

BUDGET COMMITTEE MINUTES

PUBLIC SAFETY BUILDING

NEWBERG, OREGON

Members Present:

Tomina Carter
Lisa Helikson
Robert Soppe

Roger Currier
Nancy Jiosa
Noelle Wilson

Ron Fulham
Donna McCain

Members Absent:

Don Holland
Robert Weaver

Robert Larson

Bret Veatch

Others Present:

Duane Cole, City Manager

Leah Griffith, Librarian

Robert Tardiff, Police Chief

Brian Casey, Deputy Police Chief

Howard Hamilton, Plants Supervisor

Mary Newell, Police Administrative Assistant

Chuck Cox, Mayor

Mike Soderquist, Comm. Dev. Dir.

Kathy Tri, Finance Director

Frank Douglas, EMS Supervisor

Debbie Smith-Wagar, Asst. Fin. Dir.

1. Call to Order

The meeting was called to order by Chair Robert Soppe at 7:06 p.m.

2. Roll Call

Roll call was noted by Kathy Tri.

3. Minutes

The minutes for the May 4th and May 9th Budget Committee meetings were attached to the agenda. No action was taken.

4. New Business

Capital Projects Community Development Director Mike Soderquist said the budget includes 21 major projects. He reviewed six of those projects. Mountainview Road is about a \$2.2 million project at this point. The City is asking the State for \$900,000 as the project is designed to get traffic off of Highway 99. The street will be built with ditches for storm drains, and developers will have to upgrade the street to City standards when property along the street is developed. The second project reviewed was the River Street sewer, which is about a \$1.2 million project. The request for bids is out. The third project was the composter. With the lawsuit settled, the City is budgeting the money received to upgrade the composter, with emphasis on odor control. The fourth project was the 99W Waterline. The City is relocating the waterline from Brutscher to Main to get it out of the traffic area and the upgrade the pipes.

The project should go out for bid this summer. The fifth project was the Fernwood Road utilities. This involves the extension of a water line to the proposed East side reservoir and a sewer line to the proposed new pump station. The City will advertise for bids next week. And the sixth project was the East side reservoir, which will be a four million gallon reservoir on the lower slope of Parrett Mountain. This will give the City redundancy and serve the East side of town. It is expected to cost about \$2.3 million. It will not be a tower, but will be partially buried in the ground.

Election Results City Manager Duane Cole reviewed the May 16th election results. Both the Fire and Police levies were defeated. Turnout was close to 50%. He said staff has reviewed all General Fund revenues and related expenses. He presented three options. The first option was to go back to the voters in November. Failure of the Fire levy does not have an immediate impact on services because it was to hire additional employees. If the current level of police services is maintained, the cost to carry the employees until the money is received in November 2001 would be about \$500,000. That would reduce cash carryover in the General Fund to about \$450,000, and the City would probably have to issue Tax Anticipation Notes in order to have enough cash to get through to November 2001.

Duane Cole said Option 2 is to salvage something. This involves cutting services in all departments. Some places to cut includes facilities maintenance. \$50,000 is budgeted, only \$30,000 is an immediate need. Police has \$52,800 budgeted to begin building a reserve to replace communications equipment. Capital outlay could be reduced. That would cut \$25,000 out of Fire, \$8,000 out of Police and \$8,000 out of Library. Social Services has a line item of \$14,000, which is money used to support the bus service provided by the Senior Center.

Option three is to cut police services. This would mean the end of all COPs grants. Services to be reduced would have to be prioritized, and the Police Department would be reorganized. The School District has agreed to continue providing about \$30,000 a year for the Youth Crimes Officer. Cuts include three officers (this would eliminate a patrol officer, the DARE officer and the property crimes detective). That would save about \$153,615. Other cuts include reorganizing the department and eliminating a position saving \$49,992, reducing overtime and materials and transferring a fourth dispatcher to the 9-1-1 Fund to save \$58,567, and eliminating one-half of animal control to save \$25,000. Revised revenue estimates show that the General Fund will probably have about \$40,000 more in cash carryover than was originally projected. Duane Cole also cautioned that the 9-1-1 Fund only has enough cash to carry the extra dispatcher for one year. The fund receives enough revenue to pay for about two dispatchers. Before the levy election the budget had three dispatchers in the fund, which would have used up some of the cash. Transferring this fourth dispatcher will bring the cash in the fund way down.

Duane Cole said there are positives with the third option. It does retain the Youth Crimes Officer. The City will still have its two traffic officers. It does provide for at least a half-time animal control officer. The negatives are that the City will lose a patrol officer, the DARE officer and a property crimes detective. Animal Control will be reduced. The reorganization will result in the loss of another position. And the transfer of a fourth dispatcher to the 9-1-1 Fund is only a temporary solution.

Looking forward to this time next year, Duane Cole said two dispatchers will have to come back to the General Fund at a cost of some \$80,000. The Library's regional computer cost will increase \$10,000 at least. Contract negotiations and cost of living increases are inevitable. The City will probably have some cost in the ODOT Brutscher to Main project. Funding capital contributions will continue to be a challenge. Statewide ballot initiatives, if approved this fall, could have a profound impact on City finances.

Robert Soppe asked Police Chief Bob Tardiff if he had anything to add. Bob Tardiff said there was a lot of apprehension in his department. He said the cuts need to be fine-tuned at the department level.

Donna McCain said she was concerned about cutting DARE. She said the kids need to get on the right track when they are young.

Lisa Helikson said she believed officers had to be cut. She said citizens won't believe the City if the cuts aren't made.

Ron Fulham said he didn't think the Police Department should bear the full brunt of the cuts. He said the City wouldn't be in this position if it had gone to the voters for money to fund the City Hall project in the first place. Finance Director Kathy Tri said that wouldn't have made any difference, because the City Hall fee charged by the Planning Department and the Privilege Tax were dedicated to repaying the bonds for City Hall.

Robert Soppe said education was important between now and November.

Roger Currier said people didn't think the City needed the money. They see new trucks in Public Works, new City Hall, new Fire trucks, and they think the City has plenty of money. Robert Soppe said that is why education is so critical. Roger Currier said the City should be anticipating the approval of the ballot measures in November.

Robert Soppe said he thought the Budget Committee had to approve the budget by department. Kathy Tri said the Committee has to approve the total budget, then the Council can adjust the budget by up to 10% per fund.

Noelle Wilson said she would like more discussion before approving the budget.

Lisa Helikson said the City hires good department heads. She said the Committee needs to make sure the decisions are logical, but she wants to let the department heads do their jobs.

Tomina Carter asked if the budget numbers have been adjusted as had been discussed. She specifically remembered court-appointed attorney fees being too low. City Manager Duane Cole said the number in the budget would get the year started. He said adjustments would need to be made during the year.

Noelle Wilson asked what contracts require seniority to be taken into account when considering lay-offs. Staff said the Police and Fire Union contracts both require those with the least seniority to be laid off first. Personnel rules provide for more flexibility when laying off non-union employees. She asked what employees have contracts. Staff said it was just department heads.

Roger Currier said he did not like reorganizing positions, especially if it was just to get around the issue of seniority.

Noelle Wilson said District Attorney Brad Berry is not excited about taking on the City's DUIs and indicated that many of them would just be dismissed. Tomina Carter said the City would not have to pay to get students from Willamette University to help prosecute the DUIs, though it would take some of City Attorney Terry Mahr's time for oversight. Noelle Wilson said maybe working out the program with the County would be better so the District Attorney's office would have the oversight responsibilities.

Noelle Wilson asked about vehicle replacement in the Police Department. Bob Tardiff said two cars a year are replaced. They usually have about 80,000 miles on them. He said the cars could be driven longer, but there are issues regarding safety and reliability, and maintenance on the older vehicles becomes more expensive.

Ron Fulham asked what the City expects to see from a new Cable TV franchise. Duane Cole said at this point no one knows. He said the budget includes a revenue amount similar to this current fiscal year with a slight increase for growth.

Robert Soppe asked what the Committee hoped to accomplish at this meeting. Duane Cole said one page in the handout showed what needed to be done - approve the tax levy and approve the dollar amount of the budget.

Noelle Wilson made a motion to approve the tax levy as presented (an operating tax levy of \$4.3827 per \$1,000 assessed value and a debt service levy of \$389,690). Tomina Carter seconded the motion. The motion passed unanimously.

Discussion continued on the dollar amount of the budget and what departments the cuts should come from.

Ron Fulham made a motion to examine other department for reductions, other than the Police Department. Roger Currier seconded the motion. Discussion: Noelle Wilson asked what the boundaries were on the motion. Donna McCain said the public will say the City can "find" the money and the levy wasn't really needed. She said reductions have to be made in Police. She said the City has outstanding staff and recommendations should be coming from them. Tomina Carter said the largest cut should come from the Police Department, but she is not opposed to finding cuts in other departments.

Roger Currier called for the question. The motion passed five to three, with Noelle Wilson, Lisa Helikson and Nancy Jiosa voting against the motion.

Tomina Carter suggested 80% of the cuts come from the Police Department and 20% come from other departments. Noelle Wilson said she would like to see departments look specifically at travel and training.

Duane Cole said staff will go through the line items. He said additional cuts will change the culture of the organization.

Another meeting was set for Thursday, May 25th at 6:30 p.m.

5. Adjournment

The committee adjourned at 9:07 p.m.


Secretary