

WEDNESDAY, 7:00 P.M.

JUNE 15, 1994

BUDGET COMMITTEE MINUTES

WASTEWATER TREATMENT PLANT

NEWBERG, OREGON

The meeting was called to order by Chair Donna McCain at 7:00 p.m.

ROLL CALL:

Present:

Roger Currier	Roger Gano
David James	Alan Larking
Donna McCain, Chair	Dave McMullen
Andrew Poole	Don Wright
Barbara Secor	Robert Soppe
Robert Weaver	T. Dan Wollam

Others Present:

Donna Proctor, Mayor	Duane Cole, City Manager
Carol Foutts, Asst. Librarian	Katherine Tri, Finance Director
Terry Mahr, City Attorney	

The meeting was called to order by chair Donna McCain at 7:00 p.m..

NEW BUSINESS:

1994-95 Supplemental Budget for Hospital: Kathy Tri indicated that negotiations with Sisters of Providence of Oregon are going very well, and as of July 1, all hospital matters should be resolved. However, there is a slight chance that they might not be. When the budget review was conducted, there was no review of the hospital budget. This supplemental budget is a standby in case the negotiations would not be completed by July 1, 1994. Duane Cole, City Manager, indicated that if the agreement is not put together, it would not be a serious problem. However, in order to protect the Hospital's continuing operation, the supplemental needs to be approved and will act as a cushion.

MOTION: Barbara Secor/Don Wright moved to recommend this resolution to the Council. **VOTE ON THE MOTION:** Passed by those present.

Don Wright asked the committee if only agenda items could be discussed at a meeting. Duane Cole directed the question to Terry Mahr, City Attorney. Terry indicated that if it is something which ties into the budget, then it would be appropriate to discuss them. If it is just general conversation, it should be done at a later time.

Tax Base Loss: Duane Cole went over the tax base election results from May 17, 1994. The tax base passed in one precinct, but in two it was defeated by a large amount. Duane indicated that in those two precincts, the demographics show that the residents are mainly commuters, families with high mortgage payments, and a lot of people that don't use City services, such as the library.

Barbara Secor indicated that she felt the tax base would have passed if some of the sections were cut. She stated that it would be better to present it in pieces and allow the community to pass it little by little. The committee felt that if it had been done in pieces, the request for more fire services would have passed. The library probably would have passed, but the image of the police

department is still bad and it most likely would not pass. Duane indicated that the percentage of those voting in favor increased from 32% in 1989 to 47% this year. Bob Weaver commented that even if you have a budget for \$.05, people are still going to vote no. Duane indicated that the next time to present the tax base would be in November. He showed to the committee what the original tax base was, and then presented to them a revised version of the issues he felt were most important. He indicated that he was just throwing them out for discussion and he was interested in what direction the committee wanted to take. He indicated that taking out the additional Community Development and Administration services would decrease the amount requested by approximately \$60-70,000. Roger Gano asked if Duane was proposing one or three separate issues. Duane indicated that he would like to have a discussion on how to present it. He asked Terry Mahr if two tax bases could be put on the same ballot. Terry indicated that he had never seen it done before, but that he did not know if it was legally possible. The idea of a serial levy was brought up, but Duane indicated that a serial levy should be done in March, instead of November as discussed. He stated that it would not take effect until July 1, 1995, no matter when it was presented to the voters.

Robert Weaver questioned how well the tax base was publicized. He indicated that he felt that if everyone got out and worked to inform people, there may be a better showing and more votes in favor of the tax base. Donna McCain indicated that she has concerns about serial levies. If the community approves a three year levy the first vote, but disapproves the next, then there is a risk for employees. Don Wright indicated that he did not feel that would happen. He stated that if you have employees that are producing and there is a level of satisfaction from the community, then the community would not resist approving it again. He said that there is some risk involved, but that should be expected. Roger Currier asked if it would make a difference in decreasing the amount requested to two firefighters, one police officers, and only one additional day of service at the Library. Duane indicated that those numbers would have to be recalculated, but that it was a good idea and could be considered. There was a discussion about when to present the new options to the voters. Duane indicated that if the committee decided to present a new tax base, the only time to do it before 1996 would be November 1994. If the committee opted to do a serial levy, that could be done in September or March. Duane said March would be good to stay away from the Park districts proposal in September. There may be a bond issue in March coming from the County. Andrew Poole asked about the impact of the next change in Measure 5 and if Duane has a sense of what the reduction will be. Duane indicated that because the school bond will begin to be collected, there will not really be any increase or decrease in taxes.

Don Wright suggested that the City present a new tax base for the Fire Department in November, and possibly present a serial levy for the Police Department in March. He indicated that he did not feel the amount of money was an issue, but the presentation. Roger Gano stated that the feeling from the community regarding the Police Department is not a positive one. They still equate the Police with Dave Bishop, and that it may take a while for them to get over that. He suggested that Chief Bob Tardiff work with the community and develop "Bob's Leadership" and allow the old image to pass. Then they could present a new levy to include the Police. He also stated that was very important was to have all of the committee behind the proposal, be supportive and be willing to push for it. Donna McCain stated that she had a concern with supporting one section and not another. She indicated that the Police department could be upset by the City deciding to withdraw their proposal. David James indicated that if at one time,

the City went to the community and told them that they needed a certain amount of money for an increase in services, then they would lose credibility with the community by telling them that they now need less money for less services. The people will have a feeling that the City lied to them about their original needs. He stated that the City should stick with the first proposal, but inform the people about the services and why these are needed. He indicated that the key is educating the people.

Dave McMullen questioned if their obligation is to present a tax base that they think is best for the community or a tax base that they think will pass. He stated that he feels their obligation is to do what is best for the citizens of Newberg. He indicated that reducing some of the services instead of cutting them has some merit. There was some discussion on what should be presented. Don Wright indicated that the Fire Department has a very good chance of passing and that should be the focus of the City, to present what will pass. Andrew Poole stated that if you present the whole proposal again, and it fails again, then what do you do. Do you present it again until it passes, or do you give up. He indicated that if the Fire proposal will pass, it should be presented and allowed to go ahead, then do the other portions later. Dan Wollam stated that he doesn't feel the people understood the tax base and that there were many misconceptions as to what it was for. He indicated that the City should take some time with community forum meetings, put the information out and allow the community to present some feedback. He stated that then it is the proper time to put it on the ballot, after the public knows.

Donna Proctor commented that she feels that it would be wrong to leave out the other departments such as the Police. She stated that they are starting to get their morale up and that the proposal should be presented as a whole instead of individually. Donna McCain asked Duane Cole about the percentage of the community that voted. He indicated that it was a very low turnout by the community, with only approximately 3,000 people voting out of 7,000 registered voters.

Duane Cole took a moment to go through the suggested proposals. The first proposal was labeled the 'Roger and Dave' proposal. It was estimated at \$375,000.00 and would cover 2 fire fighters, 1 police officer, 6 additional library hours, and police vehicle replacement. The second proposal, 'City Manager's proposal' is estimated at \$549,000.00 and would cover 3 fire fighters, 2 police officers, 8 additional hours of library service, and vehicle replacement for police and fire. The third proposal by Don Wright for a serial levy, would be presented in March and would take effect July 1995. The serial levy is for an estimated \$250,000.00. The committee could also stay with the original plan for an estimated \$630,000.00.

Roger Currier indicated that many comments from the community were that they felt it would not pass so they did not bother to vote. Don Wright suggested that there may be some that do not want all the services, so by splitting them up, the community had a chance to indicate what services they wanted. Duane indicated that in the community survey that was conducted, people felt very highly about the library, police and fire. He stated that even though people are interested in more services, most are not willing to pay for them. Andrew Poole asked again about placing all the options on the ballot and letting people choose what they want. Terry Mahr indicated that he had never seen that done before and he did not know if it was legal or not. Terry indicated to the committee that a tax base can only be voted on during a primary election, which comes around

every even year in November. The next opportunity to do that would be November 1996. A serial levy can be presented at any state election day which happen six times a year. They are only for a set amount and do not increase. Serial levies expire three years after their start. Roger Currier suggested that a vote be taken to determine what the committee wants. By show of hands, the committee voted as follows: 1) \$375,000.00 tax base - 2 votes; 2) \$250,000.00 serial levy - 6 votes; 3) \$549,000.00 tax base - 0 votes; 4) \$630,000.00 tax base - 3 votes; 5) Do nothing - 0 votes. Roger Gano stated that he would like to hear from Bob Tardiff and Carol Foutts, who were representing the Police and Library departments, about their feelings on the removal of their departments from a serial levy. Bob Tardiff indicated that he did not feel slighted even though some of the police staff may feel that way. He stated that he was intrigued by the idea of doing a serial levy. He said that he feels that the public's perception is that as more people move in, the more money the City receives. They do not understand how the tax system works. Carol Foutts stated that the Library doesn't feel that they would be slighted. The general consensus is that the Library does better when it is alone in a tax base or serial levy. Dave McMullen stated that the image of the Police Department is still a negative one, but that Bob Tardiff has done an excellent job in trying to create a better image. He indicated that it may be best to do the Fire department now and allow Bob Tardiff to work with the community a while before trying to pass a tax base for them. He suggested that a motion be made to approve a serial levy for an increase in Fire services.

There followed a discussion on how the City should present the serial levy. Don Wright asked if the voters should be told that the City plans on presenting two levies, or should it be kept quiet. It was the general consensus that you should be honest with the people, which will build their trust and your credibility. Donna Proctor stated that education is the key to getting the people to give you what you want. The people need to understand what you are asking for. Roger Gano asked if you can only get 20 people to help the first time, how will you do it the second time. Dave McMullen stated that he thinks going back with the same thing is antagonistic, and that Park and Recreation is making a mistake by trying to pass a levy again. He said that if the City can justify what they are asking for, ask the public what they want to support and what they don't, there will be a better chance of it passing. Dan Wollam stated that the forum needs to be taken to the people. It has been proven that most people are not willing to come to a public meeting, so to get their opinion, you should go to them. Robert Soppe asked if the Old Fashioned Festival would be an appropriate time to get the message out about the tax base and what the City wants and needs. He stated that a booth could be set up with information and some City staff or Councilors to answer questions. He said that it is a chance for people to get first hand information from the people who know. The committee agreed that it would be a good idea to have a booth in the Park.

MOTION: Don Wright\Barbara Secor moved to approve a recommendation to the City Council for a tax base increase (\$250,000.00) in November and two serial levy proposals (\$155,000.00 for Police and \$85,000.00 for Library) in March. VOTE ON THE MOTION: Aye: 8; Nay: 4 (Weaver, Wollam, James, & Currier). Motion carried.

Donna McCain stated that the members should back the proposal. There was a brief discussion about the ambulance members and their budget.

Adjournment: Roger Gano\Andrew Poole moved to adjourn. VOTE ON THE MOTION: Passed by those present. The committee adjourned at 8:15 p.m.


Barbara Secor, Secretary