

Tuesday, 7:00 p.m.

May 1, 1990

MINUTES OF THE
NEWBERG BUDGET COMMITTEE

Newberg Fire Station

Newberg, Oregon

The meeting was called to order by Chair Bert Pennock at 7:05 p.m.

ROLL CALL:

Present:

Martin McIntosh
Rick Rementeria
Bert Pennock
Wingert Walker

Roger Gano
Jack Nulsen
Alan Halstead
Donna McCain
C. Eldon McIntosh
Donna Proctor

Absent: Brian Bessler (arrived at 7:10 p.m.)
Aaron Corum
Harold Dodge
Fred LaBonte
Joe Young

Staff Present:

Duane R. Cole, City Manager
Kathy Tri, Finance Director
Ellen Cooper, Assistant Finance Director
Terrence D. Mahr, City Attorney
Mike Hailey, Building Official
Dennis Egner, Planning Director
Doreen Turpen, Library Director
Bert Teitzel, Public Works Director

Others Present:

Elvern Hall, Mayor

MOTION: E. McIntosh/Rementeria moved to approve the minutes of April 16, April 18, and April 24. Vote on the Motion: Carried unanimously.

NEW BUSINESS:

LIBRARY:

Mr. Cole began with the review of the departmental budgets. He expressed concern about the tightness of the budget and the lack of resources for the Library. He indicated that there has been a tremendous increase in demand at the Library since the new building was

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constructed. Currently, the Library is open 39 hours a week and we cannot control the number of people coming into the Library for help. He indicated that the Library budget is a status quo budget. There is a change of one Library Assistant III to a Children's Librarian, and a change in the Library Aide to a ten hour position allowing a part-time Library Assistant to do other work than shelving. The book budget is down slightly, but when combined with subscriptions, periodicals and videos, the total budget is a slight increase. Depending on the winter months, the utility budget could be tight. He also indicated that no funds are being set aside for maintenance and repair of the Library. For example, the Library has \$200,000 worth of carpet which will need to be replaced at some point and no money is being set aside to do this.

Mr. Pennock asked if funds were budgeted for the projected PGE 11% increase. Mr. Cole indicated that it was not budgeted because we did not know about the increase at the time the budgets were developed. Mr. Pennock also asked why so much was budgeted for utilities when only a third of that had been spent in the first five months. Ms. Turpen responded that the coldest months were not included in the actual five months of expenditures. Over \$18,000 was spent in 1988-89 and over \$21,000 was spent in 1987-88 for utilities. The budget reflects continuation of these funds based on prior history. Mr. Nulsen asked if an evaluation had been done by PGE of the heating system. It was indicated that no evaluation had been conducted.

Ms. Turpen indicated that the janitor's hours are being increased from 20 to 24 hours because of added usage of the building for meetings. The budget reflects his actual working hours. Mr. Pennock asked why overtime was being budgeted. Ms. Turpen responded that she needs flexibility in staffing the Library and she needs the ability to have staff cover for vacations and sick leave time instead of juggling staff hours.

Mr. Bessler, who is also on the Library Board, explained that the Library is being used by more and more people and that the staff is doing a good job at maximizing the budget to give the public the service that it is demanding. He indicated that the Library Board did review the budget and was satisfied with it. He expressed the need for maintaining the building and adding additional personnel. Mr. Pennock questioned the hours that the Library is open. Ms. Turpen responded that the Library is open 39 hours per week but it is staffed for 56 hours per week. Mr. Nulsen asked if she agreed with the Central Services charge for which she responded that she did.

MOTION: Halstead/Nulsen moved to approve the Library budget as presented. Voted on the Motion: Carried unanimously.

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The Committee next reviewed the Library Gift and Memorial Fund. Mr. Cole explained that gifts and memorials were primarily from individuals and the Edwards Fund.

MOTION: Gano/E. McIntosh moved to approve the Library Gift and Memorial Fund. Vote on the Motion: Carried unanimously.

The next budget that was reviewed was the Library Building budget. There was some discussion about Library fees. It was indicated that the Library Board recently reviewed a proposal to increase out-of-City Library fees. In an initial analysis of the cost Library services cost \$30.00 per family. Library Board action will be brought back to the City Council for action in May or June. Mr. Bessler asked if there was anymore parking available at the Library. Mr. Nulsen asked if the Church across the street was still for sale and that it would be a good senior center or City Hall.

Mr. Bessler asked about the leaking walls and plans to fix it. Mr. Cole responded that it has been very difficult to identify the problem. The General Contractor is out of business and the sub-contractor has looked at it. He feels the leaks are coming from the older portion of the building but he cannot find the source. There has been on-going discussion.

MOTION: Gano/E. McIntosh moved to approve the Library Building budget. Vote on the Motion: Ayes - 11, Nays - 1 (Pennock). Motion carried.

The last portion of the Library budget is the CCRLS Expenditures. The remaining funds are being transferred to the Vehicle/Equipment Replacement Fund and the funds are used for upgrading the Library's computer system.

MOTION: M. McIntosh/Rementería moved to approve the CCRLS Fund. Vote on the Motion: Carried unanimously.

BUILDING INSPECTION DEPARTMENT BUDGET:

Mr. Cole explained that the major difference in the Building Inspection budget is the inclusion in Professional Services for plumbing inspector expenses. All plumbing fees are being recognized in revenues. He also explained that there is a minor change in clerical wages and that the City may need to increase staffing to respond to increased building activity within the community. He indicated that the "How'd We Do" cards are showing a good response from contractors. He stated that after the switch between Engineering, and Planning and Building, there will be one full time secretary and one half-time Building Assistant which should help improve coverage for both offices. The increase in the dues, meeting, training and travel account is to reflect

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requirements of State law to maintain a certified staff.

Mr. Nulsen asked Mr. Hailey about the central services charge, Mr. Hailey had no comment.

MOTION: E. McIntosh/Gano moved to improve the Building Inspection budget. Vote on the Motion: Carried unanimously.

PLANNING DEPARTMENT BUDGET:

Mr. Cole explained that there is a slight decrease in this budget due to the turn-over in staff during the last year. Two grants are included in the next year, one from LCDC for the development code and the second one from the State Historical Preservation Office. The City has received notice that it did not receive the Historical Preservation Grant but will leave the funds in the budget because the City will try again.

In 1990-91, the Associate Planner is budgeted two-thirds in the General Fund and one-third in the Economic Development Fund. With the loss of Art Shew, the City evaluated how it would administer the EDRLF. Staff felt that the City could handle much of the activity internally and will be entering into a contract with the COG for marketing services. There was some discussion about Green Thumb services. The funds will be left in the budget to be used downtown. Mr. Pennock asked if we could change the account name of the Green Thumb Services. Mr. Gano suggested that we leave it as is for now.

MOTION: Rementeria/Proctor moved to approve the Planning Department budget. Vote on the Motion: Carried unanimously.

ECONOMIC DEVELOPMENT FUND:

Next the Committee reviewed the Economic Development Fund. Mr. Cole explained that the Rental Rehabilitation Grant from HUD is a pass through to Yamhill County Housing Authority. There is a minor increase in materials and services to meet the needs of the one-third planner, and a related decrease in professional services to reflect greater City staff role. He indicated that last year we had ten EDRLF loans and this year we have fourteen loans. Mr. Cole passed out a list of loans. He indicated that loans are limited to businesses with \$3 million dollars or less in gross income and that businesses are required to show increased employment. Only ten percent of the funds are used for retail. The main focus of the program is on increasing manufacturing jobs. Mr. Nulsen said that we should add a central services charge to the operational portion of the fund.

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MOTION: Rementeria/E. McIntosh moved to approve the Economic Development Fund with the change of adding a central services charge.
Vote on the Motion: Carried unanimously.

Mr. Cole passed out the NHRC and Chehalem Valley Senior Citizens Council financial statements that had been previously requested.

PUBLIC WORKS DEPARTMENT BUDGET:

Mr. Cole explained the focus of the Public Works budget is to get projects moving by hiring an Engineering Tech and a Utility Manager. The Engineering Tech will help to develop the CADD System, sidewalk repair and field work. The Utility Manager will manage the water and sewer daily operations, develop a program for I and I, review the water master plan and update it, and work on future development system needs.

Mr. Teitzel reviewed the department's proposed organization chart. He indicated that the department is in five funds. The budget is a status quo budget with the exception of adding an Engineering Tech I and Utility Manager.

Mr. Nulsen asked with the addition of these two staff members, if the City would be able to eliminate other professional services. Mr. Teitzel responded that the addition of the Utility Manager would reduce the administrative costs the City pays to consultants. This person will fill a gap on the staff.

Next Mr. Teitzel reviewed major capital equipment purchases that are included in the proposed budget.

MOTION: Gano/Proctor moved to approve the Public Works budget. Vote on the Motion: Ayes - 10, Nays - 1 (Nulsen). Motion carried.

DEBT SERVICE:

Ms. Tri indicated that the Debt Service Fund is to pay for general obligation debt on the Water Plant, Sewer Plant, Library, and Hospital. Principal payments equal \$990,000 and interest payments equal approximately \$1.5 million dollars. The property tax levy is to support half of the 1986 Sewer Bond Debt and Library Bond Debt. The Hospital provides the funds to pay for its debt. Water Bonds are paid from user rates.

The Bancroft Bond Fund was also reviewed. It was indicated that the City anticipates to sell a Bancroft Bond for some local improvement

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projects anticipated to be completed during 1990-91. Ms. Tri also indicated that she will be sending a letter to delinquent assessment payers within the next couple weeks.

MOTION: Gano/Rementeria moved to approve the Debt Service Funds. Vote on the Motion: Ayes - 8, Nays - 3 (Pennock, Nulsen, Proctor).

CAPITAL PROJECT FUND:

Mr. Cole explained that all capital projects were being budgeted in one fund which will help the City monitor the progress of the various projects. The fund equals \$4.1 million of which \$1.7 million is for the composter to be financed by a new EPA grant. He indicated that some of these projects will be completed during the fiscal year and some will be started during the fiscal year but completed in the following year. He reviewed the list of projects. Staff responded to questions about various projects.

MOTION: Rementeria/E. McIntosh moved to approve the Capital Projects budget. Vote on the Motion: Carried unanimously.

MOTION: M. McIntosh/Nulsen moved to adjourn. Vote on the Motion: Ayes - 1, Nays - 10. Motion failed.

Mr. Cole reviewed the statutory responsibility of the Budget Committee to set the levy for the next fiscal year. He indicated the Budget Committee has just reviewed the budget within the tax base and that these were options available to the committee on what levy to approve. If the tax base passes, the committee will have to reconvene. No motion was made to change the levy.

CENTRAL SERVICES FUND:

Ms. Tri reviewed the Central Services Fund which is new in the 1991 budget. She indicated that previously most of these expenditures had been budgeted in the General Fund with some charges to the other operating funds. She reviewed the different costs of the five activities financed from this fund: Data processing - \$39,032; Insurance/Benefits - \$1,037,275; Telephone, office equipment - \$45,613; City Garage - \$74,884; and City Building - \$58,936; for a total fund of \$1,255,740. She indicated that the City Garage and City Building budgets were the same as had been previously budgeted in the General Fund. Operating expenses for data processing was new but it felt necessary due to the demands on the Assistant Finance Director for data processing support within the City. Mr. Gano asked about upgrading the telephone system and Mr. Pennock indicated that he would assist the City in an upgrade.

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Vote on the Motion: Carried unanimously.

VEHICLE/EQUIPMENT REPLACEMENT FUND:

Ms. Tri reviewed the Vehicle/Equipment Replacement Fund. She indicated that until 1986 vehicle replacement had been in one fund. Several years ago the City split the funds into six funds. Staff is now recommending that this be combined again into one fund for better accounting management. Page 246 shows the expenditures for each department. She indicated that the only new contributions to one fund were from the Street, Sewer and Water Funds per the equipment replacement schedule that had been presented to the Budget Committee earlier. The fund equals \$236,000.

MOTION: Gano/Bessler moved to approve the Vehicle/Equipment Replacement Fund. Vote on the Motion: Ayes - 9, Nays - 2 (Nulsen, Proctor).

MOTION: McIntosh/Halstead moved to adjourn. The Committee adjourned at 8:37 p.m.

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