TUESDAY, 7:00 P.M. **April 29, 1998**

BUDGET COMMITTEE MINUTES

PUBLIC SAFETY BUILDING **NEWBERG, OREGON**

Members Present:

Darlyn Adams	Bob Andrews	Roger Currier
Sally Dallas	Mike McBride	Donna McCain
Louis Larson	Bob Larson	Douglas Pugsley
Bart Rierson	Robert Soppe	

Members Absent: Lon Wall

Others Present:

Bob Stewart, Mayor	Jim Bennett, City Manager
Kathy Tri, Finance Director	Robert Tardiff, Police Chief
Michael Sherman, Fire Chief	Leah Griffith, Librarian
Janelle Nordyke, Asst. Fin. Dir.	

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1. Call to Order

Chair Louis Larson called the meeting to order at 7:00 p.m.

2. Roll Call

Roll call was noted by Kathy Tri.

3. Minutes

MOTION: Louis Larson / Mike McBride moved to approve the March 5, 2003 minutes with the mention that the date on Minute #4 read 2002, not 2003. Correction noted. Passed by those present.

4. New Business: 2003 – 04 Budget

Jim Bennett presented the Budget Message. He said that the major impacts of the budget were reduced revenues because of slower growth and economic development and substantial increases in PERS contribution, heath care premiums and salaries subject to collective bargaining. Lou Larson asked if there were any questions regarding the Budget Message.

Roger Currier objected to the added $2 Franchise Fee because the citizens own the franchise and the City also has to maintain the Right of Way. He also commented that the Mayor's budget went up 100%, (ref pg 80), and preferred reducing the Mayor's budget.

Mike McBride (ref pg 21) asked if we were just going to be moving reserves to pay for capital projects in the Water Fund? Jim Bennett said yes, but we were not budgeting any new debt for water capital projects.

Bart Rierson asked why the State Sewer Tax in the Street Fund keeps decreasing. The State of Oregon is re-directing its funds towards bridge repair and the tax is based on gallons sold.

Roger Currier asked if we had looked at projects being funded by "lawnmower gas tax"? He read somewhere that a city received some money from lawnmower gas tax. He thought it might be the City of Gresham. No one on the Budget Committee had heard of that tax before. Staff said they would look into it.

Chair Louis Larson had several questions and comments:

- On page 19, explaining the reducing insurance and reserves: workers compensation was reduced because of the City's experience rating; property and casualty rates would be increasing; health care premiums would be increasing; and retirement costs would be increasing, so there was an overall rise in insurance.

- In the March meeting, there was discussion about holding current Personal Services costs in the next budget. What is the reason for the increase? What would be the impact of freezing the Personal Services increase? Kathy said that there was an overall increase of 8% in payroll because of the 53% increase in PERS and the increases in health insurance premiums and the collective bargaining agreements with Police and Fire.

- How can we reduce the cost of health insurance? Jim Bennett and Kathy Tri said that they were proposing an increase in the deductible from $100 to $200, implementing the "healthy benefits" program, which would improve the overall experience rating, and sharing the premiums with the employees of 5% (except Police who have a lesser premium cost than the other employees). The overall cost would be approximately a 15% increase.

- On page 20, paragraph 2 under General Fund, eliminating the City newsletter would save $8,000. This is an avenue of communicating with the public. Response to that question was to put the same information on our website that will be up and running next week. It was suggested that the newsletter needs to mention the website and the discontinuing of the City Newsletter. Also on the website would be how to pay your water bill. When will it be done – as soon as possible.

- On page 27, Compensation – what is the CPI index that we are using: 1.8%. What would be the effect of not giving a COLA? Kathy Tri said that she would research that, but that not giving a COLA would not be applicable for the collective bargaining with the Police and Fire.

- On page 25, adding positions. Overall, the number of budgeted FTE will be 1.5 less than budgeted this year, even though we are adding 3.5 new employees. There is a difference in budgeted FTE and actual FTE. Actual FTE is less than budgeted FTE. The decrease has been because people are retiring and not being replaced, and positions were not filled, such as in the Storm Water Fund.

- On page 36, Options being recommended – these were from the Long Range Planning session. They are not necessarily in the proposed budget.

Robert Soppe asked if there was a rough picture, dollar-wise, of the general changes for this year. Kathy Tri said that there was a slide of this in her presentation.

Mike McBride asked if during this process had there been a brainstorming session for additional sources of revenues? If by bumping up the cost of a speeding ticket, how many tickets would we have to issue? Chief Tardiff would probably have that answer in his presentation. Also, by not doing a COLA, the community would build confidence in the City as the City was tightening their belts also. Roger Currier commented on Mike McBride's question saying that working for the government is one of the best employers to work for. Also he suggested that putting up a sign at the entrance of town saying "Speeding Will Cost You" to warn people of the increase in ticket fines.

Robert Soppe responded by saying that Mike McBride's analogy of using a household budget in comparison to the City is misapplied. The analogy with the household budget is that the household receives the benefits when it cuts costs. The City suffers when it cuts costs because it cuts services. Roger Currier responded by saying that the choice is a reduction in services versus a reduction in payroll. Mike McBride's response was that we need to find ways to bring in more money. Jim Bennett responded saying that the General Fund alone needs to be reduced by $340,000, of which not giving a COLA would only be around $44,000.

Donna McCain commented that all these issues should be able to be explained with Kathy Tri's presentation. Doug Pugsley agreed. He also commented that personal income outside of the City had increased by 1.8%

Robert Soppe asked what percent of non-represented employees in relation to the overall employees are there in the General Fund? Kathy Tri said she would look into it.

Roger Currier (ref page 80) asked why there was an increase of $103,000 in the Cable TV's Composite Budget? Kathy Tri said that it was not an increase, but that was what was sitting in the account waiting to be used.

5. Citizen Input

Ann Dolan stood to represent the Chamber of Commerce. The purpose of the Chamber is to get tourism into Newberg. The Chamber needs to be proactive. There is one business that will be closing its doors and another business that possibly will be moving out of the area which will impact approximately 300 jobs. We need a new brochure, staff dedicated to website management, and also get more information out in press releases. We are asking for $24,000, which is 30% of prior year tax receipts instead of the $15,000 the Chamber is currently getting. Doug Pugsley said that if the wineries are benefiting from the Chamber, they should be willing to help with the website.

Kris Horn, presenter #2 for the Chamber, said that the point of the increase would be dedicated to the promotion of tourism. We must take a pro-active approach.

Roger Currier asked Kris to put herself in the Committee's shoes – if we were to increase the portion that we give the Chamber, would she be willing to cut 1/3rd of an officer to do it? Kris said probably not.

Sally Dallas said that advertising is critical to businesses, and usually it is the first to be cut. But it is vital to business.

Robert Soppe asked what the estimated revenue from hotel tax would be for next year. Current year estimates are $80,000 and next year would be $85,000. The percentage given for the State average may include other things besides the Visitors Information Center.

Roger Currier asked what had happened to the original Visitors Information Center sign when it had said "Newberg Visitors Information Center"? That sign had been replaced by one provided by the State. The State provides free signs, but they are specific in design – "you get what you pay for". St Paul and Dundee benefit from our Chamber, why don't we collect money from them? No response was made.

Louis Larson concluded the public hearing.

6. State Revenue Sharing Public Hearing

The public hearing on state revenue sharing was opened. Finance Director Kathy Tri said she has estimated $118,000 in state revenue sharing for the 2003-04 fiscal year to be used by the General Fund. No one spoke at the public hearing and it was closed.

7. Presentation of the 2003-04 Budget

Kathy Tri presented the 2003-04 Budget. She reviewed the utility funds, special revenue funds and the General Fund. During her presentation, several questions were raised.

Street Fund: Mike McBride asked what would be the savings in turning off every other street light without telling the public for fear of increased burglary? Kathy Tri would talk to PGE.

Questions on EMS and 911: Bob Andrews asked if there were revenues coming into the EMS fund? He also asked if the new HIPPA law put an additional burden on the Fire Department. Michael Sherman said that there were major revenues coming into the EMS fund. He also commented on the huge increased burden on the administration in the form of training, additional staff time, additional risk in liability, additional mental burden with complying with the rules.

Mike McBride asked if there was a fee for ambulance service. Michael Sherman said that people are billed for EMS usage, either through insurance or individual billing. However, if the ambulance arrives on a scene but doesn't transport anyone, there is no charge. A person must be transported in order for the EMS to collect a fee. The best deal is to be part of the FireMed program. Doug Pugsley asked if we get any reimbursement from HIPAA? Michael Sherman said that we didn't.

Adjourned at 9:00 pm.

Secretary