

**MINUTES
BUDGET COMMITTEE**

Thursday, 7:00 p.m.

May 5, 1994

Newberg Wastewater Treatment Plant

1. CALL TO ORDER

2. ROLL CALL

COUNCIL

PRESENT: Corinne Adams (CA) Roger Gano (RG)
 Roger Currier (RC) Donna McCain (DM)
 Dave McMullen (DMc) Bob Weaver (BW)
 Don Wright (DW)

ABSENT: Corinne Adams (CA)
 Donna Proctor (Mayor)

BUDGET MEMBERS

PRESENT: Andrew Poole Barbara Secor
 Bert Pennock David P. James
 Alan Larking Melinda Newland

ABSENT: Tracy Pinder

STAFF PRESENT: Duane R. Cole, City Manager (DRC)
 Katherine Tri, Finance Director
 Robert Tardiff, Police Chief
 Diane Padilla, Assistant Finance Director
 Michael Sherman, Fire Chief
 Chuck Liebert, Utility Manager
 Leah Griffith, Library Director
 Peggy R. Hall (Legal Department)
 Greg Scoles, Community Development Director

3. Approval of the minutes for April 26, 1994.

MOTION: Gano/Pennock to approve the minutes. (Unanimous). Motion carried.

4. NEW BUSINESS - REVIEW OF DEPARTMENTAL BUDGETS

Community Development

DRC gave a brief introduction on the Community Development Department.

DRC further noted that the City centralized the following departments into one Community Development Department (engineering, building, planning and public works). Mr. Greg Scoles is the Community Development Director and comes from a private sector background. Mr. Scoles was the ideal candidate for the position. Greg Scoles provided slides and over-heads for his presentation. Mr. Chuck Liebert, Utility Manager, assisted Mr. Scoles with his presentation. Mr. Scoles noted the following changes in the Community Development Department (new leadership, new positions created, new restructuring of department). Mr. Scoles reviewed his department's budget which provided a broad range of projects (some of which are capital projects).

Mr. Scoles reviewed with the Committee how the City had a study on whether or not it was better to privatize the wastewater treatment and water treatment plants or keep with the City. The City hired Montgomery Watson to provide the management audit to determine the feasibility of the City privatizing the plants (improve performance, reduce budget costs). The Department has adopted many of the items mentioned in the audit. Mr. Scoles noted that there is an impact to the City's revenue due to Allen Fruit shutting down its plant (approximately \$250,000). The Department is looking at reducing costs by consolidating management and utilizing the skills of existing employees (39) and rewarding entrepreneurial methods and skills. Mr. Scoles also noted that there are DEQ regulations to contend with and has increased the level of expertise that employees must have.

Discussion was held concerning the City selling its services to other agencies. Mr. Scoles stated that the Department is already sharing its skilled employees with other jurisdictions such as McMinnville without affecting City services.

Discussion was held concerning the well sites and the City's future uses. The City is getting approximately 300-400,000 gallons of water from the springs. The City needs to protect them. The Department is evaluating updating its computer control systems at the treatment plants which will relieve employees working during the weekends at facilities. Some of the meters that are being replaced are 30 years old. The Department intends to paint the reservoirs.

Discussion was held concerning capital projects (Wynooski overlay, River Street sewer replacement, Hwy 99W water line replacement is a constant maintenance source due to its steel lines, Harrison Street sewer project, Dayton Avenue pump station has an automatic start-up).

Discussion was held on the N. Main to Foothills Drive local improvement district (LID). The City would have to pay for over sizing the sewer and water lines in order to accommodate future property development and the related needed capacity. The majority of property owners want to participate. The Elliott Road LID is concerned with a traffic signal and the widening of the road. The Second and Third Street at Everest LID is awaiting City Council and Planning Commission approval. Hwy 99W needs a new 10" water line.

Mr. Liebert stated that the management audit report indicates that both facilities (water and wastewater) should operate with three fewer people. The City will be able to save long term dollars through attrition. Discussion was held concerning talking with Smurfit on how they handle their facilities.

Discussion was also held concerning what the City intended to do with the Allen Fruit pretreatment facility.

Mr. Scoles reviewed with the Committee the changes and the influx of work to be done in the Building Department section. There is a 10-15% increase in permits from 1992 to 1993. The Department will be looking at approximately 400 more inspections this year.

Mr. Scoles reviewed the following:

1. Planning - 3.25 FTE. Last year was 3.5 FTE, reduction in the secretarial position. Budget this year was \$171,000 and last year was \$186,000.
2. Public Works - 33 FTE. State tax, street, capital projects, vehicle, sewer, water and water replacement funds are affected. This does not affect the general fund. Present budget is \$850,000 with last year's budget being approximately \$766,000. The actual difference relates to street and capital improvements.
3. The sewer fund has 11.45 FTE. The budget last year was approximately \$1.2 million and this year is about \$1.1 million, even including full start up costs for the composter.
4. The water fund has 6.64 FTE and equals \$1.9 million.

Discussion was held concerning the consolidation of accounts related to plant operations and maintenance which includes sources of supply, water quality and maintenance.

5. Facilities maintenance - 1.0 FTE (last year - .75 FTE). Last year's budget is \$200,000, this year's budget is \$173,000). Discussion was held concerning janitorial services and additional costs for lease payments (i.e., Community Development building) and various leasehold improvements.
6. Vehicle fleet maintenance- 1.5 FTE. Status quo with no additional services.
Discussion was held concerning repairs and improvements to the garage.

MOTION: Weaver/Gano to accept the Community Development Department budget.

Discussion was held concerning the split of the departmental budgets in the general, sewer and water funds.

Discussion was also held concerning increasing the proposed budget to allow for the addition of much needed new lighting. Approximate cost of \$8400 (\$4,000 from general fund). Mr. Scoles noted that a claimer for recycling oils, etc. could pay for itself if purchased.

MOTION: Gano/Wright to amend the original motion to approve the Community Development budget with the addition of the expense for the additional lighting.

ROLL CALL ON AMENDMENT: (9 yes/4 No/3 Absent). Motion carried.

Councilor Gano called for the question on the motion as amended.

ROLL CALL ON MOTION AS AMENDED: (Unanimous).

Discussion was held concerning additional departmental moving expenses.

MOTION: McMullen/Gano to adjourn at 8:30 p.m. (withdrawn)

Police Chief Bob Tardiff stated that the police department's long term facilities request as been to do something with the police department lobby. Discussion was held concerning the additional \$32,000 amount needed to redo the lobby. DRC stated that the tax base levy did not take into consideration the lobby area. This request was not included in this year's budget.

DRC reviewed decision packages that had to be eliminated from the City's budget to accommodate other needed items. Chief Tardiff stated that the police department's requests were prioritized, but that some other things took a higher priority over than the lobby.

MOTION: McMullen/Gano to adjourn at 8:45 p.m. The next Budget Committee meeting is scheduled for Tuesday, May 10th.



Barbara Secor