

Wednesday, 7:00 p.m.

April 20, 1988

MINUTES OF THE BUDGET COMMITTEE MEETING

Council Chambers

Newberg, Oregon

The meeting was called to order by Chairman Harold Grobey.

ROLL CALL:

PRESENT:	Roger Gano	C. Eldon McIntosh
	Harold Grobey	Donna Proctor
	Elvern Hall	Marily Rementería
	Alan Halstead	Tommy Tucker

ABSENT: Joe Young

MEMBERS PRESENT:	Aaron Corum	Bert Pennock
	Fred LaBonte	Wingert Walker
	Martin McIntosh	Lyle Wilson

ABSENT: Harold Dodge Richard Rementería

STAFF PRESENT: Jim Watson, City Manager
Clay Moorhead, Planning Director
Tracie Remillard, Recording Secretary
Doug Richmond, Assistant Finance Director
Brenda Stroud, Finance Director
Bert Teitzel, Public Works Director
Doreen Turpen, Library Director

OTHERS PRESENT: Jim Kelly (Graphic)

Mr. Grobey asked the City Planner to review his budget with the committee.

PLANNING:

The City Planner stated that part of the \$5,500 increase was the salary for the Associate Planner. He said that in the past part of the salary had been paid for by grants and now that the grants have run out the City must pick up the full amount. He noted the increase in advertising and printing was for maps that would be printed for use by the Planning Commission and the Council at their meetings. He said there was an increase in books and publications due to publication fee increases. The dues, meetings, training and travel budget is used for all three staff members. He said the green thumb program is used for the maintenance of the City planters.

Mr. Tucker asked if the green thumb program should be under the Public Works Department. The Finance Director stated that in the past the City Planner had always administered the grants for this program and the program was just never moved over to Public Works.

Mr. Pennock asked who empties the garbage along First Street. Mayor Hall stated that the Public Works crew empties the garbage. Mr. Pennock then asked why they could not water the planters at the same time. The City Planner said this had been considered and it was determined it would cost more for the Public Works crew to do the watering because it would require extra equipment like a tanker truck and an extra man to drive the truck. He said it is less expensive to pay a student during the summer to do the watering and cleaning of the planters.

Mr. Tucker asked about the downtown merchants helping with this. The City Planner indicated the problem was some merchants would take good care of the planters and others would just ignore the planters.

Mr. Tucker asked about a new secretary's station in Planning. The City Planner indicated it was a new work station that would allow the secretary to better utilize her work space.

BUILDING INSPECTION:

The City Manager reported the big increase in the budget was for a building inspector's position. The Council agreed to the position on the condition that the building permit fees cover the cost of this position.

Mr. Gano asked why it was necessary to have an answering machine. The City Manager said it was because most of the time they do not have clerical support and they want to be sure they get all inspection requests. Mr. Gano stated he thought unanswered calls went back to the main phone on Becky's desk and she could take a message. Ms. Proctor asked why those calls could not be camped on the Planning phone when the Building personnel are out of the office. Mr. Watson said that would be possible, but a lot of the time they have specific questions about the inspections. Mr. Gano stated the answering machine would not be able to answer the questions either. Mr. Pennock stated that it sounds like the phone system needs to be reviewed so it can be used to its full capabilities. Mr. Gano stated he felt an answering machine was to impersonal when the main desk could take a message and it would be more personal. The Finance Director stated that Tracie covers the front desk during the noon hour. Tracie stated that a lot of the calls that are put through to Building during the noon hour are answered by Barb in Planning. If she is on the phone or helping someone it rings back downstairs and we take the messages for Building. Mr. Tucker agreed with Mr. Gano that the answering machine is to impersonal. Mr. Halstead stated that you can call Washington County in the evening and request an inspection on their recorder and you get your inspection the next day, so there are some advantages to having a recorder. Mr. Grobey asked if there was a history of after hour inspection requests at the dispatch office. Mr. Tucker said he did not oppose the use of the recorder during the evening but felt it was not necessary to use it during the day when a person could handle the calls. Mr. Gano asked Mr. Pennock if the recorder could be put on a separate trunk. Mr. Pennock asked if we have the capability of designating each trunk to go

somewhere. The Finance Director stated that all phone lines go through police dispatch. The Mayor said that under our present phone system the police dispatch would have to transfer the call to that specific line to get the recorder. Mr. Grobey stated that the matter should be handled at the staff level and if the committee wanted to remove this item then a motion should be made to do so. Mr. Gano said he did not want it removed. Ms. Rementeria stated that for as long as she worked nights at the police department she did not remember ever receiving a call for a building inspection. Mr. Marty McIntosh said the amount of time spent in handling those calls should be considered.

MOTION: Alan Halstead/Roger Gano to consider adjournment at 10:00 p.m.
Carried unanimously.

ENGINEERING:

The Public Works Director stated that public works is funded out of four funds, general, street, water and sewer. The personnel costs are distributed between the different funds depending on where the people are working that year. The engineering budget shows a decrease of \$6,000 based on the fact that the secretary's time has been divided 1\3 throughout the budget sections. The capital outlay items have also been reallocated throughout the budget.

Mr. LaBonte asked the Finance Director to prepare a synopsis of where people went in the departments. The Finance Director said that would not be a problem because that is something that is done with the final budget document.

Mr. LaBonte asked about the \$3,200 increase in supplies. The Finance Director indicated that a large portion of that was in professional services for the microfilming of cards. The Public Works Director stated that professional services were used in engineering for doing design and map work that we do not have the equipment for. The expense depends on the number of projects we have during the year.

Mr. LaBonte asked if utility increases were reflected in the budget. The Finance Director stated there were very slight increases, other than the sewer which shows substantial increases because of usage.

CITY BUILDING:

The Public Works Director stated they tried to maintain the same level on professional services and supplies. He said we are trying to switch from a contractual janitorial service to an employee, and it has been budgeted 2/3 here and 1/3 in sewer because custodial work is needed at the new plant. Capital outlay figures were based on the structural report done this past year. The top priority is the electrical work. The Fire Marshall was very concerned about the load placed on the circuits. Another real concern

is the council chambers because there is no handicap access and access for the general public is not very good because of steep stairs. Also there is no double exiting from this room as required. Also there is a need for a decent employee lunchroom. One of the considerations for the lunchroom is to move it to the council chambers and move the council somewhere else. The architectural study is provided for the Building Study Committee's information when they begin looking at whether to relocate or renovate City Hall. The roof repair was not included in the budget because if the building is upgraded the roof needs to be replaced. Once the roof is removed the underneath structure needs major repairs because it is inadequate.

Mr. Grobey asked what consideration had been given for the Municipal Court if the council chambers were moved elsewhere. The City Manager stated the council and the court both need to seat about 50 people and therefore acquired space would be used for both purposes.

Mr. Tucker asked what the architectural study entailed. The Public Works Director said it would include preliminary sketching and cost estimates for when the Building Study Committee starts looking at different options for renovating or relocating City Hall.

Mr. Gano asked if any proposals had been made to Park and Recreation for sharing the landscaping maintenance throughout the City. The Public Work Director stated that a proposal was made last year and Park and Recreation did not present an acceptable proposal, they wanted to redo all the landscaping at the library. He indicated that he had not contacted them again recently about this. The City Manager stated that he requested Park and Recreation to take over the maintenance of the flagpole area and they did so at no cost to the City. Mr. Gano asked if an inter-governmental agreement could be reached to maintain the landscaping.

Ms. Rementeria asked if any more had been said about a volunteer work party to build a new dog pound. She also asked if there was any funding available from groups like Friends of Homeless Animals. The Public Works Director said he had not heard about the volunteer work party and that he was not aware of any available funding from such groups.

Mr. LaBonte asked if there were any designs for the dog pound. The Public Works Director said there were no plans but they could probably put a plan together by reviewing what has worked for other communities. He also said the dog pound would most likely be built on property adjacent to the treatment plant.

Mr. Gano stated he would like to leave the grounds keeping in the budget but would like it reviewed at a Council committee level for better use of the funds.

STREET LIGHTING:

The Public Works Director stated it is about the same as the current budget. In the current budget there is about \$5,000 for lighting on Highway 99W, which will be put in this year. In the new budget there is \$3,000 to respond to street lighting requests. Mr. Grobey asked about lighting on the corner of Douglas and Emery. Mr. Gano asked about lighting on Crestview at the railroad crossing.

Mr. LaBonte asked if the City had a commitment from PGE that there would be no rate increases this year. The Finance Director stated they had no such commitment.

MUNICIPAL GARAGE:

The Public Works Director stated there was an increase of about \$4,000 as a result of upgrading the position of the assistant mechanic.

Mr. Grobey asked for a brief report on the condition of the municipal garage. The Public Work Director stated he had researched what it would cost the City to contract out some of the work presently done at the municipal garage. About 60% of the work they do involves tune ups, oil changes, brake service, safety checks, miscellaneous minor repairs on the City's cars and trucks. They also do the major repairs on the Public Work's heavy equipment and they also service the fire department's vehicles and hospital ambulances. They also coordinate the repairs on radio equipment. The City could contract out the small equipment work (tune ups, safety checks, etc.) and eliminate one position and save approximately \$25,000. To contract it out it would cost between \$30,000 and \$60,000. The \$30,000 is if the contractor spends the same amount of time as spent on the repairs that our mechanics do. The municipal garage needs more work space, they have one workable bay and one that is used for storage of equipment. They also need a bigger bay for the heavy equipment. This repair work is presently done outside. The \$60,000 is budgeted for a new garage on Third Street at the Public Works yard. It is split 1/3 water, 1/3 sewer and 1/3 street.

Mr. Pennock asked if Denny Manning was planning to retire in the next couple of years. The City Manager stated probably not for two or three years. Mr. Pennock said it was his understanding to be a master mechanic you needed five years experience and he wanted to know if the assistant mechanic would have sufficient time to be the master mechanic. The Public Works Director stated the assistant mechanic has been there for a couple of years so he would be close to having the required time.

Mr. LaBonte asked about the spelling of oxygen on page 5 of this budget section.

LIBRARY:

The Library Director stated some of the items looked at in this budget are materials for patrons, source of information for the public, and a reference source or answering questions for patrons. The library offers an extensive reading program for children during the summer months. The library also offers their facilities for meetings in the community. As a result of the increased use of the library there is also a need for more equipment to be available for the public's use. The library needs to be accessible to the public and at the present time it is open 39 hours per week. The recommended level is to be open at least 45 hours per week. There was a request for additional staff in the children's section of the library. The primary request for increases is for audio/visual materials.

Mr. Pennock asked how he could find his bricks at the library. The Library Director said that one of the boy scout troops had planned on making a map of the bricks last fall but still had not done so.

Mr. Grobey asked why the summary showed a resulting increase of \$4,500, but it appears there is a decrease of \$2,000. The Finance Director stated it was an error and the sheets would be corrected.

Mr. LaBonte asked about the utility increases reflected on this budget. The Library Director indicated that the six month report did not reflect six actual months of electrical usage, the figures used are from last years total.

Mayor Hall asked if the library is open the number of hours it is suppose to be. The Library Director indicated that there is no law setting hours but there are documents out that indicate the number of hours a library should be open to be considered a public library. The number of hours to be open are based on the community's population. The Oregon Library Association recommends that for a town the size of Newberg the library should be open a minimum of 45 hours per week.

Ms. Rementeria asked how long Arnold Winkler has been working at the library and if he would be able to do the custodial work at City Hall also. The Library Director said he has worked at the library for 10 years. She said the position had been discussed and it was decided the schedule for custodial service at the library and at City Hall had different requirements. Mr. Winkler works the early morning at the library, he is there to empty the book drop and to open the library for early morning meetings.

The Library Director gave a brief report on the new automated library system and the efficiency of the new system.

Mr. Gano asked what it would take to staff the library for a 45 hour week and for a 70 hour week. The Library Director stated she had not calculated staffing for a 70 hour week. She said for a 45 hour week, bare minimum, would be \$10,000.

Mr. Grobey asked what the current out of City fee runs. The Library Director stated it is currently \$12 per year. Mr. Grobey asked if there had been a major complaints about the fee. The Library Director said there had been a few complaints but most people pay it and do not say anything about it. She also said the out of town registration is probably higher now than it has ever been.

Mr. LaBonte asked why lower receipts are projected in the budget. The Library Director said she was not sure because the actual receipts for the first six months are up. The Finance Director stated there were lower projected receipts because there is no history on the fines. Also it is not anticipated that the large influx for library cards will continue, so the figures are very conservative.

Ms. Rementeria asked the City Manager to summarize why there was a need to cut the positions. The City Manager stated he cut the request for positions based on the fact that the budget is loosing its cash carry-over and people should not be added in that situation. He said he disagreed with the committee putting in the fire secretary on Monday night. He also said he felt if you are going to ask the people for more money that you would be making a bad mistake by adding personnel at this time and that the City should live within the budget. He said it was easy for the people to say you could have lived within your budget if you did not add all these new people. He said we need a new tax base and adding position is a terrible mistake. Ms. Rementeria asked if this positions could be funded by increasing the cost to people outside the City. Mayor Hall said the Finance Committee had discussed in detail raising the fee for the outside library card. He said the recommendation was a lot more than what the committee agreed upon. Mr. Grobey suggested that another increase in this fee could come sometime next year. The City Manager stated that a district is being proposed that would form around the City and this would offset some of the costs and it would upgrade the library itself. Ms. Rementeria said the committee should plan for the future funding of another position at the library. The City Manager stated he was going to say to the community that if you want better library, fire, and police service this is what it is going to cost realistically. He said if the City further depletes the cash carry-over and hires more now it would probably have a backlash effect on the budget.

Mr. Grobey asked what time guidelines were being considered for a district formation. The Library Director said some committee members had met with Yamhill County Counsel to see what was required to for a district. The closest time frame would be to have the formation done in November and go for an operating levy next spring.

Mr. Corum stated the library should take more aggressive action to form the district. The Library Director said support comes from the City but the action needs to come from citizen support groups.

Ms. Rementeria asked if the library's work study student worked two hours a day. The Library Director said they worked two hours a day and were used to shelve books and to do routine jobs. She stated that most of the work study students are not in a position to handle the circulation desk because of the training that is needed to answer questions and to do the data input on the automated system.

Mr. Pennock asked if the library can be operated efficiently over the next year, he asked for a yes or no answer. The Library Director stated yes the library could operate.

LSCA TITLE I FUND:

The Library Director said this fund is a clean up on the grant they received. The funds are to reimburse the City for library cards that were issued at no charge.

LIBRARY GIFT/MEMORIAL FUND:

The Library Director said the library received a large donation at one time and they are using the proceeds from the donation. A high expenditure is shown because they are trying to stabilize the balance on this account.

Mr. LaBonte asked why funds are not spent down to \$25,000. The Finance Director said it was real close, \$26,042.

Mr. Marty McIntosh asked if they had to spend the interest received from the grant or can it accumulate. The Library Director said the interest could accumulate. The fund was set up to purchase new materials and to replace or rebind existing books.

Mr. LaBonte asked if the \$1,700 was spent on books. The Library Director said it can be spent on books. She said they are trying to identify funds in specific categories so they can track where they spent the money. The money can be used for items that the library or governing body could not afford to buy out of their operating budget. In the past the library has purchased equipment and offered special programs. The Fred Meyer grant is for books only.

Ms. Rementeria asked if any of these funds could be used for personnel services. The Finance Director said if the donations are not specific then they can be used for personnel services. The Library Director stated that most funds received are for a specified purpose.

LIBRARY BUILDING FUND:

Mr. Pennock asked what the AV\Media area was. The Library Director said the original library design included the construction of an area closed for security purposes where computers would be out for public use. She that hopefully this area would be completed this year. Some of the building contributions received were donated specifically for that area. Mr. Pennock asked if they already the computers for the area. The Library Director said they have an Apple computer and other equipment will be received from the City automation plan. Mr. Pennock asked if there was security throughout the entire library. The Library Director said there was not security in all areas but with the addition of new equipment the added security was needed.

CAPITAL IMPROVEMENT - CCRLS:

The Library Director stated this is the regional area that the library contracts with. They actually own the automated system used by the library under which the library is cataloged. It allows the staff to do research, search for books, and to track late books and fines.

The Finance Director said that this is a fund that is set up for reserve purposes to have funds available for upgrading the equipment and other such items. It was not considered in this budget to include money for potential and needed upgrading when the regional library service allows users to buy more of their data base, time and equipment. It should be considered to set aside funding for when the need arises to make those purchases. Mayor Hall asked if funds should be added to this budget now. The Finance Director said it should be considered by the committee for funding. The Library Director said the committee is considering the libraries buying the added storage capacity on the system. If this opportunity arises we should be ready to finance this because the pressure is on to upgrade the system.

Mr. Grobey asked what proposal would be recommended to fund this budget. The Finance Director said it should be in the same neighborhood as fire and police, from \$0 to \$5,000. An advantage to upgrading the system is that the patrons could actually do their own research at the computers to find their resource books which would free the staff to do other work.

Mr. Pennock asked if two positions were cut for a total of \$22,000. The City Manager said two requests were cut. The Finance Director said the request was for a full time position and it was cut to a half time position. The other position was a new half time position.

Mr. Grobey asked the Library Director if she agreed with the Finance Director's recommendation of \$5,000 unspecified expenditure from the fund budget. She said the amount should be within that range and the monies would not be spent unless needed. Mr. Grobey asked for a specific proposal on this matter.

Ms. Rementeria said she had a problem with this funding when there is an immediate need for staffing. She said the funding should be used for staffing a library assistant and get rid of the work study student. Mr. Grobey said the CCRLS funds cannot be spent on a library assistant.

Mr. Grobey again asked for a specific proposal on this matter. The Finance Director said a specific proposal would be to transfer from the general fund to the Capital Improvement - CCRLS budget in the amount of \$_____ (the committee would need to fill in the blank).

The City Manager said the transfer would reduce the cash carry over and then you will borrow more money to run the City government in 1989.

Mr. Corum asked if the library could come to the council with this request if this matter does come up during the year and request an amount at that time. The Finance Director said that was correct, this could come before the council at a later time. She said it has always been the philosophy of the committee that money should be set aside in the capital improvement fund for when we need those. That has been done for the fire and police departments and they have large capital improvement needs. This is also a large capital improvement need for computerization and monies should be set aside for it so it does not fall by the wayside.

Mr. Tucker said he felt that staff business was being conducted at the budget meeting and that we should move on.

Mr. Gano suggested that this request come up later as a supplemental budget request when the funds are needed.

Mr. Pennock requested a five minute break.

Mr. LaBonte asked if there should be a motion to approve the library funds that are outside the general fund.

Mr. Grobey called the budget committee to order. He said the CCRLS, Library Building Fund, Library Gift/Memorial Fund and LSCA Title I funds need to be approved.

MOTION: Roger Gano/Arron Corum to approve the four budgets as presented. Carried unanimously.

SOCIAL SERVICES:

The City Manager stated this budget was the same as the previous year. The Finance Director said that the City Attorney did not have time to investigate the use of the victim's assistance fund as a donation to Henderson House.

TRANSFERS:

Mr. LaBonte asked if the federal RICO money is money the police have or money they will receive. Mr. Grobey said RICO money is money obtained in seizures. The City Manager said this money is earmarked for police work.

CENTRAL SERVICES:

Mr. LaBonte asked what this fund is for. The Finance Director said this fund is used to transfer dollars to other funds.

STATE TAX STREET FUND:

There were no questions or comments.

SEWER FUND:

The Public Works Director said there very few changes as far as administration. The figures shown for the plant maintenance are best guess figures because we still do not have enough experience operating the new plant. He stated that he was concerned about the the total sewer budget because there was only \$92,000 in the contingency fund.

SEWER ADMINISTRATION:

Ms. Rementeria asked if \$1,500 was the total cost under capital outlay computer. The Finance Director said this cost was split between the Sewer Administration and Water Administration departments.

SEWER MAINTENANCE:

Ms. Rementeria asked why the increases in equipment repair and maintenance. The Public Works Director stated most of the maintenance is still done by the contractors and will be until October 1988. After that time the City will be responsible for the maintenance on the basic sewer plant. He also said the City had not accepted the composter yet so there is still a year left on the contractor's maintenance for the composter.

Mr. Pennock asked how many repairs are being done. The Public Works Director said it was not real repairs, but mostly working out the bugs and refining the equipment.

Mr. Gano asked about the \$2,500 for lab supplies. The Public Works Director said that figure was probably a little high, and would cover the cost of breakage and for items that have not been purchased yet.

Mr. Tucker asked about the City purchasing clothing for the plant workers. The Public Works Director stated the policy has been that the City pay \$60 per year clothing allowance for all of the maintenance workers. At the

plant, the City will be purchasing uniforms instead of the \$60 clothing allowance. Ms. Proctor asked if \$60 a year would cover the uniforms at the plant. Mr. Pennock asked exactly what would be purchased for uniforms. The Public Works Director stated they wanted the plant operators to be consistent in what they wear at work. Mr. Grobey asked if the clothing was safety related. The Public Works Director indicated it was not safety clothing, just basic pants, shirts, and jacket. Mr. Gano stated that the fire and police departments also have clothing allowances. He then asked the Finance Director what the latest IRS ruling was as far as clothing allowances. The Finance Director said it is not considered income unless it is used for other than clothing. She said we actually reimburse the employees for the clothing when they bring in their receipt. Mr. Tucker said he could see buying uniforms for the volunteer firemen and police because they do not make a living at those jobs. He said he felt if they earned a salary from a job they should be responsible for their own clothing. Mr. Grobey suggested that the clothing allowance policy be reviewed by the Public Works Committee before the next budget year.

SEWER COLLECTIONS:

Ms. Rementeria asked if the purchase price for the 10 yard dump truck was \$30,000. The Public Works Director stated the price for the truck is \$60,000 and was split between water and sewer. Mr. Tucker stated he agreed that a larger truck was needed, he thought there was too much wasted labor when a 5 yard dump truck was used.

SEWER CONSTRUCTION:

There were no comments.

SEWER TRANSFERS:

There were no comments.

SEWER REPLACEMENT RESERVE:

Mr. LaBonte asked where the sewer replacement reserve fund goes. The Finance Director said the funds are segregated funds for depreciation of the plant and lines. Mr. LaBonte asked if the idea of depreciation was to set the money aside so there will be funds to build a replacement plant. The Finance Director said they are not just depreciating the plant, everything in the infrastructure is being depreciated. The monies in the reserve are used for all things that need to be replaced. Mr. LaBonte asked what the 20 year projection is for having funds available for building a new plant. The Finance Director stated the funds would need to be segregated, with an amount established for the new plant, for pump station, etc. She said a portion of the \$347,000 is to be spent now for items that are being depreciated.

Mr. Halstead asked if the Blaine Street project was a long term or short term project. The Public Works Director said it was a long term project.

The City Manager stated that most people on the street already feel the 3\10th of 1% which is being collected is to high. He also said there will be sewer increases if EPA does not agree to reduction in depreciation rates. Mr. LaBonte asked what the overall impact, long term effect would be. Mr. Tucker reiterated what the Public Works Director stated early, that exact figures cannot be given because the cost is unknown because of the short term experience at the plant.

SEWER SYSTEM DEVELOPMENT:

Mr. Corum asked when the Springbrook to 99W line will go in. The Public Works Director indicated that project would be coordinated with the County's reconstruction of the road and the City will probably add it to the County's contract. He said there is one section of the line that cannot carry the capacity that needs to be replaced.

Mr. Grobey asked that a tab be placed at the end of the general fund next year.

MOTION: Roger Gano/Marily Rementeria to approve state tax street fund and all sewer related funds covered to this point with the notation that the clothing discussion goes back to the Public Works Committee. Carried unanimously.

WATER:

Mr. LaBonte asked why there was a projected decline in revenues. The Finance Director said it was because the past year was an extremely dry year and so more water was used and it is not anticipated that the coming year will be as dry so less water will be used. Mr. LaBonte asked if there would be a rate increase this year. The Finance Director said there is not a rate increase in either the water or sewer this year. She said an increase would be reviewed by the Finance Committee in December 1988 for a possible increase in January 1989.

Mr. Corum said he has heard complaints about the time when the water bills are received. For most people the bill comes too late for the end of the month check and to early for the first check of the month. The Finance Director said the billings are mailed before the last day of the month in anticipation of them arriving on the first. Mr. Corum said that it would be better if they could be mailed out earlier because everything else is always due on the first of the month.

WATER NON-DEPARTMENTAL:

There were no comments.

WATER ADMINISTRATION:

Mr. Tucker asked if the \$35,000 for professional services was in conjunction with the cost of service study. The Public Works Director stated that it was.

WATER PLANT MAINTENANCE:

Mr. Grobey asked how many more years until the water plant needs an overhaul. The Public Works Director said the plant was at capacity last summer, the reservoir water level dropped for three or four days last summer. Improvements were made to the plant that would increase it by about 700,000 gallons per day so this should be good for a couple of years.

Mr. Gano asked if the capacity reflects water sales to outside districts. The Public Works Director stated it was just a general increase and that it was hard to determine what the capacity will be because one good industry could take it all.

WATER DISTRIBUTION:

Mr. LaBonte asked if there were collections of water from the spring systems and if it was still cost effective. The Public Works Director said it was still effective cost wise but an analysis will be done on this during the next year because there are new regulations which may require us to chlorinate the water at the spring.

Mr. Pennock asked if the water comes from reservoirs on the hill or is it pumped to the residents. The Public Works Director said the system pumps at the plant and the reservoir level may drop during the day but it is pumped back up there at night.

WATER SOURCE OF SUPPLY:

Mr. Corum asked how the development of new well sites is coming along. The Public Works Director said the City is in the process of purchasing approximately 100 acres for well sites on the other side of the river. Mr. Corum asked if we are purchasing the property or the water rights. The Public Director said we are purchasing the property which would include the water rights.

Mr. LaBonte asked what the \$20,000 for professional services was for. The Public Works Director stated that was for a cost study of the springs and what the City needs to do to them because of the new regulations. Mr. Pennock asked if an outside concern would be doing that study. The Public

Works Director stated that the study would be done by an outside firm and part would be done in-house.

WATER TRANSFERS:

There were no comments.

WATER REPLACEMENT RESERVE:

Mr. Pennock asked if this fund is being used to purchase the property. The Finance Director said no, the money would come from the Water Systems Development Fund.

WATER SYSTEMS DEVELOPMENT:

Mr. LaBonte asked if the Newberg School District would be sharing in the cost to upgrade the fire flows to the high school. The Public Works Director said the City has not asked the school district to share in the expense because this is a project that is required to keep the City's fire rating down and to get better protection for that area. Mr. LaBonte said that sometimes industries will share in the cost to enable them to lower their own insurance rates. Mr. Gano asked if this would benefit the entire neighborhood along Elliott Road. The Public Works Director said this is basically for the high school. He said there is not enough fire protection for the school because there are no inner ties through there. This would provide an inner tie from the loop around the school over to the other system on Crestview. Mr. Gano asked if the inner tie would help the housing south of the high school. Mr. Grobey asked if the network would benefit primarily the high school but also enhance the capacity of the entire network. The Public Works Director said it would enhance the entire network. He said the master water plan identified insufficient fire flow at the hospital. Mayor Hall said there would be sufficient fire flow for the houses but if the school was on fire there is not enough fire flow there. Mr. LaBonte said he felt the school should be asked to participate. The Mayor stated that if the City does not do this and as a result the City's fire rating is downgraded then everybody will end up paying for it.

Mr. Pennock asked if the \$152,000 would be used for purchasing the well site property. The Public Works Director said the \$152,000 would be used for the new well, not for the property.

MOTION: Alan Halstead/Roger Gano to approve the water related funds with review of the clothing allowance as previously indicated under the sewer funds. Carried unanimously.

DEBT SERVICE:

Mr. LaBonte asked if they could have a debt service report for year by year totals. The Finance Director said that shows up in the final budget documents and she would provide them a copy.

MOTION: Roger Gano/Aaron Corum to approve the debt service as presented. Carried unanimously.

FEDERAL REVENUE SHARING:

There were no comments.

MOTION: Aaron Corum/Alan Halstead to approve federal revenue sharing as presented. Carried unanimously.

SPECIAL ASSESSMENTS:

There were no comments.

MOTION: Roger Gano/Aaron Corum to approve special assessments as presented. Carried unanimously.

BANCROFT BOND:

Mr. LaBonte asked when the City had their last LID fund. The Finance Director said it was six years ago in 1982.

MOTION: Roger Gano/Aaron Corum to approve bancroft bond as presented. Carried unanimously.

911 EMERGENCY:

Ms. Rementeria said that in the last year's budget committee meeting it was discussed not using 911 funds to budget dispatch salaries because the funds would be eliminated in the near future.

Mr. Gano agreed that the committee indicated they did not want 911 funds used for personnel services and he would like to see it changed even if it means reducing the carry-over balance from the general fund. Mayor Hall indicated that would be bring the cash carry over balance to less than \$200,000. Mr. Grobey stated this should be phased out slowly. Mr. Corum asked if there was a time schedule for doing this. The Finance Director said no time schedule had been established. She said it was left in this year because if it was removed it would mean a \$30,000 reduction to the carry over. Ms. Rementeria asked what the amount was last year. The Finance Director said it was budgeted at \$42,000 and it will come in at \$38,500, so we are already seeing a reduction in the revenues.

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MOTION: Roger Gano/Fred LaBonte to approve the 911 emergency fund as presented. Carried unanimously.

ECONOMIC DEVELOPMENT:

Ms. Rementeria commented that the fund title is wrong on page 4.

MOTION: Roger Gano/Aaron Corum to approve economic development as amended. Carried unanimously.

STATE REVENUE SHARING:

There were no comments.

MOTION: Roger Gano/Marily Rementeria to approve state revenue sharing as presented. Carried unanimously.

SOCIAL SERVICES:

The City Manager said the committee should decide whether or not to give a donation to Henderson House. He said there should be a way to off set the attorney's salary in the general fund and utilize the other funds.

Alan Halstead made a motion to approve social services with the addition of \$2,500 for Henderson House with the Finance Committee to determine where the funds will come from.

The Finance Director reported that social services could be left as is and the Council can make a revision to the budget to accommodate the proposed donation at the time the budget is finally approved.

Mr. Gano said he thought that was a cop out and he would like to hear by vote how the budget committee as a whole is going to react to the proposal that was made by Henderson House. Mr. Marty McIntosh asked if anyone new the tax status of Henderson House. Mr. Halstead he was pretty sure it was a 501C3, which means a donation would be a tax deduction. Ms. Proctor said she felt if we can give the Chamber \$3,000 then we can give Henderson House \$2,500 to help people who are in need since they serve people people from our community. Mr. Grobey asked for a show of hands, only Marty McIntosh voted no.

MOTION: Alan Halstead/Tommy Tucker to approve social services with the addition of \$2,500 for Henderson House with the Finance Committee to determine where the funds will be budgeted from. Carried with one no vote, Marty McIntosh.

Mr. Grobey stated that all funds under the general fund had been reviewed and he asked for a motion on the general fund.

MOTION: Roger Gano/Marily Rementeria to approve as amended the separate general funds. Carried unanimously.

STORM SEWERS:

There were no comments.

MOTION: Roger Gano/Marily Rementeria to approve storm sewer as presented. Carried unanimously.

STP BUILDING:

There were no comments.

MOTION: Aaron Corum/Marily Rementeria to approve STP building as presented. Carried unanimously.

CAPITAL IMPROVEMENTS - OFFICE EQUIPMENT:

There were no comments.

MOTION: Marily Rementeria/Roger Gano to approve capital improvements - office equipment as presented. Carried unanimously.

CAPITAL IMPROVEMENTS - POLICE:

There were no comments.

MOTION: Roger Gano/Marily Rementeria to approve capital improvements - police as presented. Carried unanimously.

CAPITAL IMPROVEMENTS - FIRE:

There were no comments.

MOTION: Roger Gano/Marily Rementeria to approve capital improvements - fire as presented. Carried unanimously.

CAPITAL IMPROVEMENTS - STATE TAX STREET FUND:

There were no comments.

MOTION: Roger Gano/Marily Rementeria to approve capital improvements - state tax street fund. Carried unanimously.

CAPITAL IMPROVEMENTS - COMPUTERS:

Mr. LaBonte asked why the dues, meetings, training and travel came under capital improvements. The Finance Director said this money has been set

aside for computers. She said one of the on going needs is to be able to train people in the new software programs that we are using and constantly upgrading to, so rather than putting it in individual budgets it is placed here for easier control. Mr. Grobey asked if this is capital improvement money. The Finance Director said in this sense it is called capital improvement. Mayor Hall said that what this is saying is that there is a need of upgrading and training people on the computer and they are putting it under the charge of the Finance Department rather than under the individual departments to they have the control of the money and who goes and when they go. Mr. LaBonte asked why they did not budget it under the Finance Department then. Mayor Hall said because it was for computer training. The Finance Director said it was really just segregated out to show that it is part of the computer budget. Mr. LaBonte said this is the first time that he has gone through the whole budget that he thought they were playing games with money. The Finance Director said not really, they just took part of the money that was already in that account and said we really wanted to use some of this money for dues, meetings, training, travel for educating people in lotus, samna. Mr. LaBonte said he understood that but this stuff back here is for capital improvements not for education and operation and you are saying that you are taking money that should be up here for general fund and sticking it back here where you are suppose to be buying equipment. The Finance Director said to accommodate that they could reduce the transfer that is being made from the general fund and put it in the finance department and that would be totally acceptable to her. Mr. LaBonte said he felt it should have been done that way but he did not care if we did it or not. He said he felt that it should have been left out of here.

MOTION: Marty McIntosh/Fred LaBonte to move the funds from capital improvement - computers to the general fund to be budgeted in the finance department. Carried unanimously.

MOTION: Aaron Corum/Fred LaBonte to approve capital improvements - computer as amended. Carried unanimously.

MOTION: Aaron Corum/Fred LaBonte to amend the finance department budget and the transfers budget. Carried unanimously.

CAPITAL IMPROVEMENTS - PUBLIC LANDS:

There were no comments.

MOTION: Roger Gano/Marily Rementeria to approve capital improvements - public lands as presented. Carried unanimously.

FEDERAL RICO:

There were no comments.

MOTION: Roger Gano/Marily Rementeria to approve Federal RICO as presented. Carried unanimously.

HOSPITAL - OPERATING:

Mr. Pennock recommended that the Hospital Board should pursue other avenues of revenue from health care providers. He said that from the employees of GTE that live in the Newberg area there are several different insurances, Kaiser, Bestcare, Travelers. Mr. Grobey stated that the hospital has made considerable effort in dealing with the various HMO's, PPO's, etc. that exist, and there is very little flexibility with Kaiser. He said that the hospital has lost money providing services to Kaiser patients and then Kaiser has refused to pay, even in an emergency. He said the hospital is working hard in getting various HMO's and PPO's and to market its services better in the community. The hospital funds itself and they desire to remain free of subsidy from the City. They also contribute about \$500,000 per year to the community for services rendered for which they collect no payment. Mr. Corum also mentioned they also employ a large number of people from our community.

CAPITAL IMPROVEMENTS - HOSPITAL:

There were no comments.

MOTION: Roger Gano/Aaron Corum to approve hospital - operating and capital improvements - hospital as presented. Carried unanimously.

Mr. LaBonte asked where the wage increases will come from if they are approved during the year. The City Manager said the funds will come from the cash carry-over. Mr. LaBonte asked what the City's wage commitment was. The Finance Director stated it was approximately \$1.7 million for the general fund. The City Manager stated that during this budget year the employees were given an across the board \$50 raise.

MOTION: Alan Halstead/Donna Proctor to approve the entire budget as amended by the committee. Carried unanimously.

MOTION: Alan Halstead/Roger Gano to thank the committee members and citizens for participating and supporting the budget. Carried unanimously.

Ms. Rementeria requested the committee members to leave their budget books if they had no need for them because it takes a considerable amount of time and money to put the books together.

MOTION: Tommy Tucker/Roger Gano to adjourn the meeting. Carried unanimously.



Harold Grobey
Committee Chairman