

THURSDAY, 7:00 P.M.

May 1, 2003

BUDGET COMMITTEE MINUTES

PUBLIC SAFETY BUILDING

NEWBERG, OREGON

Members Present:

Darlyn Adams
Sally Dallas
Bob Larson
Robert Soppe

Bob Andrews
Mike McBride
Douglas Pugsley

Roger Currier
Louis Larson
Bart Rierson

Members Absent:

Donna McCain and Lon Wall

Others Present:

Jim Bennett, City Manager
Kathy Tri, Finance Director
Michael Sherman, Fire Chief
Janelle Nordyke, Asst. Fin. Dir.
Russ Thomas, Public Works
Greg Meyers, Fire Department
Al Blodget, Fire Department
Barton Brierley, Building & Planning

Mike Soderquist, Community Development
Robert Tardiff, Police Chief
Leah Griffith, Librarian
Dave Brooks, IT
Dawn Wilson, Legal
Howard Hamilton, Wastewater Treatment
Dan Danicic, Engineering

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. Continued Business: 2003 – 04 Budget

Kathy Tri continued with her presentation on the 2003-04 Budget. She concentrated on the General Fund and Central Services.

GENERAL FUND: Roger Currier commented that we have a large portion of potential taxpayers which are tax exempt. Bob Andrews asked what would be the procedure for changing that? Ms. Tri stated it was up to the State Legislature.

Louis Larson asked what the worse-case scenario would be if the Hospital couldn't build, State Revenue Sharing decreased, and the School District delayed building? Response was a several hundred thousand dollars impact.

Bob Andrews asked what is the cost of savings with the erosion of Terry and Dawn's time if we don't replace the Prosecutor's position? Jim Bennett said it could not be measured. We will have to wait and see. Robert Soppe asked if there was any likelihood of hiring outside help? Jim said no, as there are no funds available.

POLICE: The contract with the School District Truancy, how much does it cost? Approximately \$72,000 a year, of which the School District pays \$30,000.

Mike McBride asked since Ken Summers is no longer an employee, what is happening with that money? Bob Tardiff said that they have brought in a new officer and promoted an existing officer as Patrol Sergeant. They are going to get by with two detectives with Brian Casey supervising them. The new Patrol Sergeant will supervise patrol. He asked where should the City be as far as number of officers? Chief Tardiff replied that the City needs to add 9 officers at a cost of approximately \$59,000 for an entry-level officer.

Doug Pugsley asked what the length of the current contract negotiations are for? Chief Tardiff responded that the current contract is for a three-year period. The last increase was a 2% COLA increase and a 1% market adjustment.

Louis Larson asked what the turnover rate for Newberg was? Bob Tardiff said that in the last 10 years, Newberg has lost 2 officers to Portland, 1 to Hillsboro, and 2 to Beaverton. Newberg has a low turnover rate.

Robert Soppe asked if we are getting the animal control fees from the County? Chief Tardiff responded that the City is receiving the same amount.

FIRE: Robert Soppe asked what the water tender that was approved a month ago was paid with. The staff responded that the tender is being paid from vehicle reserve contributions.

Mike McBride asked when the Fire surcharge from the water bill would end? Staff responded that it would be in October of 2004. Staff reviewed the age of the Fire Department rolling stock. Mike McBride suggested keeping the surcharge. Michael Sherman will put together a capital replacement proposal.

Doug Pugsley asked what it costs for an entry-level fireman. Chief Sherman responded that it costs approximately \$60,000.

911: Bob Andrews asked how vulnerable is the City of losing funding from the State? Chief Tardiff responded that there are multiple suggestions by legislation including creating 5 regional centers. The funding for consolidation with McMinnville has been put on hold. The funding is at risk, but staff is unsure of what will actually happen.

LIBRARY: Robert Soppe asked if we would be getting money back from CCLRS (Chemeketa College Library Regional Service). Leah Griffith said the formula was revised to be ½ based on assessed valuation and ½ based on the number of circulations. Dundee is part of Newberg. The library will be receiving computers and telecommunication as members of CCLRS.

Lou Larson asked what would be the most economical way of extending one hour? Ms. Griffith responded that it would take approximately \$8,000 for one hour and it would be added to the daytime hours.

Doug Pugsley if we were to increase the amount by \$16,000, would they like it in increased hours or increased materials. Leah said she would rather have the materials, because it is important to balance of hours and materials.

Mike McBride asked if the hours could be extended using volunteers? Ms. Griffith said that it takes more technical knowledge for checkouts because of the use of computers and confidentiality. Also, volunteers don't want to do "stressful" tasks. There are currently 100 volunteers including Library Friends. Sally Dallas mentioned that many volunteers don't want to be restricted to one day.

PLANNING: Robert Soppe asked what was the purpose of the housing and population study? Staff stated that every 10 years or so the City does a population study. It has been over ten years and we are due for another study. This is a 3-phase process for periodic review, of which this study is the first phase.

BUILDING: Jim Bennett said that there was a State Statute that requires building inspection fees to be reserved. The reserve carries the Building Division through the lean years. Mike Soderquist commented that the Building Inspector and Building Official are the same. Bob Stewart was the last Building Official we had and he retired. Mike McBride asked if the salary was going to be covered by the fees, including benefit packages. Staff responded affirmatively. Robert Soppe asked when the reserve would be too high? Staff said that there is no maximum reserve, but the reserve may be used to fund any Building Division expenditure. Some fees are set by the State, and the City reviews the State mandated fees and other building inspection fees every 2 years. We look at what other organizations are charging as well. Mike McBride asked what percent of what we are collecting is being set aside? At this point, what is left over at the end of the year is set aside. It is part of the cash flow of the Building Division.

CENTRAL SERVICES: Roger Currier asked if this is where the IT is budgeted. Staff responded affirmatively. Lou Larson asked if insurance covers legal fees? Staff responded that it does but it does not cover the settlement costs. Robert Soppe asked why the EDRLF loans were included in the City Manger's line item on page 85? He would prefer it to be separated out.

FINANCE: Robert Soppe why there was an increase of ½ FTE. Ms. Tri responded that this is for an accountant to help out with the audit report. One-quarter of the time is in the utility funds and ¼ time is in the Central Services Fund.

LEGAL: Robert Soppe commented that the overhead shows a current year savings of 3.3%. The page was not agreeing with the overhead. Kathy Tri pointed out that the actual savings was 2.8-2.9%.

Information Technology (IT): Jim Bennett commented that this program is under-funded, and one of the most critical areas of the City. There is only one person. What happens if he wants to

go on vacation? The servers aren't allowed to go down! Roger Currier commented that the terminology keeps switching from contract to employee and visa versa. He has never seen a contract employee get benefits. What is the clarification? Mr. Bennett stated that the IT person is on contract. The City could not hire him as a permanent employee because of issues with the previous IT employee. So he agreed to work as a contract employee, with some benefits, until the new budget year, when he would be considered an employee. Mr. Currier asked what the difference in the costs between the contract and employee? Kathy Tri stated that the costs increased by \$12,000 primarily because of PERS. The question was asked why do we need to switch from a contract person to an employee? Jim Bennett says we need a full-time employee to be our IT person so that we can have him on call 24/7. With the City responsible for the 911 center, it is critical that we have an IT person available at all times. A salary survey was done when we offered Dave Brooks the contract. Dave does not get overtime. If we used an outside service, Sally Dallas said that we might not get the same person. Robert Soppe said that we are paying him approximately \$80,000 a year now, and the new budget is asking for \$100,000. That is an increase of 25%.

Roger Currier commented that the water and sewer system computers are separate. We have an employee that knows a little about that computer, and there is no salary increase for that.

Kathy Tri said that the City has 15 servers, 200 workstations, and about 500 service calls a year. Dave Brooks is on call 24 hours a day, seven days a week.

Robert Soppe said that he thought years ago the City needed a full-time employee. His concern is the way this was sold to the Council to have a contract person, when all along this was an interim person. Robert was misled by that fact. When the contract was over, you start the process over for looking for a full-time employee.

Mike McBride asked if it takes a specialized skill to be able to be our IT person? Staff responded yes and no. Someone with the skill can become better through experience.

Bob Andrews asked what the term of the contract was? Staff stated that it was from September 2002 through August 31, 2003, but the idea is to start Mr. Brooks in July.

Bob Larson asked if we needed to buy him out? Staff said there was no provision for that. What about the web page? Nathan Bodenshtab, a student at GFU, is our web master. The department heads will maintain the web, and we hope it will allow us to transact business and bill paying over the web.

Mike McBride asked how many hits we are currently getting on our web. It would be nice to get a comparison. Staff did not know. However, the Community Development Department has a separate website from the City. The Library also has a separate site and they get about 800 – 900 hits a month.

Bob Andrews asked if we were going to start taking electronic payments? Staff responded that they hope to have this up and running by the end of the calendar year.

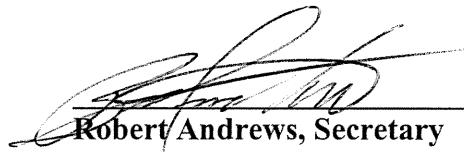
FACILITIES MAINTENANCE: Robert Soppe asked about the Janitorial Services and how the cost compared to an employee? Staff stated that an employee hired to work 8 hours could not do 15-hours of work and couldn't keep up. The City contracts out carpet and window cleaning. Overall there is a reduced cost.

INSURANCE: Mike McBride asked us if we bid out for insurance? Staff stated that the City is currently with CCIS for property, casualty, worker's compensation and health. CCIS, a brokerage service, shops the market to get the best rate. Robert Soppe asked what is the expected rate increase? Staff has budgeted a 25% increase. He asked if our experience rating was high, low, medium. Staff stated that the City's experience rating is good. We may have about a 10% decrease, but our liability claims have increased. Mike McBride said that we could watch our small claims and pay them out of pocket. Our experience rating is very critical.

HOW DO WE BALANCE?

Roger Currier suggested we have a business license. It is common to buy a license. Dundee charges \$15, why doesn't Newberg? Mayor Stewart did the math for the amount of money collected. If there are 400 businesses and we charge \$100 per business, the City could raise about \$40,000 a year. Robert Soppe said that to pay a fee, you need to get a service. He doesn't see the businesses getting a benefit. Mike McBride said that the bottom line is that Newberg needs to attract new businesses to the community.

Adjourned at 9:00 pm to meet on May 13, 2003 at 7 pm.



Robert Andrews, Secretary