

Monday, 7:00 p.m.

February 26, 1990

MINUTES OF THE
NEWBERG BUDGET COMMITTEE

Newberg Public Library

Newberg, Oregon

The meeting was called to order by Mayor Elvern Hall.

ROLL CALL:

Present: Brian Bessler
Harold Dodge
Aaron Corum
Fred LaBonte
Wingert Walker
Bert Pennock

Jack C. Nulsen
Roger Gano
Donna McCain
C. Eldon McIntosh
Donna Proctor
Joe Young

Absent: Martin McIntosh (arrived at 7:45 p.m.)
Richard Rementeria
Alan Halstead (arrived at 8:00 p.m.)
Tommy Tucker (arrived at 8:10 p.m.)

Staff Present:

Duane R. Cole, City Manager
Kathy Tri, Finance Director
Terrence D. Mahr, City Attorney
Bert Teitzel, Public Works Director
Elmer Christensen, Fire Chief
Dave Bishop, Police Chief
Mike Hailey, Building Official
Doreen Turpen, Librarian
Ellen Cooper, Assistant Finance Director

Others Present:

Mayor Elvern Hall

ELECTION OF OFFICERS:

Mr. Cole explained that the Committee needed to elect a Chair, Vice-Chair and Secretary at this time.

MOTION: Proctor/^{Dodge}Halstead to nominate Jack Nulsen as Chair. Vote on
Motion: Ayes - 5, Nays - 8. Motion failed.

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MOTION: Gano/Nulsen to nominate Elvern Hall as Chair. Motion was withdrawn since Mayor Hall is not a member of the committee.

MOTION: Nulsen/Young to nominate Bert Pennock as Chair. Vote on Motion: Ayes - 8, Nays - 5.

MOTION: Young/McCain to nominate Jack Nulsen as Vice-Chair. Vote on Motion: Unanimous.

MOTION: E. McIntosh/Nulsen to nominate Joe Young as Secretary. Vote on Motion: Ayes 11, Nays - 1 (Young).

PRESENTATION BY CITY STAFF:

Ms. Tri explained that the committee had previously received a pamphlet from the Oregon Department of Revenue which explained the budget process and defined terms. She handed out a copy of the 1989-90 budget to all committee members and a list of definitions that are commonly used in the budget process. She reviewed a number of these definitions, and also discussed the structure of the budget and the City's revenue structure.

Mr. Cole discussed roles of the committee and staff. He explained that the roles are really in a triangle including the committee, staff and City Manager/Budget Officer. He expressed a desire for each to work together.

Marty McIntosh arrived at 7:45 p.m.

REPORT FROM CITY MANAGER:

Mr. Cole reviewed his memo dated February 26, 1990, 1990-91 Budget Inside Tax Base, which outlined a \$2.6 million dollar proposed General Fund budget. He reviewed departmental requests briefly and items of concern but not addressed in the proposed 1990-91 budget. He reviewed a number of community indicators to show the changes that have taken place over the last six years.

Alan Halstead arrived at 8:00 p.m.

Mr. Cole then reviewed some long-range financial projections for fiscal years 1990-91 through 1993-94. These projects showed that if the City were to continue the current service level and to maintain a cash carry-over of \$500,000, by the end of fiscal year 1991-92 the City will be in a deficit situation and borrowing from other funds to meet the necessary cash needs of the City. He discussed the need for the \$500,000 cash carry-over and indicated that in actuality, the City needs about \$756,000 between July 1 and November at which time the City

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receives its first property tax payment. Mr. Cole explained that the City's revenue picture is not going to get any better.

He explained that during his review of departmental budgets he requested each department head to provide him information on what each felt were additional unfunded needs and services. He expressed concern about over-stating the City's needs as well as under-stating the needs. From the departmental requests, he put together a proposed tax base request equalling \$697,763. This amount would finance thirteen staff positions, related materials costs which included funds to replace vehicles and fire equipment, and to maintain City Hall and Fire Department buildings.

Tommy Tucker arrived at 8:10 p.m.

Capital outlay requests included funds for computers, furniture and repair of the City Hall, Fire Department and Library roofs. The total request, when uncollectibles are included, would equal \$784,004, or an estimated tax rate increase of \$2.81. Added to the current operating tax rate, this would amount to \$8.60 for an operating levy.

A number of the committee members discussed the effect of the City's reassessment in 1989 and 1990 and the effect of the increased assessment on homeowners. There was also concern expressed about the proposed school district, County and Park District tax base elections. Members expressed concern that the City needs to take into account the total tax base requests on taxpayers. If all of the proposed tax bases passed in May, the combined tax rate for City residents would be well over \$31.00 per \$1,000 assessed value. Mr. Young asked if any of the City's bonded indebtedness would be paid off this year. Staff indicated that no significant indebtedness would be paid off this year.

MOTION: Nulsen/Halstead to consider only levying the existing tax base and to delete any further discussion on additional budget requirements.

Mr. Nulsen felt the committee would be wasting its time with further discussion of a wish list. Mr. E. McIntosh felt it should be up to the voters to decide what they wanted to pay for. Mr. M. McIntosh concurred saying that the committee needed to look at the long perspective, that the voters should be allowed to decide what they want to pay for, and a discussion on the tax base will bring out creative ideas and reasonable solutions. Mr. Gano felt that the committee owed it to the public to decide where the City would be going. He further stated that citizens need to recognize and be told that there are serious community needs. Mr. LaBonte felt that if the committee/Council does not go to the voters and the other jurisdictions do, the City will be left behind.

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Vote on the Motion: Ayes - 2; Nays - 13. Motion failed.

MOTION: Halstead/Gano to recommend to the City Council to increase a tax base at the May election in the amount of \$784,004.

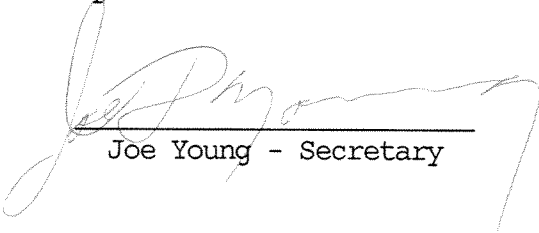
Mr. Young expressed concern that the committee look at the property tax increase and make certain that the proposal is what the City wants. The Council does not want to present the voters with a Christmas wish list, but it does want to present them with a list of services and needs that are really necessary. He also expressed concern that the committee discuss other operating levy options. Mr. Corum suggested perhaps that the committee should look at going to the voters in November. This way the City would avoid being on the ballot at the same time as the School District and Park District. Some concern was also expressed about other options, such as increasing the City's other revenues. Mr. Nulsen called for the question.

Vote on the Motion: Ayes - 8; Nays - 6; 1 - Abstain (Corum, who expressed that there had not been enough time to understand and consider the package.)

MOTION: Gano/Corum to reconsider the motion. Vote on the Motion: Ayes - 15; Nays - 0. (Unanimous).

The committee agreed to reconvene at 7:00 p.m. on March 6th at the Fire Hall.

ADJOURNMENT. The committee adjourned at 9:08 p.m.



Joe Young - Secretary