

MINUTES
CITY OF NEWBERG
NEWBERG CITY COUNCIL / BUDGET COMMITTEE WORK SESSION
FEBRUARY 13, 1997 - 6:00 p.m.
WASTEWATER TREATMENT PLANT
2301 WYNOOSKI ST., NEWBERG, OREGON

COPY

I. CALL MEETING TO ORDER

Mayor Proctor called the meeting to order at 6:10 p.m.

II. ROLL CALL

CITY COUNCIL:

Charles B. Cox (CBC)	Roger Currier (RC)
Alfred (Fred) Howe (FH)	Deborah Sumner (DS)
F. Robert Weaver (RW)	

ABSENT: Donna McCain (DM)
Lisa Thomas (LT)

BUDGET COMMITTEE:

Bob Ficker	Bert Pennock
Fred Owens	William Rosacker
Robert Soppe	

ABSENT: Melinda Newland
Damon Sump

STAFF

PRESENT: Duane R. Cole, City Manager (DRC)
Terrence D. Mahr, City Attorney (TDM)
Peggy R. Hall, Assistant City Recorder
Katherine Tri, Finance Director
Michael Sherman, Fire Chief
Michael Soderquist, Community Development Director
Bob Tardiff, Police Chief
Leah Griffith, Library Director
Debbie Smith-Wagar, Assist. Finance Director

OTHERS

PRESENT: Barbara Brown, Pat Haight, Thomas Rickert

Mayor Proctor announced that the purpose of the meeting was to review with the Council and Budget Committee budgetary issues. The meeting has been properly advertised. Fire Chief Michael Sherman discussed the Fire Department social scheduled for February 22nd at George Fox University (Commons Building).

DRC reviewed a statement concerning the development of budgets, policy and guidance tools to be used in working with the budget process. DRC provided overheads concerning the following: good governance, City structure, issues relating to personnel and the budget as it relates to the City staff, citizens, City Manager and the City Council, and the impacts of Measure 47. DRC reviewed General Fund impacts, serial levy budgeting concerns, Central Services Fund (including the Human Resources Department, information services, fleet services, facilities maintenance, and insurance.

DRC reviewed targeted budget reductions which still leaves \$470,000 to go to reach the \$600,000 target. DRC reviewed the Fire Department's reductions in staff and expenses. DRC noted that the \$1.50 water meter fee is a separate fund which is set aside to purchase fire vehicles and equipment. Discussion was held concerning reducing the City's telephone costs (purchase of new phones with answering machines which would eliminate voice mail charges). The reductions would also reduce the number of cell phones the City has purchased. Discussion was held concerning efficiencies and long distance charges. Finance Director Kathy Tri noted that the monthly telephone bills are reviewed by the Departments. DRC stated the monthly long distance charges are around \$390 per month for the entire City operation.

DRC reviewed the fleet services with the City utilizing 1.5 mechanics. DRC noted that this is being reviewed for efficiencies with other agencies (Newberg School District, Chehalis Park & Recreation District), etc. DRC noted that Community Development Director Mike Soderquist is researching this concept.

DRC then reviewed the lease space for the Community Development Department. The lease payment is due to increase in November, 1998. Discussion was held concerning relocating the department back into the City Hall once the police station facility is built.

DRC stated that the City's insurance expense is also paid out of Central Services. Each department pays for their pro-rata share of the expense for property and liability insurance.

Councilor RW inquired how many 1/2 time employees does the City employ? DRC noted that there are about 20 - .5 FTE employees who mainly work at the Library.

DRC added that in Central Services, the staff has made reductions of approximately \$55,595. City staff will take another look at the phone expense. Discussion was held concerning disbursing costs of an expense among several departments. DRC reviewed how the property tax adjustments will be made in light of Measure 47. DRC added that as Newberg grows, the tax rate will go down.

DRC then reviewed the following departments: Administration, Legal, Municipal Court and Finance. DRC reviewed the various scenarios with the Council and Budget Committee members. Councilor RW inquired about VISA charges and how they were applied to the department expenses and the limits of expenditures. Finance Director KT stated that most department heads have City VISA cards for expenses which are monitored and screened. Receipts are turned in with the appropriate expense account numbers. Councilor RW stated that if expenses exceeded the budgeted amount with the School District, then the excess was paid from that employee's wages. Discussion was held concerning out of state travel, meal expense, etc. and who authorized such expenses. Mayor Proctor stated that a couple of years ago, there was no out of state travel allowed unless authorized by the Council. DRC noted that was repealed to a degree. Some out of state travel is needed (i.e. detectives going out of state to pick-up prisoners, etc.). The department head reviews the request and if allowed, it is referred to the City Manager for final approval. Ms. Tri further noted that City staff is sharing expenses and there is very little out of state travel.

Discussion was held concerning contract professional services. Councilor DS inquired about all City departments rolling back a certain amount (shared). (Note: Councilor DS left the meeting (prior commitment)).

Discussion was held concerning contracting legal services with other agencies (Newberg School District and CPRD). TDM noted that the Legal Department's time would have to be allocated appropriately to each agency. TDM further added that the City of Dundee and the School District have shown some interest in this scenario. TDM stated that the average attorney fees range from \$125 - \$175 per hour. The City of Newberg could establish an enterprise fund to handle this process. Other cities have previously hired outside counsel but have switched to in-house counsel services. DRC noted that the Assistant Court Clerk (Robin Steele) speaks Spanish and assists other City departments in translation services. The close proximity of the Court is helpful. DRC added that the Legal Department expenses could also be funded through Central Services. Discussion was held concerning what departments or funds would share in the legal costs (general, sewer, water, central services). The Council and Committee reviewed the problems with the City Attorney's Office being shared by other agencies. TDM noted that outside counsel expenses can be high if not monitored properly. TDM stated that the compost litigation involved outside counsel which was paid through an EPA grant. DRC added that they are still working on various scenarios and will fine tune them hopefully within the next month.

DRC reviewed the Community Development Department's "fee for services" which involve special funds for planning and building (expected revenue loss of \$380,000 in the building division alone). This process would require voter approval due to Measure 47. The deadline for filing a ballot measure will require City Council action on March 3rd. The proposed fee increases would be approximately \$509,000. Discussion was held concerning those waiting for building permits and finalization of plans, etc. Community Development Director Mike Soderquist noted that the City's fees are lower than surrounding areas. The Homebuilder's Association has provided surveys which prove that they (builders, etc.) would rather have increased fees than less service. DRC added that City staff is finalizing a proposed fee schedule which is similar to surrounding areas. DRC reviewed with the Council and the Committee the cost of the election (could be as much as \$10,000 depending upon the number of measures on the ballot) for anything other than a general election (November, 1998). Discussion was held concerning raising traffic fines and ambulance fees. TDM noted as far as the traffic fines, the City uses the State's maximum fine schedule. The Charter prohibits the Council from supervising the Judge in the exercise of his/her judicial duties.

Councilor RC noted that a recent Legislative Bulletin from the League of Oregon Cities addresses an analysis of Measure 47 and what services provided by the City would have to go to the vote of the people. Councilor RC noted that sewer rates are not exempt and must go before the voters. Ms. Tri noted that she was under the impression that they were. Councilor RC stated that he would review the Legislative Bulletin for clarification. DRC stated that the City would have to prioritize the Building Division's work keeping in mind the 120 day land use rule in which developers' permit process must be completed within 120 days. Discussion was held concerning other cities' problems with the same situation on dealing with outdated fee charges and the cost of privatizing various City departments. Mayor Proctor stated that the City reviewed the problems associated with privatizing the wastewater treatment facility. The cost of outside personnel and related expenses are an issue to consider. The City would lose control.

DRC then reviewed the Library portion of the budget. Library Director Leah Griffith stated that the Library would have to sustain some major cuts especially in the hours of operation. Library staff will perform its own cleaning services for the Library. Councilor FH inquired about cutting the pay of the employees by a percentage rather than eliminating positions. Discussion was held concerning Library staff

compensation not being out of line. Ms. Griffith further added that some Library staff members have college degrees and are already under paid.

The Council and Committee agreed that the Library is a valuable resource for everyone which provides more service than just checking out books. Ms. Griffith added that the Library has seen a 10-11% growth in level of use and there are approximately 10,000 library cards issued throughout the community.

Committee member Bob Ficker inquired whether or not Measure 47 allows for private fund donations to the Library. Ms. Griffith added that the Library Foundation does receive grants and gift awards. Ms. Griffith stated that it costs approximately \$5,000 per hour of operation to maintain the Library.

Discussion was held concerning across the board reductions throughout the City departments.

DRC reviewed the Police Department budget. Discussion was held concerning the retirement of one officer and the replacement of a non-sworn police personnel. Chief Robert Tardiff noted that cuts were made in the approximate amount of \$125,000. Chief Tardiff also presented information concerning the serial levy (two officers) and the grant (2 officers + 1 non-sworn personnel). Chief Tardiff also noted that if the City reduces the police force by 5%, the City would not be eligible for further grants of this nature. DRC added that he has read in the newspaper that the City of Gresham's ratio of officers to population is 1:1 while Portland's is 1:2.

DRC also reviewed policy questions concerning the priority of the following social service programs: visitor center, senior transportation, Newberg Human Resources Center, etc. Discussion was held concerning increasing the hotel/motel tax which would have no restrictions other than having to go to the vote of the people to pass. The bed and breakfast operations would be not affected. Further discussion was held concerning members of the Newberg Chamber of Commerce providing additional fees to replace the amount the City would have contribute to the visitor center. Councilor RW stated that the visitor center plays a tremendous role in selling the City and the solution may very well be for the Chamber to increase its dues to its members.

Further discussion was held concerning consolidating department head positions (City Manager/City Attorney/Finance Director/Assistant Finance Director, Police Chief/Assistant Police Chief, etc.)

Additional discussion was held concerning keeping the Library open and the problems associated with the last Library serial levy election that was defeated. DRC noted that it would take 50% of the voter turnout to pass a money measure. Committee members discussed the pulse of the community being wanting to keep the police and fire and saw the Library as an additional expense after police and fire.

DRC and KT reviewed the cost of an election which could be shared by other entities (the more measures on the ballot, the better). The Council and Committee members reviewed the priorities: police and fire and then other departments and the opportunity to share with the community what impact Measure 47 will have on the other departments. DRC noted that March 3rd's City Council meeting is the window of opportunity for the Council to review and approve ballot measures to be placed before the voters. DRC added that he hoped to provide to the Council the amount of cash needed to feed back into the budget to operate these departments until such time a vote can be held or we come up with some other alternative (contingency fund availability).

Councilor RW stated that it was important to make the commitment to see that everyone is well informed. Ms. Griffith added that the Library personnel has not physically gone out to solicit funds but the Library does have an endowment fund through the Library Friends. People are willing to give money for materials and books, but not for central services (lights, water, etc.). Discussion was held concerning duplication of materials already supplied by the Newberg School District. Ms. Griffith stated that they have found that the schools do not have enough source materials for the students and they do come to the Library. Committee member Bert Pennock stated that George Fox University also has a good library but it is not available to the general public. Ms. Griffith also noted that the City received a grant this year to provide library services to the senior center which also ends this year.

Mayor Proctor stated that the budget issues will be placed before the City Council at the March 3rd meeting for the following: increase building/planning fees, library services, hotel/motel tax increase. Discussion was held concerning City staff providing additional information to the Council and Committee prior to the final proposal for the March 3rd City Council meeting. Committee member Bert Pennock further noted that he would recommend another meeting to discuss the final workings. DRC added that the deadline for filing the ballot measures with the County Elections Officer is March 20th.

MOTION: RW/FH to adjourn at 8:30 P.M.

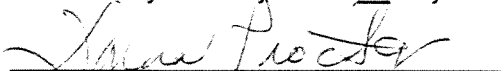
Discussion was held concerning another meeting on March 27th with the Council and the Budget Committee. Mayor Proctor and other Council members encouraged the Budget Committee to attend the City Council meeting scheduled for March 3rd.

The meeting adjourned at 8:34 P.M.

ADOPTED by the Newberg City Council this 7th day of April, 1997.


Duane R. Cole, City Recorder

ATTEST by the Mayor this 9 day of April, 1997.


Donna Proctor, Mayor