

Tuesday, 7:00 p.m.

March 6, 1990

MINUTES OF THE
NEWBERG BUDGET COMMITTEE

Newberg Fire Station

Newberg, Oregon

The meeting was called to order by Chair Bert Pennock, at 7:09 p.m.

ROLL CALL:

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

 Jack C. Nulsen
 Alan Halstead
 Donna McCain
 Donna Proctor

Absent: Richard Rementeria
 Martin McIntosh (arrived at 7:20)
 Roger Gano (arrived at 8:00)
 C. Eldon McIntosh
 Tommy Tucker
 Joe Young (arrived at 7:13)

Staff Present:
 Duane R. Cole, City Manager
 Kathy Tri, Finance Director
 Terrence D. Mahr, City Attorney
 Elmer Christensen, Fire Chief
 Dave Bishop, Police Chief
 Doreen Turpen, Librarian
 Al Blodgett, Firefighter

Others Present:
 Don Clements, Chehalem Park and Recreation District
 Dennis Lewis, Newberg Chamber of Commerce

APPROVAL OF FEBRUARY 26, 1990 MINUTES:

The minutes of the February 26, 1990 meeting were not available for approval at this meeting and will be on the next agenda.

OLD BUSINESS:

Mr. Cole began by reminding the committee that the goal of tonight's meeting was to recommend a tax base amount to the City Council or to wait until the November election. The process would be a summary review of the proposal, questions and deliberations by the committee,

Budget Committee Minutes
March 6, 1990

and then action, which would be a recommendation to the Council. Most important, he hoped the committee would reach a consensus on its decision. He then reviewed the proposal that was passed out at the February 26, 1990 Budget Committee meeting.

Joe Young arrived at 7:13 p.m. Marty McIntosh arrived at 7:20 p.m.

The first proposal was a tax base increase of \$784,004 to the current tax base. This new tax base would equal \$2,497,054 or an estimated tax rate of \$8.61 per \$1,000 of assessed value. The second proposal was a phased in tax base over a three year period. The first year's tax base would equal \$2,003,050 or \$6.39 per \$1,000 of assessed value, the second year \$2,298,050 or a tax rate of \$6.92 per \$1,000 of assessed value, and the third year of \$2,453,050 or a tax rate of \$7.39. Mr. Halstead asked if this would eliminate the current 6% increase in the tax base over the next three years. Mr. Cole responded that yes this would eliminate the 6% increase over the next three years.

Mr. Cole then reviewed the proposed phase-in tax base request and how current services would be affected.

The committee then asked some specific questions about the proposals. Mr. Young questioned why the Code Enforcement Officer was included in the Police Department and not Building. Mr. Bishop responded that it varied from City to City in which department a Code Enforcement Officer was located. He further explained that this person would not be a police officer. Mr. Nulsen questioned the need for such a person. It was explained that the staff is not getting to the problems and complaints in the community regarding nuisances and over-occupancy. Mr. Bishop explained that the Police Department is receiving calls regarding nuisances but no action is being taken. Mr. Pennock inquired about the Building Department workload and if they could take on this activity. Mr. Cole explained that the Building Department was very busy with the continuously high building activity in the community and that current staff could not take on this added activity. The additional secretarial help for the Building Department was also questioned. Mr. Cole explained that he hopes to move the Building and Planning Departments to the Engineering Annex where the staff will be able to provide sufficient support for the inspectors and planners through cross-training. Mr. Cole explained that the staff would work within whatever dollar limits the committee approved.

Mr. Gano arrived at 8:00 p.m.

The discussion then turned to the vehicle rent item of \$116,400. Mr. Nulsen felt the voters should only be asked to look at the operating budget and that they should have a separate opportunity to decide on buying assets. He also questioned the effect of a fire truck on the insurance rating. Mr. Christensen explained the City's fire rating.

Budget Committee Minutes
March 6, 1990

Mr. Young questioned the need to accumulate money today for future expenditures. He felt that the Council is responsible to maintain today for today and that the City should go to the polls and ask for specific items needed for the future. Mr. Halstead expressed that the City is going to need a fire truck sooner or later and that he would rather take a little each year to pay for it at the time when it is needed.

Ms. Proctor felt that the City needed to look at the local economy and and not add services and that the staff should only serve needed necessities. Mr. Bessler expressed that there is a public demand for increased services in the City and the City staff cannot maintain the service level that is being requested of them at this time. The City needs to run like a business, not with a profit but citizens need to profit from good services. The City needs to look forward three to five years and he does not mind paying a little additional money to buy these services.

Mr. M. McIntosh asked if the vehicle rent was legal. Mr. Mahr responded that it was. Mr. McIntosh also expressed the desire that he does not want the City to stay the way it is and if it does, it will go backwards. The committee needs a little vision, and growth can have a big effect. He does not mind paying taxes and wants the City to grow and prosper. He said efficiency is important and we do not want to lose foresight of what the dollars are paying for. Mr. Young expressed that the City does have good services and the service level has been acceptable. He questioned whether the City was being prudent to put forth a tax base to the voters.

Ms. Turpen explained that there has been a 42% increase in circulation since the new library building opened. The problem is not increasing the service level but being able to respond to the increased demand. The library is actually in a reduction mode.

Mr. Halstead said that proposal one is not unreasonable and it is not the job of the Budget Committee but of the people to vote and pick which services they wish to support. If the voters turn down the measure, the City will live within the means that is provided. Mr. Nulsen expressed the feeling that it is the committee's responsibility to accept and act on the behalf of the voters. Mr. Young stated that it is the committee's responsibility to come up with a reasonable expenditure of funds to operate City services whether voters approve or do not approve a new tax base.

Mr. Bessler said he sensed a consensus that the committee propose a new tax base but felt there are questions about the dollar amount. He suggested that the committee vote on whether to go for a new tax base

Budget Committee Minutes
March 6, 1990

first, then review the issue of a one year tax base increase or a phased in tax base, and then review the dollar amounts.

MOTION: Bessler/Corum to recommend a new tax base to the City Council to be voted on by the citizens in May, 1990. Vote on Motion: Ayes - 10, Nays - 3. Motion carried.

MOTION: M. McIntosh/Bessler to recommend a three year phased in tax base increase.

Mr. Gano expressed that the City had never had a multi-year tax base but it might be an easier way of selling what the City needs to accomplish. He supported a multi-year tax base. Mr. Mahr was asked if a phased in tax base was legal. He explained that yes it is legal. He checked with the Secretary of State's office and the Yamhill County Clerk's office and each said that such a tax base would be legal. He further stated that there was nothing in the Oregon Constitution or City Charter to prohibit a phased in tax base.

MOTION: LaBonte/Nulsen to amend the motion to include that the increase should not exceed 10% each year.

It was clarified that the 10% increase would be on the 1989-90 tax base. In other words, for the next three fiscal years the tax base would increase 4% over what is currently allowed by State Law.

Vote on the Amendment: Ayes - 10, Nays - 3.

Mr. Cole explained that staff would come up with the exact numbers for that 10% increase. Mr. Nulsen called for the question on the amended motion.

Vote on the Amended Motion: Ayes - 13, Nays - 0. Unanimous.

MOTION: Nulsen moved to delete \$11,300 presently paid to the Mayor and City Council, National League of Cities dues and travel to the National League Conference and to allocate those funds for a half-time salary in Administration. The motion failed for lack of a second.

NEXT MEETING:

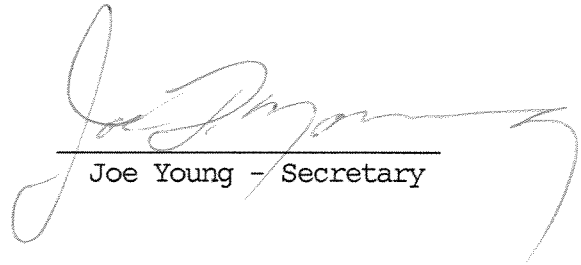
The next meeting was set for Thursday, March 8 at 7:00 p.m. in the Fire Station.

Page 5

Budget Committee Minutes
March 6, 1990

ADJOURN:

The committee adjourned at 9:15 p.m.



Joe Young - Secretary

kt\bc3-6