

THURSDAY 7:00 p.m.

BUDGET COMMITTEE MINUTES

APRIL 28, 1994

NEWBERG FIRE DEPARTMENT

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 P. James	Alan Larking
Chair Donna McCain	Dave McMullen
Melinda Newland	Bert Pennock
Tracy Pinder (7:05 p.m.)	Andrew Poole
Donna Proctor	Barbara Secor
Robert Soppe	Robert Weaver

Others Present:

Duane Cole, City Manager	Robert Tardiff, Police Chief
Leah Griffith, Librarian	Katherine Tri, Finance Director
Michael Sherman, Fire Chief	Terrence Mahr, City Attorney

NEW BUSINESS:

Overview of Budget Notebook: Kathy Tri presented the budget notebooks. She explained the layout and content of the information of the budget, and how each chapter is organized, along with changes to the layout of the budget. Roger Currier posed a question regarding central services. Kathy explained that central services covers data processing, telephones, vehicles and maintenance, facilities, lease payments for community development, and insurance costs.

Review of Departmental Budgets

Fire Department: Michael Sherman introduced the Fire Department's budget. Michael explained the major changes in the budget from the previous year. In the administration division, there was a decrease in the amount requested for retirement. Michael indicated that \$400 was budgeted in materials and services for professional services, which is the support group for the computer network. Central services also went up \$2,000, and computer replacement was also budgeted higher at \$2,300. Capital outlay was decreased from \$3,750 last year to \$1,000 this year because the radio will be handled through the 800 mhz radio with the police department. Bob Weaver posed a question regarding employee testing. Kathy Tri responded that this money is for the hiring of new employees and drug testing and physicals for those in the department. Roger Currier asked about the replacement of the 1980 Luv pickup. (Michael indicated that this was an example and could be left out if needed.)

Michael Sherman then referred to the fire suppression program. He indicated that the amount for services is an estimate until contracts are approved. Supplies went down about \$2,000 which is a reflection of having all rescue equipment. Volunteer costs also went down by \$800. He indicated that the only items to go up were volunteer training and tank removal services. The tank removal fee is a reserve fund for possible testing done by DEQ. Roger Currier mentioned the \$10,000 for vehicle replacement funded through administration. Michael Sherman indicated that this is a pay-in to the vehicle replacement costs, which were at one time estimated at \$85,000. He indicated that \$10,000 is the minimum amount allowed to be put into this fund to keep the vehicles running and equipment in operating condition. Three of the last four vehicles purchased have been obtained through donations from the Rural Fire Protection District for \$1 per year. There has been no attempt to reserve money to purchase new vehicles, and the money will not be spent unless there is a need to purchase a new vehicle. Roger Currier questioned the increase in overtime. Michael Sherman indicated

that overtime wages are an estimate until after contracts have been signed. The employees signed a contract last year agreeing to maximize their comp time for after hour calls. Next year though, comp time will be maximized and employees will need to be paid for overtime. Andrew Poole asked about the schedule for vehicle replacement. Michael indicated that there was a vehicle due to be replaced in two years, and one will be delivered in June. There is no financial schedule of replacement. Melinda Newland inquired as to where the money went that was received from sold engines. Michael indicated that the funds usually go into the replacement fund. There was a discussion about placing the \$1.00 per month charge back onto the water bills, and how that may be done. Duane Cole indicated that there must be an election by the voters to approve putting it on the bills. Robert Soppe asked about fire point money. Michael indicated that there is no wage given to the volunteers. The state allows certain types of volunteers to receive reimbursement for services. The City gives the volunteer association a certain amount of money and the association provides the volunteers a certain amount of 'point money' for each call, and for a certain amount of hours.

Michael Sherman then referred to the prevention program. He indicated that it also had the increase in overtime. There was an increase in travel and training. Those funds are for the fire prevention team, which receives extra training for building inspection, arson investigation, and fire education. The last division in the fire department is rescue. Two items that have changed are the safety program, which went down, and volunteer costs which went up \$500. It also went up \$1,000 which was absorbed by the point money. Michael indicated that the fire department will spend about 98-99% of their actual budget expenses. Donna Proctor asked how long before Michael would receive his master degree. He indicated that it would be approximately two years. There was a brief discussion about the policy for continuing education by the City. Duane Cole indicated that there was a policy for education, and that the City does encourage it; however, they do not pay the employee to take extra courses. They will pay for books and tuition fees, subject to approval by the City Manager. There is also no limit on number of classes, but must be within reason. Some departments have individual rules established by the department.

Donna McCain reminded the committee of the procedure for approving the budget by department. Andrew Poole questioned the passing of the tax base and what would happen if it failed to pass. Michael indicated that the volunteers would work a lot more hours. Duane indicated that the tax base proposal could be on the November election ballot, but that it would not go into effect until the next year. Andrew Poole asked about polling to find reasons for the decisions the community made on the election.

Roger Currier asked about budgeting for the paramedics crew and ambulance services. Michael Sherman indicated that it would be separate from this budget and would be an after the fact issue.

MOTION: Pennock\Secor moved to approve the Fire Department's budget. VOTE ON THE MOTION: Passed by those present. Roger Gano abstained from voting.

Police Department: Robert Tardiff indicated that the Police Department has six program budgets. The first is police administration. He indicated that there were two primary changes in the administration budget: to cut the chief's secretary position from full time to part time, and delete the word processing clerk position. Instead, a lap top report writing program will be initiated. The officers will type their own reports in the vehicle on disk and transfer them to the in-house computer. The officers will have access to other reports and information while they are away from the office. The other area is in vehicle replacement. Robert indicated that the police department has had a take home vehicle program in the past. They are proposing to eliminate this program and share vehicles between officers. There are four cars which have over 90,000 miles on them, and several others have high mileage. A schedule for replacement has been established till the year 2000, and the department plans to replace two cars per year. Robert mentioned that they tried to cut where they could, and

\$32,000 for vehicle replacement was the minimum. They plan to replace the animal control car and one patrol vehicle, and two patrol cars in the future. There was a discussion on the policy of vehicle replacement and it was mentioned purchasing smaller cars for better mileage and wear. Robert Tardiff indicated that it was better for the officers to use the bigger cars to place all their equipment. It was easier to get in and out of them.

David James expressed a concern about the proposed lap top report writing program. He questioned whether it would be beneficial and if they would be able to operate the computers in the cars under difficult situations. Robert Tardiff indicated that the lap top program has been implemented at several other police department locations and the program seems to work very well. He explained that the program to be used is designed for someone who knows very little about computers. David James asked if it would be cheaper to have a word processing clerk use the lap top program. Robert Tardiff indicated that there is much less work involved if the officers type their own reports. He said that it takes much longer for the officers to write out notes, dictate the report, and have the word processing clerk type it all out. Roger Currier felt that the officers should not have to worry about typing out reports when they are supposed to be concentrating on watching traffic and patrolling. Tracy Pinder indicated that it would be a duplication of effort for the officers to write out notes, dictate, and have a word processor type out the reports. There was concern expressed about how the officers would adapt to the new program and whether or not they had tested the program before deciding to implement it. Robert Tardiff indicated that the officers are aware of the program and that right now, Newberg is the only location using the program in-house and not in the cars.

Bob Weaver indicated that he felt the group was getting off track and they needed to pay more attention to the financial aspect of the budget and not the little details. Chair Dave McMullen informed the group that they should be more concerned with the financial portions of the budget and not deciding what programs are to be used within the City. Donna Proctor indicated that she had been approached by many persons who had received tickets and the notes of the officers were incomplete. She felt that the lap top program would be a good idea for the police department. There was a discussion as to whether the computers would be able to get into other programs, such as RAIN or LEDs, in the future. Robert Tardiff indicated that as for now, the computers are not able to access other programs, but in time, that may be a possibility that the police department is working towards.

The next program discussed was patrol. Robert Tardiff indicated that the \$1,500 for employee testing is for hepatitis and immunization shots. The department has budgeted \$21,000 for gasoline costs; however, the department projects spending just under \$15,000 because they are involved in the State surplus plan, which allows them to receive fuel at a lesser rate. This plan could end at any time, so they must budget for the higher amount. The motor program was cut from \$2,000 to \$1,000. The department plans on having only one motor officer for the year. Barbara Secor asked about the bicycle program. Robert informed the group that the reserve officers were looking at starting a bicycle patrol program. They will be required to buy their own bicycles, but the \$500 budgeted will help them out in different areas, such as uniforms, to show their support for the program.

Robert Tardiff then discussed the investigations program. The only major change was the increase in overtime, from \$10,000 to \$20,000. Robert indicated that in the past the officers were allowed to record 10 hours per month of overtime, and that they needed to be paid for any extra work they do. Roger Gano questioned the reduction in amount for the Dare program. Kathy Tri indicated that the amount budgeted is for the supplies for the van and for presentations done, not for salary.

The next fund discussed was for communications. Robert Tardiff indicated that the communications budget cover 5 dispatchers. There is no cut back in the total number of dispatchers, but two will be funded by the 911 fund. This is to allow some of the general fund money to be budgeted under capital outlay, which will

help pay for the radio system the department hopes to purchase this year. The department has sampled a couple 800 mhz radio systems, but has not made a decision on a specific program. The department has tested using the Washington County system and the Motorola Business Net system. Robert indicated that they have not found one they are entirely happy with. They are also trying to coordinate with the rest of the County; however, there is little interest from McMinnville to go to an 800 system. He indicated that the radio system they have now is a problem, and they need to find a program to suit the needs of Newberg. There was a discussion about the RAIN program (Regional Automated Information Network), which encompasses six Oregon counties' law enforcement agencies. The RAIN system is connected with other programs in Salem (OSP) and Lane County, along with Portland systems. Alan Larking questioned if the RAIN would be able to be adapted to the lap top system. Robert Tardiff indicated that the lap top program was designed by the RAIN organization. Bob Weaver asked about the retirement system for the police department. Robert Tardiff indicated that as of now, the administration is part of the PERS system, but after contracts have been negotiated with the union, the entire department could be under PERS. David James asked about the department buying their own 800 radio system, or if they plan to buy into another system, such as Washington County. Robert Tardiff indicated that Washington county does have the better system; however, they are not ready for other agencies to come onto their system, and they are still working out problems with their system. The cost to use the Washington County system would be \$24,000 per year. The Motorola system would be approximately \$7,000 per year. Robert is working with Motorola to discuss other options. There is a problem finding frequencies by using their own 800 system. There was a discussion about the problems with the 800 systems, and what system would be best for this area.

The next program discussed civil forfeiture, which is funded by seizures from drug raids. Robert Tardiff indicated that there was a new line item, professional services, which includes a 5% payment to DEQ for drug lab payments. The funds also go to the district attorney. Roger Gano questioned what the funds could be spent on. Robert indicated that they could be spent on supplies and confidential funds. Donna Proctor asked about the replacement for detective cars. Robert indicated that the detective and administration cars are bought used, they drive them for a year or two, then sell them. They are bought at the Portland Auto auction for wholesale, then sold at retail value. Roger Currier asked if the funds spent on drug purchases was ever replaced in the confidential fund. Robert Tardiff indicated that this happens sometimes, but not often. The buys are usually done by reliable informants, and several are needed to make sure the informant is reliable. The money is usually recovered when cars, electronics, weapons, and other money is confiscated from the dealer. Roger Currier asked about the \$2,000 for the alarm in the evidence room. Robert Tardiff indicated that the alarm system they are looking at will record who enters the room and will give control over who is allowed to enter, and when they do. He indicated that it will not cover the whole police department and that it is a reasonable amount for this system.

The last program is the 911 revenue fund. Robert Tardiff indicated that the only major change was, as noted earlier, the transfer of the two dispatchers from the communications fund to the 911 revenue fund.

MOTION: Roger Gano\Bob Weaver moved to approve the Police Department's budget as submitted. **VOTE ON THE MOTION:** Passed by those present.

MOTION: Barbara Secor\Bob Weaver moved to take a ten minute break. **VOTE ON THE MOTION:** Passed by those present.

Chair Dave McMullen called the meeting back to order.

Outstanding Issues: Kathy Tri discussed the Finance budget. She indicated that the finance budget is funded into five sections: general fund, water fund, sewer fund, equipment fund, central services. She mentioned that there had been no changes in the general fund or FTE. The only major change is in professional

services. The \$21,000 budget is for fees to the auditors and financial advisors. Next year the fund will be for \$12,000 with the plans to move some of the auditors cost to the water and sewer funds. Postage will be going up because of the increase in bills. The entire budget has gone up .4%. Roger Currier mentioned doing bills bimonthly to save on the cost of postage and billing. Kathy indicated that it would be much more difficult to bill bimonthly. People would be more reluctant to pay the amount for two bills at once, and there would be a lot more late notices and effort needed to keep the billing current.

Kathy then discussed the sewer fund. The major change is in professional services. \$5,000 of that fund goes to the auditors and \$1,000 is for the Itron meter reading system. She discussed that utility assistance fund which is for a program with the Newberg Human Resource Center to help low income households with their utility bills. Duane Cole indicated that by billing bimonthly, you lose a certain amount of cash flow and the interest gained from it. It was felt that the people would rather pay a smaller amount once a month than a larger amount once every two months.

The next fund is water. Kathy Tri indicated that it almost mirrors the sewer fund. The FTE is the same and there is an increase in professional services. One item of difference is the interest on customer accounts. There is no longer a deposit for renters, but a one time turn-on fee of \$15 to all applicants. Roger Currier questioned the budget for training and travel. Kathy indicated that this fund covers training and travel expenses to a Springbrook Software conference and audit expenses. She stated that the City usually sends one person to the conference each year. It also covers any other training or travel issues which may come up, including the maintenance contract with Itron.

The next fund is central services. Kathy indicated that the finance portion of central services is primarily related to computer services. She stated that the City will now be maintaining the six networks for the City, including fire, police, library, and community development. She indicated that having the network system is a tremendous savings over a mainframe system. Kathy indicated that the other change is the telephone budget, which has gone down from the previous year. She stated that there had been several phone purchases, including about 20 mobile phones which were purchased in this account. Roger Gano asked if the City was anticipating the change to be included in the Portland calling area. Kathy indicated that they did anticipate a slight reduction in costs for the EAS program. Bert Pennock indicated that by being included in the EAS region, the City would not need the 628 number any more, which would be a savings for the City. Roger Gano asked if the premium for the extended area service would be more than the savings from not having the 628 number. Bert indicated that it was not known yet the amount to be paid. Kathy then referred to the office equipment rental account. She indicated that the increase is due to an increase in number of copiers, from 8 to 10, and some of the 8 copiers were upgraded. Two fax machines were also added to the equipment list and there is a coin changer at the library. Kathy indicated that the capital outlay is for a change to a Windows environment for the computer networks. She stated that thanks to the fire, many computers were replaced, so the capital outlay fund was decreased. Kathy indicated that there is one printer left to be replaced. She also indicated that there are plans for some City-wide training.

Kathy indicated that in the vehicle\equipment fund, she is planning on replacing a ten year old printer. She stated that it is very hard to get parts for the printer, and it needs to be replaced.

The last fund is insurance in central services. Kathy indicated that in the central services, several expenses were split between departments. The safety program and the wellness program have small budgets which can be used for things which may come up during the year. There is also a small amount set aside for ADA compliances. There was an idea of putting in a TDD center in the City Manager's office. Bob Weaver asked about the wellness program. Andrew Poole asked about the increase in the health and retirement premiums. Kathy indicated that the final premiums will not be known until June and that these figures are

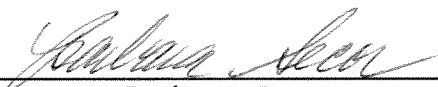
just a match to a revenue in the fund. She said they are a little high and that there may be an increase, but not as high as quoted. Kathy indicated that there was a committee set up to look at other health care packages and compare costs. The retirement is a roll up cost from payroll. Kathy indicated that they only pay out the actual cost. Andrew Poole questioned the increase in retirement if there were no new employees added. Kathy indicated that she would go back and look at the figures and report to the group on why there was an increase.

MOTION: Bert Pennock\Roger Currier moved to hold adoption of the finance budget until Kathy reports back on the insurance account. There was a discussion on the motion.

Bob Weaver asked if there was a relationship between the process they are now in with negotiating salaries and dollars that may have to be put in the retirement fund. Duane Cole indicated that may be true, but that it is not really an issue over \$84,000. He stated that those numbers would be polished up for presentation to the group. He said that once the final amounts for insurance have been established, they would be changed in the departmental budgets to show an overall change. Bert Pennock asked if negotiations could be pushed up so that the budget shows the actual amount instead of an estimated figure. Duane indicated that it is difficult to do that because the League and unions do not come up with their figures until the end of the fiscal year. Bert questioned that if the amount for health and retirement went down after the final numbers were calculated, what would happen with the extra money. Duane indicated that each of the department heads would want to see their budget go down an amount comparable to the reduction. The payroll would be reestimated and the amount in the adopted budget would reflect the actual amount. Roger Gano indicated that the central services insurance is not an actual part of the finance budget. He suggested the group pass the finance budget, excluding the central service portion. Bert Pennock restated his motion with an amendment.

MOTION: Bert Pennock\Roger Currier moved to approve the finance portion of the budget, excluding the central service insurance portion of the budget. VOTE ON THE MOTION: Passed by those present. Robert Soppe abstained from voting.

Adjournment: Roger Gano\Donna Proctor moved to adjourn. VOTE ON THE MOTION: Passed. The meeting was adjourned at 9:08 p.m.


Barbara Secor