

CITY OF NEWBERG

BUDGET COMMITTEE

Newberg Wastewater Treatment Plant
Thursday, January 12, 1995
7:00 p.m.

The meeting was called to order by Mayor Donna Proctor at 7:00 p.m.

ROLL CALL:

Council Present:	Donna Proctor	Donna McCain
	Dave McMullen	Don Wright
	Roger Currier	Dan Wollam
	Alan Halstead	

Budget Members Present:

David James	Bert Pennock
Melinda Newland	Tracy Pinder
Andrew Poole	Alan Larking
Robert Soppe	<i>Bob Weaver</i>

Others Present:	Duane Cole	Terry Mahr
	Greg Scoles	Robert Tardiff
	Michael Sherman	Leah Griffith
	Diane Padilla	

Note: Mayor Proctor is not a member of the Budget Committee and Donna McCain has not yet been sworn into her new term on the City Council, therefore their votes will not be counted.

Election of Offices

Mayor Proctor called for nominations for Budget Committee Chair. Roger Currier nominated Bert Pennock who declined. Don Wright nominated Dan Wollam. The nomination was seconded by David James. There being no objections, Dan Wollam became the Chair of the Budget Committee. Mayor Proctor called for nominations for Vice Chair. Mayor Proctor nominated David James. The nomination was seconded by Don Wright. The Mayor then called for nominations for Secretary. Bert Pennock nominated Roger Currier. There being no additional nominations, those nominated were elected by acclamation.

Long-Range Projections/Serial Levies

Mayor Proctor turned the meeting over to Chair Dan Wollam who asked for an overview from City Manager, Duane Cole. Cole reviewed the results of the May \$549,000 tax base election which failed to pass. The vote was 57% against, 43% in favor. The November Police and Fire levy also failed to pass by 40 votes.

Cole explained that the purpose of the meeting is to discuss the business plan for the general fund, particularly looking at long range projections. A key issue this year will be maintenance of existing service levels with slightly declining revenue. Areas of concern are as follows. The City anticipates losing state revenue sharing. Cigarette and liquor taxes might also be reallocated by the state. Newberg has more capital project needs that it can fund. City facilities are not in compliance with ADA. In addition to bringing buildings into compliance, there is a need to maintain existing facilities. No money is being set aside for this type of replacement. Regarding five year projections, cash balances will be declining and are forecast to become negative in 1998-99.

Cole said the committee might want to consider additional revenue sources. The City could institute a title search fee, plan check fees and a fire utility fee similar to the \$1 per meter equivalent fee that was rescinded earlier this year. This last fee was used to purchase a fire truck. Currently the City needs to put aside funds for fire apparatus, particularly a ladder and ladder truck. The equipment now in use is 25 years old. If the ladder truck loses its certification, the City's fire rating will suffer which will result in higher insurance rates for industrial and commercial properties. Another potential revenue source would be a violations bureau for the municipal court. A business license fee and the formation of a library district to provide service to non-city residents are other possibilities.

Additional revenue could also be obtained through a serial levy. If the committee wants to move forward with this option and a May election date, a public hearing needs to be held at the February 6 Council meeting. A serial levy would involve a fixed dollar amount for one to five years to finance specified operations. The Yamhill County Sheriff and Beaverton Police Department have used serial levies recently. The City can pursue more than one serial levy in May.

Handouts from the Library, Police and Fire Departments were distributed. The Newberg Police Department has experienced a decline in the number of officers per 1000 population as have other cities in Oregon. Newberg's crime rate is slightly below the state average. This year to date, crime has increased. Chief Tardiff said he needs to replace two cars per year and that funds for this are not being budgeted. Mayor Proctor added that the Police Department is experiencing significant overtime and is not able to deal with minor crimes due to time constraints.

Chief Sherman reported that the Fire department has handled 1892 calls this fiscal year to date. The previous 20 year high was 1380 calls. These figures are not attributable to the addition of ambulance services.

David James requested information from Police and Fire Department heads as to what funding will be needed for the next one to three years. Chief Tardiff responded that Police needs to add four people to get to the same officer/population ratio that existed in 1989. Chief Sherman reported that Fire needs ten people but is asking for four. He said, "Newberg wants to remain the lowest cost, highest rated Fire Department in the state."

Robert Soppe suggested that the Budget Committee has an education problem in that people don't understand that an increase in property valuation doesn't bring an increase in funding to the City. The budget information needs to be presented more simply.

Bert Pennock said it is confusing when departments receive dollars from different funds. He wants to see all costs brought together in one place. Duane Cole said that information will be provided.

Dave McMullen said the public wants to see government cut its cost. Dissatisfaction is generally aimed at higher government levels but affects cities too.

Chair Wollam summarized the three issues to be addressed as: 1) consideration and adoption of the budget assumptions, 2) possible serial levies and their impact on the budget and 3) a public relations effort to inform constituents. Wollam asked the group if they had changes they wished to make to the budget assumptions presented. Alan Halstead would like to have the committee look at social services. Don Wright moved and Dave McMullen seconded the motion to support the budget assumptions presented with the stipulation that options for social service funding be examined as well. The motion passed unanimously.

MOTION: Dave McMullen moved to recommend to Council the approval of three serial levies; one each for Library, Fire and Police funding with amounts and specifics to be determined by department heads. Don Wright seconded the motion which then passed unanimously. Duane Cole reminded the committee that a public hearing must be held at the February Council meeting for a May election date.

Duane Cole will determine a schedule for future Budget Committee meetings and will also meet with staff to formulate a plan to poll City residents as to their budget priorities.

The meeting was adjourned at 8:25 p.m.


Roger Currier, Secretary