

BUDGET COMMITTEE MINUTES

CITY HALL

NEWBERG, OREGON

Members Present:

Mike Boyes

Lon Wall

Bob Andrews

Roger Currier

Sally Dallas

Mike McBride

Donna McCain

Louis Larson

Robert Larson

Bart Rierson

Robert Soppe

Absent: Darlyn Adams and Bob Stewart

Others Present:

James Bennett, City Manager

Kathy Tri, Finance Director

Leah Griffith, Library Director

Janelle Nordyke, Ass't Finance Dir.

Dave Brooks, IT Manager

John Lindstom, Building Div. Head

Russ Thomas, Public Works Div.

Barton Brierly, Planning Division

Howard Hamilton, Operations Div.

Frank Douglas, DC/EMS Coord.

Greg Meyers, SO/Lieut/Parametic

Absent: Terry Mahr, City Attorney

1. **Call to Order**

Chair Sally Dallas called the meeting to order at 7:13 p.m.

2. **Roll Call**

Roll call was noted by Kathy Tri.

3. **Continued Business:**

Final Deliberations: It was agreed that the following be discussed.

(B) = *In the Budget* **(C)** = *Add to Budget* **(N)** = *New addition to budget*

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| 1. Library Books Budget (N) | \$ 10,000 |
| 2. Fire fighters (B) *requires Council action* | \$ 63,600 |
| 3. Police officers (B) | \$ 68,534 |
| 4. Privilege tax (B) *requires Council action* | \$176,000 |
| 5. Fire fee on water bill (N) *requires Council action* | \$115,000 |

6. Public Works add money back in for hanging flower plants (C) \$ 2,000
7. Whole IT department - staffing (B)
8. Spending \$1.3M in revenue this year leaving balance of \$500,000 being overspent (B)
(\$800,000 is being transferred to the Building Fund)
9. Central Services in general – understanding the Fund (B)
10. Police Fee on water bill (N)

Questions:

It was verified that money was available to finance the budget, however more money would be spent due to the listing above. It was agreed that the Library addition and the bedding plants for the baskets would come from the Contingency Fund.

Discussion was held regarding the privilege tax. Lon Wall stated he was not against keeping the privilege tax, however Roger Courier stated he was against the renewal. It was noted that the privilege tax is in the General Fund.

It was asked if this tax would help the police and fire departments. It was noted that if you hire and then lay off, the privilege tax would no longer be available. Jim Bennett stated that the city needed to find some long-term funding for the police and fire departments. It was asked if a task force would be feasible to see how this could be funded. It was noted that in the interim the city would have a funding source that would help.

Mike McBride asked if there were any opposition when the privilege tax first started? Jim Bennett said that the privilege tax began in 1998 and sunsets in October 2004, the same amount could be pulled from the Contingency Fund and then noted that he was in favor of keeping the privilege tax.

Kathy Tri noted that a contingency is considered an emergency fund and if used, it cannot be a long-term solution for it is based on the revenue received and should not be spent on long term expenses but rather one time expenses.

Motion: Mike Boyes moved to have 2 part-time fire fighters positions be supported by the privilege tax. **Motion failed** due to lack of a seconded.

Discussion continued, which resulted in the following options:

- Continue the privilege tax until we get to the levy in 2 years.
- Fund the Capital portion through the Contingency Fund.
- Make a motion to sunset the privilege tax and institute a water meter fee to add personnel at the same rate.
- Remove the privilege tax from the General Fund revenues and replace it with a water meter fee.

Jim Bennett suggested tabling the privilege tax discussion and between July and October 2004, the City Council conducted a citizen survey for input and to give time to find funding.

Motion: It was moved and seconded to sunset the privilege tax and institute a water meter fee to add personnel at the same rate. **Motion revoked**

Motion: It was moved and seconded to sunset the privilege tax on date of City Council approval.

Motion: It was moved and seconded to amend the motion to have the privilege tax end 10/31/04. Ayes 9; Nays 2. Motion Passed.

Motion: It was moved and seconded to sunset the privilege tax. Passed unanimously.

Motion: It was moved and seconded to take \$10,000 out of the contingency fund and place in the Library Budget. Ayes: 10; Nays: 1 Motion passed.

Motion: It was moved and seconded to spend \$2,000 for bedding plants around the Public Works building. Ayes: 9; Nays 1. Motion Passed.

Motion: It was moved and seconded to extend the Budget meeting an additional 15 minutes. Passed unanimously.

Motion: It was moved and seconded to approve the levy for property tax and debt services as written. Passed unanimously.

Motion: It was moved and seconded to approve the 2004-2005 budget of \$46,524,077. Passed unanimously.

Motion: It was moved and seconded to adjourn the meeting at 9:20 p.m. Passed unanimously.

ADOPTED by the Budget Committee this 3 day of May 2005.


Secretary