performs the duties of the position. Some of the incurred expenses are for microfilming and record retention.

Mr. Tucker asked if this would be totally eliminated next year or would there always be an account required for microfilming. The Finance Director stated that was a pending decision to be made. She stated that she would like this to remain a separate department so they can identify the specific costs associated with record retention. Record retention is expensive because of the microfilming.

Mr. LaBonte asked who the recorder is. The Finance Director stated that officially Jim Watson is the City Recorder, however Tracie does the recording. Mr. LaBonte asked about the \$1,000 for Dues, Training, Meetings. The Finance Director stated that Tracie would be the one attending those types of meetings. The City Attorney stated that his secretary does the work of the recorder's office.

MUNICIPAL COURT:

The Budget Officer stated this reflected a decrease of \$2,400, but there will probably be an increase because of maternity leave for the Court Clerk. They are interviewing for a temporary position at this time.

Mr. Grobey asked if the revenue from the Court matched the costs. The Finance Director stated the revenue exceeds the cost by a substantial amount this year. The increase in revenue is due to the police department's

motor officer and a part time word processing person which allows the officers more road time, which generates more citations, which results in more revenue. Also there were ordinance changes which helped decriminalize some of the infractions which resulted in lower court appointed attorney time. The City Attorney stated we also save in overtime because we no longer are having to send our officers over to District Court.

Mr. LaBonte asked what the City's policy was for maternity leave. The Finance Director stated that it basically matched the State's policy. She said that within our personnel rules there is a medical leave of absence, which includes maternity leave, and they are allowed up to 90 days unpaid leave. They are required to use up all accrued sick leave before the additional time is allowed. You can also use your vacation time but it is not required. The State's regulations are 12 weeks of mandatory leave that is unpaid. Mr. LaBonte asked about the extra cost because of the maternity leave. The Finance Director said there would be extra costs because they needed to train someone for the job prior to the Court Clerk's maternity leave.

ADMINISTRATION:

The Budget Director stated that there are no major changes in this budget.

Ms. Rementeria asked if the decrease in Dues, Meetings, was because of the lower car allowance. The City Manager stated that was basically the reason. Also some of the meetings may have been more expensive last year.

Mr. LaBonte asked why there were two lines for Dues, Meetings, Training and Travel. The Finance Director stated that it was for Administrative Expense. The top line is for actual conventions the Manager would attend. The bottom line is an amount available for the Manager to spend on such items as gift certificates and special costs.

Ms. Rementeria asked if this could be used for employee incentive awards for outstanding employees. The City Manager stated it had been used for that purpose in the past.

FINANCE:

The Finance Director stated that the decrease in this budget is due largely because of personnel services. The Assistant Finance Director's time has been reallocated to other personnel service costs where he will be spending more of his time since the administration of the sewage treatment grant is winding down. There is also a request for transcribing equipment for the Court Clerk so they can do the Finance Department's typing.

Mr. Grobey asked if the Court had been computerized yet. Mr. Richmond stated that the final program should be going in a couple of weeks and then the data can be loaded into the program. This will probably take about a

month. Mayor Hall asked if the new person will be trained on the new program. The Finance Director stated she will be training on the new program. Mr. Grobey asked if the Court Clerk would be returning from maternity leave. The Finance Director stated that was unknown at this time.

LEGAL:

The City Attorney stated that the Legal Department has shown an increase but the increase is due to the Victim's Assistance Program administered by the City. The money has been accumulated from the State which is from fines for every court case we process. The money can only be spent on the Victim's Assistance Program, so it had not been budgeted as an expenditure in past years. The money is not available for the general fund.

Mr. Young asked why the money had not been spent in the past. The City Attorney stated the funds are received a little at a time and that Mr. Faus had been accumulating the funds for automation improvements in the department. Mr. Young asked if the funds were for victim assistance. The City Attorney stated these funds are not for paying victims money, they are for maintaining the on going Victim's Assistance Program. Mr. Young asked if it was possible to send those funds to the Henderson House. The City Attorney said he did not know if the funds were available for that use. Mr. Grobey said that legal question should be looked into since the police department does make referrals to the Henderson House. The City Attorney said it was his understanding that the funds were to be spent on our Victim's Assistance Program. Mr. Young asked if we spend the funds to keep track of the victims or do we spend the funds to help the victims.

Mr. Tucker asked for a simple explanation of how the Victim's Assistance Program works. The City Attorney said the program we operate in the City is where a person who is a victim of a crime contacts the Victim's Assistance Program and the alternatives are discussed with them, we help them get restitution through the Court, we refer them to State agencies that help them, we handle police referrals. Mr. Tucker asked if the money was available to replenish the victim's case losses or if it was a subsidy of the attorney's time. The City Attorney stated there was a victim's compensation program conducted by the State which is different from this program.

Mr. Pennock asked why the large increase over the \$1,000 budgeted in 1988. The City Attorney said that when we send money from fines into the State they send us money back as long as we are conducting the Victim's Assistance Program. The money is received every couple of months and is not enough to make a large impact so the City decided to accumulate the money until there was enough to do something with it. Over the past years the City has absorbed the expense of running the Victim's Assistance Program and now the money has accumulated so the City is ready to make expenditures for a better tracking system of victims and restitution. Mr. Pennock asked if over the last two years if they have spent \$6,000 assisting people. The City

Attorney said he spends one day a week involved in Municipal Court, prosecution and talking with victims.

The Finance Director stated the money is set out in this fund for a specific purpose and not for the general fund. Mr. Marty McIntosh asked if the funds can continue to accumulate. The Finance Director said it could accumulate but we should show the State that we are using the funds for the program.

Mr. McIntosh asked if the new computer hardware would be tied into the current City's hardware. The City Attorney said it would be tied into the present system.

Mr. LaBonte asked if it was appropriate for the City to pay for the City Attorney's classes in administration. The City Manager stated it would be appropriate for all department heads because they are responsible for their personnel and expenditure of funds and it makes for a better overall operation. Mr. Tucker stated that the City Attorney works directly for the City Council and administrative training is very appropriate in this case.

Mr. LaBonte said he was asking these questions because people are always asking him about these items and he wanted to be able to give them knowledgeable answers. Ms. Rementeria stated the City was interested in having a professional staff working for them. Mr. Young said the City is run like a private business and the training is necessary to obtain the expertise required for obtaining the grants and running the City effectively.

The City Attorney stated that as the attorney he is required to have a bar license and as a member of the Oregon State Bar he is required to continue his legal education.

MOTION: Joe Young/Donna Proctor to adjourn at 9:00 p.m. Bert Pennock\Tommy Tucker to adjourn at the end of a budget item if we are in the middle of it at 9:00 p.m.

The Finance Director requested that the budgets for the departments whose department heads are present at the meeting be reviewed tonight, specifically police, engineering, fire and library.

MOTION: Bert Pennock\Tommy Tucker to review the budgets for the four departments that are present and then adjourn the meeting. Carried unanimously.

POLICE DEPARTMENT:

Chief Bishop stated that the total expense for the police budget for 88/89 will be less than last year. New programs to be established include a Neighborhood Watch and Special Emergency Response Team. Continued emphasis will be placed on high quality of the existing programs and continued education and in-service training. There have been funds budgeted for overtime,

this figure reflects money which has been spent in the past on overtime. There has been no increase in capital outlay. Federal funds have been received in the past years for drug enforcement. The budget proposal meets the needs of the community. A majority of the funds spent in the police department are spent for officers on the street.

Mr. Young asked if the police now do the dispatch for fire because of the change in the dispatch personnel. Chief Bishop said that currently four positions are under the police, however with the change all six positions will be under the police budget. Mayor Hall asked how that affects the fire budget as far as the rural fire protection contract. Chief Bishop indicated that a certain percentage of the communication costs are still attributable to the Fire Department. Mr. Young asked what the fire department does now to fill their clerical needs, does the police department take care of those needs. Chief Bishop stated the departments are totally separate, the police do not handle the fire's clerical work. The Finance Director stated that other than being budgeted under the fire budget, the dispatch people were always employees of the police department.

Mr. Halstead asked about the opening in the police department, under the sergeant's position. Chief Bishop said this opening is a result of Carl Miller's retirement.

Mr. Walker asked how long the insurance is being paid for retirees. The Finance Director stated the insurance is paid for ten years. The agreement was made several years ago and this policy ended in 1986, so the individuals listed are the only ones receiving this benefit.

Mr. LaBonte asked if there was a better way to handle the cash flow for dog control. Chief Bishop said he agreed the expenses out weighed the revenues but that it would be a disaster to discontinue this service. It is an important public relations program. The Dog Control Officer works long hours, often seven days a week. Mr. Grobey suggested we could have a City dog license fee instead of the County, but we would also have the administrative expenses for that program. There is a great public demand for this service. Mr. LaBonte asked if the private sector could take over this program. Chief Bishop said this service is not available on the West Coast, possibly in the future. He also said that this job is one of the hardest positions to fill.

FIRE DEPARTMENT:

Chief Christensen said the budget has been reduced some, mainly because of the dispatchers who have been moved to the police department. Expenses have held the line during the year. They have a paid staff of five and a volunteer staff of 45. Capital outlay expense has increased a little because of OSHA regulations for breathing apparatus. The Fire Department is one of a few in the State that maintains a low 3 rating for insurance purposes with a volunteer staff. There has been added stress over the last month and will

continue over the next 3-4 months because one of the staff was seriously injured in an automobile accident and he has about 6 months of sick leave coming. The rest of the staff has had to pick up his share of the work. The Fire Department does have a part-time secretary to answer the phones during his absence. The Chief requested that in the next year a position for a permanent part-time secretary be considered that can do some of the paperwork now done by the paid staff so they can be out on inspections.

Ms. Rementeria asked if two work study students would help. The Chief said they have one in the afternoon, and the results have been good and bad in the past. Some students have been really good and others cause more problems than they help. Also the students are here for such a short time that they cannot be trained to do the reports and other book work that the paid staff currently handles. The work study student mostly does typing and taking phone messages. The Chief said the alarm volume has increased considerably over the years and yet the paid staff has remained the same.

Ms. Rementeria recommended to the Budget Committee that they approve a clerical position for the fire department. The Finance Director asked if it would be better to have a non-work study person for four hours and pay them \$5.50 per hour instead of paying two work study students minimum wage. It appears that training the person is the problem so if they have someone with the basic typing and filing skills they could train her to do the necessary reports and records. The Chief said they sometimes receive 200 calls a day for burn permits and so the staff is spending a lot of their time on the phone. Ms. Rementeria recommended that the fire department's clerical position be put back in the budget.

Mr. Young asked if the two full positions that were transferred to the police department were necessary. The Chief said those positions were never at the fire department, they were only there for the purpose of the budget to show that the fire department was paying part of the dispatch.

Mr. Eldon McIntosh asked if any consideration had been given to the possible passage of the \$4.65 minimum wage. The Finance Director said it was not included in the budget.

The City Manager said he agreed that the fire department needed a clerical position however he did not feel it was a good idea to add people to the staff at a time when we are asking for a new tax base.

Mr. Young said that based on the number of calls a clerical position would be more cost effective to the fire department rather than adding another fire fighter. The Chief agreed with this and said a clerical position would definitely help with the workload at the fire department.

Mr. Tucker asked if they have considered a telephone line for burn permits only. The Chief said it had been considered, but they like to have control so they know where the fires are.

Mr. Pennock asked what the phone capabilities are, can calls be forwarded to another extension. The Chief said that when they are out of the station the calls go into the police dispatch office.

MOTION: Marily Rementeria/Alan Halstead to approve a 1/2 time clerical position for the fire department and also to keep the 2 hour work study student. Mr. Pennock asked if the work study is paid. The Finance Director stated the work study is paid minimum wage. Carried unanimously.

Mr. LaBonte asked the Finance Director to bring the figures back to the next meeting. He also suggested that the discretion for this position be left up to Elmer and the City Manager.

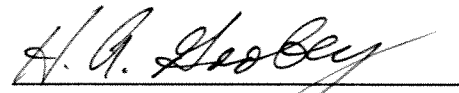
The Finance Director stated that Mr. Teitzel will be at the next meeting so we could go on to the Library. Ms. Turpen stated that she has other funds to be reviewed also, so she could come to another meeting if the committee wanted to adjourn at this time.

Mr. Grobey asked if the committee wanted to continue on the budget or to adjourn at this time. Mr. Grobey then asked if the next meeting could be held on Tuesday evening, Thursday evening, or Wednesday evening.

The meeting was adjourned until Wednesday, April 20, 1988 at 7:00 p.m. in the Council Chambers.

Mr. LaBonte asked the City staff to address the issue of overall wages and increases before the general budget is finished. We need some direction as to where the funds will come from if necessary. The City Manager indicated that he would handle this matter.

MOTION: Joe Young\Donna Proctor to adjourn until Wednesday, April 20, 1988 at 7:00 p.m. Carried unanimously.


Harold Grobey
Committee Chairman