

TUESDAY, 7:00 p.m.

MAY 2, 1995

BUDGET COMMITTEE MINUTES

WASTEWATER TREATMENT PLANT

NEWBERG, OREGON

The meeting was called to order by Dan Wollam.

ROLL CALL:

Present:

Roger Currier	Alan Halstead
Alan Larking	Donna McCain
Melinda Newland	Bert Pennock
Andrew Poole	Barbara Secor
Robert Soppe	Robert Weaver
Dan Wollam	Dave McMullen

Others Present:

Donna Proctor, Mayor	Duane Cole, City Manager
Terry Mahr, City Attorney	Kathy Tri, Finance Director
Leah Griffith, Library Director	Diane Padilla, Asst. Finance Director
Frank Douglas, EMS Coordinator	

CITY MANAGER BUDGET MESSAGE:

City Manager Duane Cole began by stating that the Budget Message is required by State law. It is a time for him to formally turn over the budget documents to the Budget Committee. The Budget Message explains the City's current situation. He added that the City needed to pass a tax base last year. The Budget Message outlines changing priorities and issues that must be addressed. He added that the social needs of the community are not met in the proposed budget. Instead, funds have been used to fill grant positions in the police department as matching funds and to fund equipment needs.

Mr. Cole reviewed that the budget process started last December when the Budget Committee met and reviewed long range financial projections and departmental allocations in the General Fund. These allocations resulted in substantial reductions in departmental budgets. Department Heads did prepare budgets based on those allocations. However, upon review, it was noted that some restorations had to be made. After reviewing the revised revenue projections, some departments were restored. However, the budget continues to assume a reduction in working capital and every department has some changes or reductions. The budget does support the Council Goals, which are discussed more thoroughly in the Budget Message.

Mr. Cole then went on to mention some success stories that are in the budget. The first success is in the Water Fund. The last rate increase was in 1991 which was developed through a cost-to-serve study. The City has been able to keep to its planned business plan. In addition, aspects of the water master plan are being implemented. These include well construction, corrosion control and replacement of the instrumentation and control system.

In the Sewer Fund, the last rate increase was in 1992 and it was promised that it would be a three-year rate and we have kept to that promise, even with the change in Allen Manufacturing and the departure of Technical Images. The budget includes a rate study which will be done with or without Sumitomo coming to the City. Other successes in the sewer area include the composter, change in instrumentation and control systems, fixing manholes, and the sewer vector, which

is assisting in finding inflow and infiltration problems.

The third success is in the emergency medical services area of the Fire Department. Last year, there was no history upon which to develop a budget, and yet the budget is on target. The Fire Chief and Emergency Medical Services Coordinator have been busy this year with construction and coordination of the volunteer and paid staff. New ambulances are on order and we have commitments from the Newberg Charitable Organization for donations toward future replacement of ambulances.

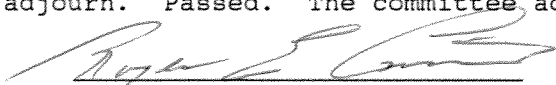
Key points in the General Fund include a reduction in the working capital carry-over due to the reassessment of Cascade Steel (approximately \$45,000). State revenue sharing is budgeted in full, but still could be reduced by the Legislature. Current year expenses are assumed at 98% which is extremely tight. This will rely on the departments having very conservative management. A 1% increase in expenditures equals \$35,000 verses a 1% increase in the property tax receipts which is \$21,000. The budget assumes an increase in property tax collections from 90% to 91% (McMinnville is considering increasing property tax collections from 88% to 90%).

Significant changes in the 1995-96 Budget include: matching grants for the COPS Fast and the COPS More, equal to \$19,274; increased appropriation for police vehicles equal to \$8,000; and an increase in Library maintenance equal to \$10,650. Reductions include: general projects (\$12,250); administration, planning, building and central services (\$24,340); and social services (approximately \$15,000). In addition, Mr. Cole noted that next year, the General Fund will have to absorb communications officers which have been budgeted in the 9-1-1 fund but will need to be moved back to the General Fund. The impact to the General Fund could be up to \$76,000. He said these are difficult decisions and the committee shouldn't feel in a hurry to make them. One tool that he would like to use to help the committee to set priorities was passed out to the committee. The committee took time to complete the prioritization instrument.

Public Hearing on State Revenue Sharing:

Dan Wollam opened the public hearing. Kathy Tri, Finance Director, presented the staff report. She indicated that those jurisdictions that receive State Revenue Sharing (SRS) funds must hold a public hearing on proposed uses of SRS money. SRS money is derived from State liquor tax and is proportioned to the Cities based on a formula that is related to property tax levies, per capita income and population. She then showed an overhead of the proposed General Fund. During the hearing, Luis Brillas, representing the Chehalem Valley Senior Citizen Council, stated that losing City funds would mean losing most of the transportation services in the community. Jerry Sunday, from NHRC, said the budget is not just nuts and bolts. Social services are part of the community. He hoped the committee would recognize the need for the support and fund Social Services. It is a good use of City money. The public hearing was closed.

Adjournment: Alan Halstead moved to adjourn. Passed. The committee adjourned at 8:00 p.m.


Roger Currier

ALLOCATION OF DISCRETIONARY FUNDS

1995-96

Agency	Current Budget	Request	Priority			Budgeted Amount	Dollars to Allocate	Staff Recommendation
			CC	BC	Both			
1. Newberg Human Resources	\$16,730							
NHRC		\$19,102	10	7	9		_____	\$19,102
Harvest House		5,400					_____	
NEDS		15,540					_____	
Great Expectations		4,350					_____	
Newberg/Dundee Oregon Together	_____	15,097					_____	
Subtotal	\$16,730	\$59,489					_____	
2. Henderson House	\$2,000	\$2,500	14	9	11		_____	0
3. Chehalem Valley Senior Citizen Council								
Transportation	19,000	19,500	8	5	6		_____	19,500
Sr. Center Resource/Referral	_____0	2,484					_____	
Subtotal	\$19,000	\$21,984					_____	
4. Chehalem House	1,000	_____0					_____	0
Total-Social Services	\$38,730	\$83,973					\$ _____	\$38,602
PROPOSED BUDGET						\$24,753		\$38,602

Agency	Current Budget	Request	Priority			Budgeted Amount	Dollars to Allocate	Staff Recommendation
			CC	BC	Both			
5. Visitor's Center/Chamber ¹	\$20,000	\$20,000	12	12	12			\$20,000
6. Old Fashion Festival	3,500	3,500	13	13	13			3,500
Boat Club	1,000	1,000	15	15	15			0
Beautification	5,500	5,500	11	14	14*			6,500
Subtotal	\$30,000	\$30,000				\$		\$30,000
TOTAL	<u>\$68,730</u>	<u>\$113,973</u>				\$		\$68,602

PROPOSED BUDGET

\$17,750

Other Budget Priorities

1. Matching Grant for Police	19,274	1	3	2	19,274		
2. Funding for Public Safety Vehicles	8,000	2	2	1	8,000		
3. Funding for Fire Equipment	400	3	1	3			400
4. Staff Training	1,000	5	6	4			1,000
5. Code Enforcement	26,190	4	10	7			
6. Long Range Planning	2,500	9	4	5			2,500
7. Library Books	200	7	8	8			
8. Parking Officer	14,000	6	11	10			
	\$71,564				\$27,274	\$	\$3,900
Revised Revenue Projections					36,000		
Balancing Account: Contingency						\$	\$5,400

*Gazebo
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¹ General projects funds from room tax receipts.

1995-96 Property Tax Levy:

	Levy	Estimated Tax Rate
General Fund	\$2,297,969	\$4.3958
Police Serial Levy	\$141,303	\$0.2550
Fire Serial Levy	\$274,294	\$0.4950
Library Serial Levy	\$85,890	\$0.1550
Debt Service	115,910	\$0.2217
Total	\$2,915,366	\$5.5225

*Estimated at 91 %