

MINUTES
BUDGET COMMITTEE

Thursday, 7:00 p.m.

January 6, 1994

Newberg Wastewater Treatment Plant

Newberg, Oregon

The meeting was called to order by Mayor Donna Proctor.

ROLL CALL:

COUNCIL

PRESENT:	Donna Proctor	Roger Currier
	Roger Gano	Dave McMullen
	Donna McCain	Elaine Smith
	Martin McIntosh	

BUDGET MEMBERS

PRESENT:	Andrew Poole	Tracy Pinder
	Barbara Secor	David P. James
	Bert Pennock	
	Alan Larking	

ABSENT: Martin McIntosh, Melinda Newland
Corinne Adams

STAFF PRESENT: Duane R. Cole, City Manager
Rebecca Manning, Administrative Assistant
Robert Tardiff, Police Chief
Katherine Tri, Finance Director
Diane Padilla, Assistant Finance Director
Michael Sherman, Fire Chief
Chuck Liebert, Utility Manager
Leah Griffith, Library Director
Peggy R. Hall, Legal Assistant

ELECTION OF CHAIR AND SECRETARY:

Nominations for Chair were opened: Roger Gano nominated Donna McCain for chair. Bert Pennock nominated Roger Currier for chair. No other nominations were received and nominations were closed by the Mayor.

The result of the voting for Chair was: Donna McCain - 6; Roger Currier - 3. Donna McCain was then appointed to the position of Chair.

Nominations for Vice Chair were opened: Elaine Smith nominated Dave McMullen. Roger Currier nominated David James. No other nominations were received and nominations were closed.

The result of the voting for Vice Chair was: Dave McMullen - 6; David James 3. Dave McMullen was then appointed to the position of Vice Chair.

Nominations for Secretary were opened - Donna McCain nominated Barbara Secor. There were no more nominations therefore it was a unanimous vote for Barbara.

APPROVAL OF MINUTES:

The following minutes were presented for approval:

April 27, 1993
April 29, 1993
May 4, 1993
May 6, 1993
May 11, 1993

The Chair called for corrections. The minutes from 04/27/93 - needed a couple of changes: Robert to Roger on page 1 and a change of Pinter to Pinder

There were no corrections for minutes from 04/29/93.

The minutes from 05/04/93 needed a change of Pinter to Pinder.

There were no corrections for minutes from 05/06/93, 05/11/93 and 05/12/93.

MOTION: Gano/Smith to approve the minutes as amended. The motion was carried unanimous.

NEW BUSINESS

A. A review of the General Fund Projections was presented. The Manager stated that the projections were late in getting put together due to the fire. The departments have come up with a few goals which have been included in the projections and they are as follows:

1. Consider a levy or tax base request for 1994-95.
2. Approve budget assumptions for 1994-95 budget

3. Review long range financial estimates.

Newberg is one of the most rapidly growing cities in the State. The 1991 visioning program picked values to follow along with wanting to maintain a friendly small town atmosphere - vital local economy - good planning and good transportation network. It also addresses housing, economy and land use issues.

A statement presented by the City Manager was "Production - "golden egg" in community - good value for dollar spent in community.

Production capacity - losing production capacity over time - population and planning have not kept up with increase.

In reviewing the General Fund Projections the following was shown as an increase in services:

- 54.8% -Police and Fire (Public Safety)
- 9.3% -Community Services
- 9.3% -Community Development
- 14.5% -Administration
- 12.2% -Contingency - Operating Capital

There has been a marked increase in population while employees have stayed the same. In 1988, the City was serving approximately 200 people per capita with the present number of employees. This has stabilized in 1994 with a per capita of 257 people per employee. The total number of City employees in the General Fund is 54.71 FTE. The total for the whole City organization is 92.73 FTE.

The assessed value has increased each year with some decline in 1987, but was going back up in 1990. There has been some marked increase in assessed value which is good if you are trying to sell, but bad if paying taxes.

Tax rates have fallen dramatically since 1992. If values go up the tax rate will fall. This should be expected to continue. In Oregon, the tax rate limitation is 6% more each year whether a town is growing or not, but this does effect revenues which do not keep up with service of demands.

B. Assumptions - the 1993-94 budget assumptions were presented and reviewed by the committee.

C. 5 Year Projections

Transitioning of the ambulance service into the Fire Department from Hospital was discussed.

This could be a break-even source of revenue that could increase critical mass. The Fire Fee which was repealed one year earlier, could be put back on at a lower rate or same rate. Between now and the year 2000, the City needs to buy equipment to keep Class 3 fire rating in tact. There is also a need to build another station and purchase additional equipment.

With the recent increase in court fines and forfeitures by the State-wide bail amount a substantial increase in revenues may be seen in the Court department.

The consolidation of the dispatch center would decrease costs and rearrange the services in our communication system.

The Police Department has shown a steady increase in Part 1 crimes which include assault, rape, and murder. Calls for service have also increased with a call about every 1/2 hour. After a call a report is needed, action taken and then follow-up on the situation.

Melinda Newland arrived at 7:30 p.m.

The Fire Department has had no increase in fire staff for many years, yet there is an increase in fire calls over the years.

Roger Currier stated that the rescue service was started in 1974 in the same fashion as the ambulance service which is proposed to come to the Fire Department. Michael Sherman stated that there is a larger demand in rescue service along with the hazmat environment.

Duane indicated that emergency calls have also increased. With the 40+ volunteers there are approximately 220 hours of calls. This is an incredible commitment from volunteers. The City must stay current with OSHA training laws and the Fire Department is one of the major community services provided by the City. There has been no significant increase in staffing over the last 22 years. There is a need to deal with the volume of work done by the volunteers. If improvements are not made or maintained there is the possibility of losing the Class 3 fire rating. There is a requirement that 3 new fire EMT's are needed for rotation.

Emergency costs are also a factor that needs to be looked at for example, LaGrande's cost is \$3,000 per call and in Newberg the cost is \$227. If we continue to demand more from the volunteers this may cause a loss of the capacity of the quality.

The Library is open 39 hours each week with an average of 53 hours cumulative total manhours daily and it is being requested to increase this to one additional day. Staffing has not changed over the past few years and it is an important part of the community. The Library needs to stay up with the increase in demand for services.

The Long Range Planner position was discussed. There is a need for a staff member to work on the Metro plan for effective planning services for the long range future of the City but this will be handled by the Community Development Director and City Manager at this time.

Roger Gano commented on the 3.25 building inspection department. It is getting harder to handle all the required services based on the increase in demand. He suggested that there may be a gain for Newberg to do its own electrical services.

A graph showing "Allocations vs. Needs" was presented to the committee and discussed.

The committee members then discussed the tax base proposal. The total tax base amount for 93-94 is \$7.82. The City's share could increase up to \$5.73 from \$4.48. This amount is close to the proposal for a new tax base. The balance would be requested and would be fair with other taxing agencies.

The question that needs to be looked at is "Should we consider a levy or new tax base?" The community has grown and is it time to seek a tax base sometime this year. There are election deadlines for the election dates in May, September or November. The tax base question could be voted on in either May or November. The serial levy could be voted on either date. The deadline for the May election is February 15 and June 21 for the September election. A deadline of early August is for items for the November election. Election costs are about \$2,000.

A decision needs to be made right away if we want to do something in May. The Department Heads will get complete information in a couple of weeks. A lot of the decision will be based on the assumptions approved at the budget meeting tonight. Towards the end of April all of the budgets will be available for review. Water and sewer funds need to be looked at to see if rates need reviewed or revised. This could effect the status of the budget. The Manager is required to present a balanced budget.

If the election is held in either September or November it is not effective during 1994, it would go into effect in 1996.

It was noted that you can have a hearing without having an election. If you don't have a hearing you can't have an election. The question was asked "Do we want to take the first step?" Tracy Pinder asked about going for the \$10.00 now and what would happen if we needed it later. Duane Cole stated that the other taxing agencies would be considered to see if that was feasible. The average growth projection for the next five years is 2% per year. Roger Currier stated that the City had a good idea of what is going to be built during the next year with the new applications that have been received, and that there would probably be a dip in that soon after.

Barbara Secor asked what was the water and sewer capacity for the City. Duane Cole stated that there is a good capacity. Dave McMullen asked about North College -Duane Cole stated that there will need to be a pump station out where the school will be built on Crater Lane. Sewer replacement money is available that could be used. Dave asked if the sewer main out North College needed to be replaced rather than repaired. Duane didn't know about that. It was probably the North Main Street sewer main, not North College.

Duane Cole said that we owe it to the community to ask them what they want in the future for City services. A hearing would have to be held to have an election. Dave McMullen said he would like to have a hearing since the consensus of the people in this area may be different than in the past. For example, look at the school district election.

Donna McCain asked to have an introduction of staff and members of the Board Members.

More comments were received from the Budget Committee regarding their feelings on a tax base election. Tracy Pinder stated that she is afraid to present a new tax base after what has happened with the school district just passing an election. Roger Gano suggested that the City have the public say how they feel. Barbara Secor agreed that a public hearing be held. Andy Poole stated there is a need to educate the community on what is needed then talk to them. He was involved with a four month education process and this worked. He suggested a hearing like a pre-test environment. Dave McMullen stated that the City was crying wolf and felt intimidated by 1990 election and he agreed that an education process is needed by talking to the community. Donna Proctor stated that she felt the last time the tax base failed it was approached at the wrong angle. It hit the citizens where it would hurt them by stating there would be a cut in services. She thinks that this hurt the election. She feels that the City is now supported by most of the people. Gripes are about water and sewer rates and these can't be touched for another two years. She wouldn't be afraid to go for a tax base.

Katherine Tri stated she agreed to approach the citizens with education on services. A lot of departments are struggling to maintain the services as they are. She suggested to use the Spring time to educate the public on the services and go for a November election. The County will be going for a tax base election in the Spring. They will be combining tax base levies. Bert Pennock said that assessed valuation will cause a problem with tax payers. Roger Currier said it would be easy to put together an education process by writing up the projections with the numbers from the police and fire departments, then get a lot of input back from the public. He also suggested using the charts that have been prepared for the budget committee to look at.

Bert Pennock said that when you talk to people, they would give their heart to the police and fire departments. Donna McCain stated that most people don't understand what the fire rating does for the people's insurance rates and that this needs to be put out to the people.

Alan Larking stated that he agreed with putting a presentation together and keeping it simple.

Katherine Tri was asked about the amount of a new tax base, she replied that it is now \$2,041,000 and we would be asking for \$2,600,000.

Duane Cole stated that it looked like the consensus of the group was that a public hearing was being requested. Tracy Pinder stated that she would like to see information out everywhere it can be. Donna Proctor suggested that the information be given to TCI, Friendsview Manor, local stores, City Hall, the paper and anywhere that people will see it.

Michael Sherman informed the group that there is a public safety presentation in Newberg on TCI and they could put something on this about the work load, need and other issues that would effect the people. This would show how customer service is done in the Police and Fire departments. Dave McMullen said that he thinks that the people who watch that program are really supporters of the community already. The question is how do we reach all the people. Duane Cole also suggested using the City wide newsletter and have a couple of hearings in February then have one later.

Donna McCain, Chair, asked for a consensus from the group and she felt that it was the consensus of the group to have a hearing on February 7 at the Council meeting.

The committee then reviewed the assumptions for 1993-94. These were developed by the budget committee last year. They were used to put together the current years budget.

Under Operations #8 - It was suggested that this not be so specific.

Compensation #11 The public safety departments are now unionized and these will be done through COLA.

Compensation #12 - It was suggested to change to National Index from the Portland Index.

Property Taxes and Other Revenues #16 - Regarding a code enforcement officer - Andy Poole asked where this would be funded. It was noted that \$10,000 has been put in for a code enforcement officer. Code enforcement officer was discussed. Police Chief Bob Tardiff was asked about this and he expressed his feeling on the subject stating that some of this can be done by Police Department, but time is a factor.

Andy Poole stated that he felt that work needs to be done for a Code Enforcement Officer and a Long Range Planner. Education on both of these items would need to be done. Roger Currier talked about sign code enforcement and how it is hard to enforce. Duane Cole stated that he has made personal contacts and has received flack from the people he contacts. The new

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Planning Manager may be able to attack this position.

ADJOURN: A motion was made by Elaine Smith and seconded by Bert Pennock to adjourn.
The motion carried unanimously. Meeting adjourned at 8:38 p.m.

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