

TUESDAY, 7:00 P.M.

May 03, 2005

BUDGET COMMITTEE MINUTES

PUBLIC SAFETY BUILDING

NEWBERG, OREGON

Members Present:

Bob Stewart, Mayor
Mike Boyes
Mike McBride
Robert Soppe

Darlyn Adams
Roger Currier
Robert Larson

Bob Andrews
Sally Dallas
Bart Rierson

Absent: Lon Wall

Others Present:

Jim Bennett, City Manager
Kathy Tri, City Finance Director
Dave Brooks, IT Director
Michael Sherman, Fire Chief
Al Blodgett, Division Chief

Terry Mahr, City Attorney
Janelle Nordyke, Ass't Finance Director
Leah Griffith, Librarian
Rea Andrew, Librarian
Robert Tardiff, Police Chief

Absent: Barton Brierley, Planning Director and Dan Danicic, Public Works Director

1. Call to Order

Chairman Sally Dallas called the meeting to order at 7:03 PM

2. Roll Call

Roll call was noted by Kathy Tri.

3. Election of Chairman, Vice Chairman and Secretary

• **Nominations for Chair**

MOTION: It was moved and seconded to nominate Sally Dallas as Chairman.
Passed unanimously.

• **Nominations for Vice Chair**

MOTION: It was moved and seconded to nominate Bob Larson as Vice Chairman.
Passed Unanimously.

- **Nominations for Secretary**

MOTION: It was moved and seconded to nominate Bart Rierson as Secretary.
Passed unanimously.

4. Ground Rules

MOTION: It was moved and seconded to hear the department presentations before approving the 2005-2006 budget. Passed unanimously.

Mr. Bennett stated due to the one vacancy on City Council, passing a motion would require votes from 7 out of the 12 members.

MOTION: It was moved and seconded to adjourn the May 3, 2005 meeting at 9:00 PM. Passed unanimously.

5. Approval of the minutes from May 4, 2004, May 6, 2004, May 11, 2004, May 13, 2004, May 18, 2004 and May 20, 2004.

MOTION: It was moved and seconded to approve the 2004-2005 Budget Committee minutes as presented. Passed unanimously.

6. Presentation of the 2005-06 Budget by City Manager Jim Bennett.

Mr. Bennett began the meeting by referencing pages 17 to 36 of the 2005-2006 budget documents. Due to the steady growth in the residential areas, the property tax revenue would increase approximate 5% to 6%. This revenue would benefit the General Fund, Building Fund and Central Services and also address the needs in other departments

- **Significant Budget Changes:**

General Fund

Mr. Bennett stated the franchise fees paid by the city's right-of-way utilities would increase approximately 1.25%. This revenue would result in additional funding for the General Fund to address public safety personnel issues and the City's information system improvement needs. The City will begin charging it's own city rights-of-way utilities as it does for the private utilities charged at a rate of 5% to the water and sewer funds to generate approximately \$315,000. He noted that this would have no financial impact on the utility customers and that it would not limit the scope of capital improvements to be constructed for 2005-2006.

Personnel

The Newberg / Dundee police contract was in the final stages of approval for 3 positions (2 Dundee employees and 1 new traffic officer position). The revenue received from the City of Dundee and from the increased traffic fines would fund the positions.

Street Fund

The additional gas tax revenue would generate approximately \$300,000 for street maintenance. Mr. Bennett noted that more than \$3.2 million was designated for the design and construction of Mountain View Drive. He stated that a meeting was to be held on May 24, 2005 at City Hall to review the design of the road and receive feedback from citizens.

Sanitary Sewer Fund

The Citizen Rate Review Committee recommended a 2-year rate increase at 4% per year, however they will meet the first of the year to see if the rates need to be modified. The sanitary sewer bonds and debt services would decrease due to the retirement of the 1993 sewer bond.

Water Fund

Mr. Bennett stated the goal is to begin construction on the second phase of improvements to the water treatment plant, which is estimated to cost \$6.5 million. In order to fund the treatment plant extension, additional water bonds and a water rate increase of 11% would be needed and if needed future rate increases to cover the remainder of the bonds.

Storm Water Fund

The storm water management fee would increase from \$2.44 to \$2.98. This increase would generate approximately \$350,000 in revenue for storm water improvements. For the first time, storm water capital projects are included in the budget.

Other Funds:

Emergency Medical Services Fund (Fund 5)

Mr. Bennett noted that approximately \$80,000 would be placed in reserve for an ambulance purchase in the future. However, the fund continues to struggle due to the reduction in Medicare reimbursements.

Economic Development Revolving Loan (Fund 14)

The fund has \$230,000 available for housing rehabilitation and \$435,000 available for economic development loans.

Cable TV Trust Fund (AT&T) (Fund 23)

This fund would decrease due to the new community cable access studio that would be used by high school and college students. Approximately \$65,000 would be used to upgrade the City's web site to provide better communication and information to the citizens and businesses.

Animal Shelter (Fund 24)

The fund is growing rapidly by donated and contributed funds to build the new animal shelter at a cost of approximately \$215,000.

Central Service Fund (Fund 31)

This funds the computer services, vehicles and facilities maintenance, utilities, telephones, administration, legal and finance services. This fund would repay approximately \$40,000 out of \$167,000 to the other funds that have over paid in past years.

Fire Truck Fund (Fund 33)

The monthly fire truck fee continues to build for the purchase of a new fire apparatus in 2006-2007.

City Goals and Public Expectations

The City's goal is to provide the highest level of services to our citizens and businesses and to devise budget strategies that identify and satisfy the citizen's expectations in a cost effective matter.

- **Questions:**

It was questioned how the City would pay for its own utilities? Mr. Bennett stated that the City would charge for the use of it's own rights-of-way to allow for the transfer of funds to the departments in need. (I.e. Station 21) He also noted that this would not impact a citizen or prevent any capital improvement project from being constructed. This is a good way to transfer money from the Water and Sewer funds to the General Fund.

Mr. Bennett stated that the Utility Rate Committee would recommend a rate increase to fund each system. He reconfirmed that the right-of-way fee would not appear on a citizen's billing nor prevent any capital projects from being constructed.

7. Public Hearing

- **Public Hearing on 2005-06 Budget:**

Public comment. None was noted

- **Public Hearing on State Revenue Sharing:**

Kathy Tri reported that the State of Oregon-State Revenue Sharing Tax estimated revenue would be \$118,000, which is divided into the following departments.

Police Department 53% (Dispatch not included)
Fire Department 24%
Library 11%

Public comment. None was noted.

8. Begin Department Reviews: Administration

IT Department

Mr. Brooks read from his report that was provided to the members and is available for public review. He stated that IT had completed the mail system, web server, network upgrade, 911 center upgrade and the mobile computer terminals this past budget year. The main goals for the next year is to improve the website by having on-line utility billing and more information available to the public. He showed statistics on uses of the website and reviewed his capital list.

- **Budget Proposal:**

Equipment:

Replace the 4-year old server primary main controller, add capacity to backup system and install a new IT server.

Personnel

Replace the .3 FTE tech/student position with a .5 FTE webmaster position.

- **Questions:**

It was asked how the .5 FTE webmasters position would be funded. Mr. Bennett stated that some funding would come from the cable money received. (Difference in cost was approximately \$5,000).

Mr. Soppe recommended that the word computer “maintenance” be changed to “**software maintenance**”.

9. Adjourn

MOTION: It was moved and seconded to adjourn the meeting at 8:43 PM. Passed unanimously.

Next Meeting: **Thursday, May 5, 2005**
 7:00 PM
 Public Safety Building

Topic: Police Department Presentation
Fire Department Presentation