

Monday, 7:00 p.m.

April 27, 1992

CITY OF NEWBERG
BUDGET COMMITTEE
MINUTES

Newberg Public Library

Newberg, Oregon

Chair Gary Hay called the meeting to order at 7:05 p.m.

ROLL CALL:

MEMBERS PRESENT:	Loreen Edin	Ellen Bailey (7:07 p.m.)
	Melinda Newland	Fred LaBonte
	Gary Hay, Chair	David James
	Brian Love	Alan Halstead
	Roger Gano	Eldon McIntosh
	Scott Reinhardt	Donna McCain
	Jack C. Nulsen	Donna Proctor

OTHERS PRESENT: Mayor Elvern Hall
Duane R. Cole, City Manager
Terrence D. Mahr, City Attorney
Katherine Tri, Finance Director
David Bishop, Police Chief
Elmer Christensen, Fire Chief
Bert Teitzel, Public Works Director
Mike Hailey, Building Official
Diane Padilla, Asst. Finance Director
Carol Foutts, Interim Librarian

MINUTES: The committee reviewed the minutes from the December 10, 1991, meeting. A correction was made to the minutes regarding the motion electing Roger Gano as Vice Chair. The motion was made by Alan Halstead and not Roger Gano. The correction was noted.

MOTION: Halstead/Edin moved to approve the minutes as corrected. Vote on the Motion: Carried unanimously by those present.

BUDGET MESSAGE:

City Manager Duane Cole presented his budget message for the 1992-93 budget. He noted that the budget is within the 6% property tax limitation set by the Oregon Constitution. It provides an overall direction for 1992-93 and includes an increase in sewer rates and no increase in the water rates. He noted that this week the Budget Committee will focus on General Fund programs and

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the following week the committee will look at Public Works. He indicated that the committee needs to understand what they are looking at. He stressed that it will be important to look at the forest and not just the trees. He reminded committee members that the budget includes the Hospital and two large utilities. He stressed that the Budget Committee should value what the City has. He indicated that the City, as a business, is one of the five largest businesses in Newberg.

He suggested that the Budget Committee look at the budget as a policy document. While it is important to note small shifts in the numbers, generally they don't make much difference to the bottom line. He stated that the budget focuses on effectiveness, efficiencies and good customer relations. Department Heads were asked to provide him with information that they needed to run their departments. He felt it was important to only fund those programs that could be funded safely through this year and next fiscal year. A list of decision packages which were prepared by Department Heads were attached to the Budget Message. However, he expressed that this is Chevy model budget. There continues to be shortfalls in staff and facilities.

Next Mr. Cole reviewed a total quality management model from the City of Phoenix. He talked about quality planning, information management, reduced cycle time, leadership, employee empowerment, quality results and continuous improvement. He also showed a model that showed various pressures upon local government with regard to revenues versus costs, and employee demands versus customer demands. He discussed four levels of thinking about City government: Vision, strategy, operations, and tactics. Finally, he said instead of focusing on incremental changes, the Budget Committee should consider the budget document as a policy and management tool not an accounting document. He said it is healthy to do a fundamental re-appraisal of some major departments each year. He indicated that in tough times, some short range steps may be absolutely necessary and long range basic improvements should be sought concurrently.

REVIEW OF BUDGET NOTEBOOK:

Finance Director Kathy Tri then reviewed the budget notebook to assist budget committee members find their way through the document.

PUBLIC HEARING ON STATE REVENUE SHARING:

Chair Gary Hay opened the public hearing regarding State Revenue Sharing. Kathy Tri gave a brief report indicating for 1992-93, the City anticipates receiving \$58,000 from the State Revenue Sharing program which is funded through liquor tax receipts. As indicated in the Budget Message, State Revenue Sharing will primarily support one time capital expenses which are listed on page 2 of the Budget Message.

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Chair Hay then asked if anyone in the audience wanted to speak. No public comments were received. The public hearing was closed by the Chair.

Committee members then discussed one of the items included in the list -- the architectural concept for a new City Hall.

NEW BUSINESS:

The Budget Committee began its departmental review.

POLICE DEPARTMENT:

The first department to be reviewed was the Police Department. Chief Dave Bishop presented his budget to the Budget Committee. Chief Bishop indicated that his budget is found in three funds: General Fund; 9-1-1, and Civil Forfeiture. He indicated that there are few changes, mostly in materials and supplies and there was a new account for vehicle replacement of \$7,000. He indicated that it is important to put some funds aside for vehicle replacement for the time when the Civil Forfeiture Funds are gone. He also noted that the DARE Program is completely supported by donations and a small grant. He indicated the department's high priorities include drug enforcement, traffic enforcement, community policing, and violent crimes which have increased 17% during the first 6 months of the year. He indicated that there is the same level of professional services; however, demand for services has increased based on the number of calls and the population increase. He indicated that the department will continue to evaluate all calls for service. Chief Bishop then reviewed his four divisions: Administration, patrol, investigations and communications.

The committee then discussed with Chief Bishop funding for the reserve officers. Chief Bishop indicated that he had seventeen reserve officers and he likes to maintain a force of at least fifteen. He indicated that the City conducts its own academy which is based off of the State academy. Several committee members indicated that they felt that the reserve officers should receive some financial assistance for paying for their uniforms. Chief Bishop indicated that the City currently pays for the vest and this budget includes some funds for replacement of uniforms that are damaged, and the department intends to buy new uniforms for future reserve officers.

Melinda Newland questioned the Animal Control program. Dave Bishop indicated that the department tries to educate the public regarding animal control. He indicated that the County has been asked to take on more responsibility for animal control within the community. Roger Gano asked if the reserves were given additional funds, where would the department come up with the money? Dave Bishop indicated there is enough funds budgeted in the 1992-93 budget to cover basic replacements for the reserve officers.

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Melinda Newland indicated a conflict of interest and that she would not be voting on the motion.

MOTION: Roger Gano moved for the Chief to come back with an itemized list of department expenses for reserves. The motion failed for lack of a second.

MOTION: Nulsen/Gano moved to delete the \$7,000 vehicle replacement account and to give those monies to the Reserves.

Vote on the Motion: Five to six - motion failed.

Scott Reinhardt asked Chief Bishop if he was content with his 1992-93 budget. Chief Bishop responded that yes he was.

Donna Proctor asked Chief Bishop why the reserve officers, at the swearing in of the new reserve officers, indicated how much they had spent? Dave Bishop indicated that the reserves understand the conditions under which they agreed to be reserve officer and they knew coming into the program that they would have to spend some money on uniforms. However, he feels the City is taking the right direction in adding some funds to the departmental budget to help the reserves pay for their shirts and pants.

Gary Hay expressed concern over the growth in the cost of the department, especially over the next couple of years and what the Budget Committee should do about it. He questioned under Ballot Measure 5 how the City is not going to cut staff and also show fiscal responsibility.

Gary Hay asked the Chief about responding to calls outside the City limits and if the City receives any funds from the County. He indicated that he was tired of subsidizing service to those that don't pay. Chief Bishop indicated that the City only responds in an emergency, however, it is a good double taxation issue. Gary Hay asked about the City's workers comp program, safety program, and our experience rating. Kathy Tri responded that the City is insured through the City/County Insurance Service and that we were insured in the group, but had our experience mod.

Ellen Bailey asked what was the departmental costs per capita. Kathy Tri responded that department costs are \$122.70 per capita.

MOTION: Gano/Reinhardt moved to approve the Police Department's budget.

Disclaimer: Melinda Newland declared a conflict of interest and indicated that she would not be voting on the motion. Vote on the Motion: Ten to one (Nulsen), motion carried.

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Chief Bishop then reviewed the Civil Forfeiture Fund.

MOTION: Gano/Reinhardt moved to approve the Civil Forfeiture Fund.

Disclaimer: Melinda Newland declared a conflict of interest and indicated that she would not be voting on the motion. Vote on the Motion: Ten to one (Nulsen).

Finally, Chief Bishop reviewed the 9-1-1 Fund.

MOTION: Gano/Love moved to approve the 9-1-1 appropriations.

Disclaimer: Melinda Newland declared a conflict of interest and indicated that she would not be voting on the motion. Vote on the Motion: Carried unanimously by those present.

FIRE DEPARTMENT:

Disclaimer: Roger Gano and Brian Love indicated that they had a conflict of interest and would not be voting on this budget.

Chief Elmer Christensen presented his 1992-93 budget. He indicated that all the Budget Committee members had been sent the Fire Department's year end report. He indicated that calls were up and training requirements had increased. He has four sections in his budget: Administration, suppression, fire prevention and rescue. Administration adds a half-time clerical position which will add an additional two hours in the afternoon for phone and office coverage. He indicated that the supply budget in suppression had increased substantially because the City is in need of replacing turnouts. The current turnouts were purchased seven years ago and are rapidly falling apart. Other significant expenses the budget must cover next fiscal year are replacement of light fixtures, a passport system, testing the ground ladders, mouth shields for mouth-to-mouth resuscitation, and hepatitis B shots. He indicated that the volunteers were happy with the funds that were provided to them last year which increased their point system, life insurance policy and training costs. He indicated the budget will not cover any major equipment failures. In the prevention budget additional funds provided for a fire prevention program which fifteen to eighteen of the volunteers are putting together.

Finally, under capital outlay there is nothing budgeted other than continual purchase of the new fire truck. The new fire truck has taken care of many of the problems that had existed in the department, particularly hoses and breathing apparatus.

Elvern Hall commented that the \$5,000 being put away each year in the vehicle replacement fund is sorely inadequate. If we purchased a new fire truck today, it would be \$10,000 to \$15,000

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more than the one that we just received. Duane Cole indicated that there was a decision package regarding vehicle replacement. It recommended a \$40,000 annual contribution to the vehicle replacement fund. The \$5,000 being put aside annually is basically covering other capital expenditures in the department.

Elmer Christensen indicated that the City has an excellent relationship with the Rural Fire District and that it may be possible to purchase a new truck with the district in a couple of years.

Ellen Bailey asked the City Manager about the process being used to hire a new Chief. She wondered if the process could be just internal or if the City had to go outside. Duane Cole indicated that the process had already begun and that it would be a national search.

MOTION: Nulsen/Proctor moved to adopt the Fire Department's budget. Vote on the Motion: Carried unanimously by those present.

1991-92 SUPPLEMENTAL BUDGET:

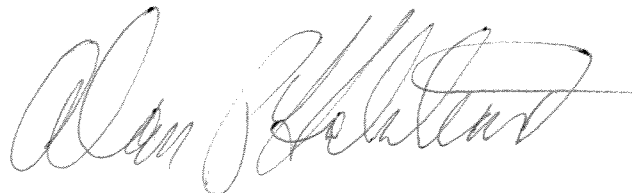
Kathy Tri reviewed the three items included in the 1991-92 Supplemental Budget. These included a grant in the General Fund, recognition and appropriation of the Library Refunded Bond on the Debt Service Fund and increased costs for the telephone system in the Central Services Fund.

MOTION: Nulsen/Reinhardt moved to approve the 1991-92 Supplemental Budget. Vote on the Motion: Carried unanimously by those present.

ADJOURNMENT:

MOTION: Nulsen/Gano moved to adjourn at 9:35 p.m. Carried unanimously.

\bcmin

A handwritten signature in cursive script, likely belonging to Duane Cole, is written in the bottom right corner of the page.