

**BUDGET COMMITTEE MINUTES**

**WASTEWATER TREATMENT PLANT**

**NEWBERG, OREGON**

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Members Present:

|               |                  |
|---------------|------------------|
| Roger Currier | Donna McCain     |
| Fred Owens    | Bert Pennock     |
| Donna Proctor | William Rosacker |
| Damon Sump    | Robert Soppe     |
| Lisa Thomas   | Robert Weaver    |

Others Present:

Duane Cole, City Manager  
Terry Mahr, City Attorney  
Kathy Tri, Finance Director  
Robert Tardiff, Police Chief  
Michael Sherman, Fire Chief  
Mike Soderquist, Community Development Director  
Leah Griffith, Librarian  
Debbie Smith-Wagar, Assistant Finance Director

The meeting was called to order by Mayor Donna Proctor at 7:02 p.m. Everyone present introduced themselves.

Election of officers: Donna Proctor opened the floor for nominations for chair. Robert Weaver nominated Donna McCain. Robert Soppe nominated Bert Pennock. The nominations were closed and Donna McCain was elected chair by a vote of seven to three.

Donna Proctor then opened the floor for nominations for vice-chair. Robert Weaver nominated Robert Soppe. The nominations were closed and Robert Soppe was unanimously elected vice-chair.

Donna Proctor then opened the floor for nominations for secretary. Robert Weaver nominated Roger Currier. The nominations were closed and Roger Currier was unanimously elected secretary.

Donna Proctor then turned the meeting over to Donna McCain.

Minutes: The minutes of the April 23, 1996 and April 25, 1996 meetings were reviewed and the following corrections made: Leah Griffith, Librarian, was present at the April 23<sup>rd</sup> meeting, and the year on the copies handed out to committee members said the year was 1995 when it should have said 1996. Motion: Pennock/Currier to approve the minutes as corrected. The motion passed unanimously.

Ballot Measure 47: Duane Cole provided an overview of the budget process. The department heads have taken a team approach, being positive and proactive. Duane Cole said the information being presented tonight will be available to staff tomorrow, and will have a ripple effect through the departments. He also said he didn't want the budget committee to feel it had to make pressure decisions, and additional meetings

can be scheduled if necessary.

Kathy Tri reviewed Ballot Measure 47, which will reduce each taxpayer's bill to the lesser of the '94/95 tax bill or the '95/96 tax bill minus 10%. It then allows the tax bill to increase 3% per year. Some taxing districts are considering an override vote, but no one knows if such a vote will be allowed. Any fee or tax increase election now requires a 50% voter turnout unless it is a general election. Bonded debt is outside the limit, but there are restrictions on what bonded debt can be used for and still be exempt. Services currently provided by property taxes cannot be shifted to fees without a vote. Kathy Tri also reported it is not known yet if bonded debt will be included in the "pie" or not.

Long Range Financial Projections: Kathy Tri went over the Long Range Financial Projections. She estimates that the city will need \$900,000 between July 1<sup>st</sup> and when the tax collections start in November. In order to have that much of a carryover, the city needs a \$698,000 reduction. Kathy Tri said her Financial Projections contained some assumptions, including a 3% growth in population and that the building boom on North College will last another 12 to 18 months.

Robert Soppe asked if current developer fees pay the full cost of new development. Kathy Tri and Duane Cole said there is probably no way to make them pay the full cost. Roger Currier said developers should be charged the full cost of what it costs us to process their permits.

Kathy Tri distributed five scenarios. The fire department has already identified \$107,350 worth of cuts it is willing to make. Fire Chief Michael Sherman said the cuts included Training and Equipment and a half position (.5 FTE). Michael Sherman said some of the equipment reduction involved money to be put away for the Capital Improvement Plan (CIP). Robert Soppe expressed his concern with "robbing the future".

Robert Weaver said he likes Scenario 1, but he wanted to know what would happen to the rest of government. Duane Cole and Kathy Tri said the cutbacks would mean at least a reduction of 1 FTE in the City Managers Office, plus staff cutbacks in Finance. There would be no training or travel money. Other departments would face similar cuts.

Kathy Tri went through the rest of the scenarios and discussed possible uses of cash. An estimated \$463,000 will be available. Options Kathy Tri went over included:

1. Use in first year to make General Fund reductions, leaving more time for the legislature to complete implementing legislation and for phasing in reductions.
2. Use cash to absorb serial levy reductions; protect balance in case serial levies are not renewed in spring of 1998.
3. Use part of cash to ease reductions; make reductions over 2 year period.
4. Save cash for capital purchases only.
5. Use cash to cover salary increases only (approximately \$100,000).
6. Increasing cash carryover through prudent use of current year dollars.

Robert Weaver wanted to know how many positions would be cut under the first scenario. Duane Cole estimated, in addition to the cuts in the City Managers Office and Finance, Legal would lose about 1.5, Court would lose 1, Library would lose 4 FTE (which is about 7 to 9 people, as many are part-time). Duane Cole estimated the total number of positions would be about 12 ½ FTE. Donna Proctor said she would like to see deeper cuts in supplies and services. Lisa Thomas said she was worried about cutting too deep and losing volunteers as well.

Robert Weaver said he wanted to cut out all of Social Services and the Visitor Center. Kathy Tri pointed out that was part of Scenario 2.

Kathy Tri said the tax from the new motel was included in the scenarios.

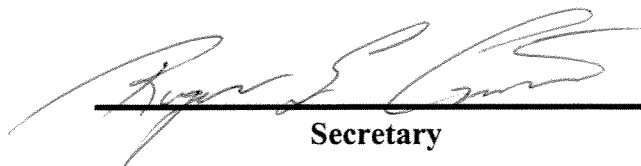
Bert Pennock asked the department heads present what they thought of the scenarios. City Attorney Terry Mahr said he didn't like any of the scenarios, but he realized he would have to live with some cuts. Librarian Leah Griffith said the scenarios can be used to give department heads some direction, but she doesn't think across the board cuts will work very well. She noted most of the scenarios take the library down to 20 hours a week. Police Chief Bob Tardiff said he doesn't want to make cuts any deeper than the ones required under Scenario 5. Fire Chief Michael Sherman said he likes the idea of encouraging early retirement (Kathy Tri is working on). He said he thinks Scenario 5 is the biggest hit police should take, but he prefers the public safety cuts under Scenario 2. Bob Tardiff said the scenarios assume that the COPS grants will continue, but there is a possibility that the city will lose the grants if it cuts any positions. The federal government is being asked for an opinion on this issue for Oregon. Mike Soderquist said all of the scenarios mean people in his department will be cut.

Robert Soppe said he would like to have public meetings to get input on what the public would cut. Robert Weaver said the people he has talked to want public safety preserved. William Rohsacker said the employees should be asked where smaller cuts could be made. He said he would like to use some of the estimated cash carryover to make up about ½ of the cuts. Lisa Thomas said she agreed with Bill about talking to employees about where cuts could be made. She also agreed that public safety should not be cut. Robert Soppe said the committee needs to be careful about the public's attitude toward public safety. He said sometimes people don't like the trade-offs.

Duane Cole summed up directions:

- Preserve Public Safety
- Look into Early Retirement
- Recover Full Cost of New Development
- Review Materials & Services Line Items
- No Social Services
- No Visitor Center

Adjournment: The committee adjourned at 8:50 p.m.

  
Secretary