

Thursday, 7:00 p.m.

May 2, 1991

CITY OF NEWBERG
BUDGET COMMITTEE MINUTES

Newberg Fire Station

Newberg, Oregon

The meeting was called to order by Chairman Eldon McIntosh at 7:00 p.m.

ROLL CALL:

Members Present:	Brian Love	Melinda Newland
	Fred LaBonte	David P. James
	Gary Hay (7:10)	Jack Nulsen
	Roger Gano	Scott Reinhardt
	Donna McCain	Eldon McIntosh
	Martin McIntosh (8:10)	

Others Present:	Elvern Hall, Mayor
	Duane R. Cole, City Manager
	Terrence D. Mahr, City Attorney
	Elmer Christensen, Fire Chief
	Mike Hailey, Building Official
	Bert Teitzel, Public Works Director
	John Thomas, Utility Manager
	Kathy Tri, Finance Director

NEW BUSINESS:

Departmental Reviews:

The City Manager, Duane Cole began by welcoming the budget committee to what could be their final meeting.

Building Inspection Department:

He began by reviewing the building inspection department's budget. He said that a number of issues were looked at including the rapid growth of the community and the pressures this growth puts on the department to keep up with the building activity. He mentioned that McMinnville will be adding one inspector and an aide to its building department. He said that staff will closely monitor building activity and if problems arise, he will go back to the Council for additional help. In the meantime, the budget keeps the same staffing level as in the current year. The professional services line pays for plumbing and electrical inspections for which we contract for. These services are paid for from inspection fees. In addition, Mike Hailey had included funds for either a new car or increase monies for repair of the existing car. However, the staff is committed to keeping the current vehicle operational and will be looking at alternatives for a vehicle for the building department.

Roger Gano asked about the increase in the dues, travel and training, and workers

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compensation account lines. Jack Nulsen asked additional questions about the professional services. Mike Hailey, Building Official, explained that the City contracts with the County for electrical inspections and that the agreement states that the City can terminate the agreement within 30 days notice. Seventy percent of the fees go to the electrical inspection and the City retains 30%. This is a standard split in most communities. He explained that it is very difficult to find certified electrical and plumbing inspectors and the City has had a very good relationship with both of their inspectors. He also stated that the City will now be doing all fire, life and safety inspections, and the City will be retaining 100% of the fees. Jack Nulsen asked Mike Hailey if the department is going to need additional personnel. Mr. Hailey responded that possibly, however, they might be able to hire a temporary inspector depending on the projects. However, it is hard to find an inspector who is certified and cross trained with plumbing and building.

MOTION: Reinhardt/Nulsen moved to approve the Building Inspection Department's budget. Vote on the Motion: Passed unanimously by those present.

Planning Department:

Fred LaBonte began by asking if there were any major changes in this budget. Mr. Cole responded that there were no major changes and that the savings in the bottom line have been due to staff turnover. He did indicate that there was a new line item in this budget for historic preservation loans. This money will come from room tax receipts to assist homeowners with historic preservation projects. The exact program has not been developed yet and will be presented to the Council at a later date. The \$2,000 for additional clerical funds is to cover the annex reception area during lunch hours and vacations. Training costs have increased in order to provide some training for Planning Commission members and for attendance at one national conference. The City has hired some young staff and we need to expose them to some training opportunities. Jack Nulsen asked if the \$10,500 in non-property tax revenue is permanent fees and if those fees were budgeted at the same rate as the current year. Mr. Cole responded that the budget assumes a change in fees and that these fees will be presented to the Council at a later time. Gary Hay asked why the central service charge had increased to \$10,000. Staff responded that the major increases were due to the move to the annex.

MOTION: Gano/Hay moved to accept the Planning Department's budget. Vote on the Motion: Ayes - 9; Nay - 1 (Nulsen because the budget was based on increased planning department fees.)

Legal Department:

Terry Mahr explained that the department included one attorney and a legal secretary/elections officer/Assistant City Recorder. He explained that the City has resisted hiring additional legal staff. Generally, additional staff is

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needed because of increased court activity and organization of City employees. He did indicate that his secretary is a qualified legal assistant. His budget is basically an inflationary increase for his materials and services. He indicated that he is also the attorney for the hospital and there is budgeted an increase in the charge to the hospital for his services. This increase is based on his time spent on hospital work. Jack Nulsen questioned the money being asked from the Hospital to cover Terry Mahr's services. Duane Cole explained that 20% of the net costs of the City Attorney's office is related to the hospital. Mr. responded that he felt the 20% was a reasonable estimate of the amount of time he spends on hospital work. Jack Nulsen questioned the position of the hospital's ability to pay for this additional cost for attorney services and felt that this amount should not be binding, but the City should bill the hospital on an hourly cost. Fred LaBonte questioned Mr. Mahr on the number of hours he spends per week on hospital business. Mr. Mahr responded that he spends approximately eight hours a week on hospital business, although this varies from week to week depending on the number of meetings. Mr. LaBonte expressed that he felt the hospital should pay for what they use and that the hourly rate for Mr. Mahr's services appeared reasonable. Mr. Mahr responded that he and his secretary are going to an hourly record keeping system in order to bill all parts of the City organization.

Mr. Nulsen expressed that it is an advantage to the City to have Mr. Mahr attend hospital meetings. If the City billed on an hourly basis it would make the Hospital Board more diligent in their use of Mr. Mahr's time.

Roger Gano questioned the amount of money in the retirement account. Mr. Mahr responded that this equated to the amount that was negotiated last summer. Gary Hay expressed that the retirement cost to the City is huge and it continues to grow for all employees. He encouraged the City Council to review the fringe benefit package and the City needs to get a handle on its costs.

MOTION: Gano/Reinhardt moved to adopt the Legal Department's budget. Vote on the Motion: Ayes - 9; Nay - 1 (Nulsen).

Finance Department:

Finance Director, Kathy Tri explained that her department is budgeted in four funds: General Fund, Sewer Fund, Water Fund and Central Services Fund, and that the department has three programs - Finance, Utility Billing and Data Processing. She explained that the professional services was for the annual audit and contractual services is for payroll. Jack Nulsen asked about using the Hospital or School District for payroll services. She explained that because they did not have compatible computer systems, the City would not be saving any staff time in preparing payroll. However, she has talked to Dundee and will consider talking to the Chehalem Park and Recreation District in combining payroll services since they all have the same accounting software. She explained that the City is considering adding a payroll software onto the computer system, if so, these remaining funds would be used to help finance that software.

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In the utility funds, expenses include direct costs for utility billing services split 50/50 between the water and sewer funds. Additional funds have been added for training for the Utility Billing Clerk and for professional services for computer software needs.

MOTION: McCain/Reinhardt moved to accept the Finance Department's budget. Vote on the Motion: Passed unanimously by those present.

Municipal Court Budget:

The discussion on the court budget focused on the Municipal Judge's contract and the cost of court appointed attorneys. It was explained that the City shares its municipal judge with the City of McMinnville and that the City actually pays the City of McMinnville for its portion of the judge's cost. Terry Mahr explained that the City is having a hard time getting attorneys to take court appointed cases. The City currently is paying \$25.00 per hour for a maximum of three hours. We recently reviewed this policy to see if we could increase the amount of money an attorney could receive for these cases. Mr. Mahr explained that he is in the process of drafting a letter to the bar to force attorneys to take these cases. In most municipal courts, the cities send these cases to District Courts. However, there is a problem with a state court administrator in City courts and the state does not want to prosecute these cases. If we abandon the court it should be noted that police costs would increase dramatically and we would have a reduction in revenue.

It was noted that the adoption of the enhanced traffic enforcement program will add a half-time clerk to this budget.

MOTION: Gano/Reinhardt moved to approve the Municipal Court budget. Vote on the Motion: Ayes - 10; Nay - 1 (Nulsen).

Central Services:

Kathy Tri also explained that in the central services fund the expenses in the data processing budget included maintenance and rental contracts on office equipment (copiers, printers, and fax machine) and City wide telephone costs. The capital expenses included new hardware for four stations, a second hard drive for the network, and some software. The professional services money is used for Springbrook Software and Touchstone Technology who assist us with both hardware and software problems.

Next the Budget Committee reviewed the Fleet Maintenance budget. Eldon McIntosh asked how long it will be until we need to replace another fire truck. Roger Gano and Elmer Christensen responded that the Rural District is looking at replacing this truck. Jack Nulsen suggested that maybe the City should keep the \$1.00 fire truck fee.

Next the Committee reviewed the Facility Maintenance budget. It was explained

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that this budget is primarily for janitorial services and basic repair of City buildings. Fred LaBonte questioned the engineering charge. Duane Cole explained that this is to reimburse the Engineering Department for its time supervising janitorial services and managing building maintenance. Mr. Cole explained that the City is considering contracting janitorial services out starting July 1, 1991. Eldon McIntosh questioned the amount of money set aside for City Hall repairs and what could be done with that money. Mr. Cole responded that not too much could be done to City Hall repairs with \$3,000. However, if more is needed, staff would come back to the Council. Scott Reinhardt questioned the need for handicap access to the City Hall. Mr. Mahr responded that we will be needing to look into that situation.

MOTION: Gano/Reinhardt moved to approve the Central Services budget. Vote on the Motion: Ayes 10; Nay - 1 (Hay).

Gary Hay objected to the amount being budgeted for telephones. Mr. Cole explained that this budget covers all City telephone expenses and long distance costs. The increase is the increase that will result in the installation of a new telephone system. Our system is currently seven years old and was dated when the City purchased it and it is starting to break down and there is no room left for expansion of the system. Scott Reinhardt explained that frequently when he calls the City he is unable to get through the City lines. Roger Gano explained that the City purchased the system from GTE with a five year maintenance contract and that GTE canceled the contract after four years since they could no longer maintain it. Elmer Christensen explained that they cannot get parts to phones if they break.

MOTION: Nulsen/Reinhardt moved to adjourn. Vote on the Motion: Ayes - 6; Nays - 5 (E. McIntosh, LaBonte, Nulsen, M. McIntosh, McCain).

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