

TUESDAY, 7:00 P.M.

Date May 9, 2006

BUDGET COMMITTEE MINUTES

FIRE STATION 21

NEWBERG, OREGON

Members Present:

Darlyn Adams
Bart Rierson
Robert Soppe
Jack Reardon

Mike Boyes
Lon Wall
Bob Andrews

Robert Larson
Ernie Amundson
Sally Dallas

Absent: Bob Stewart, Mayor, Roger Currier and Dawn Nelson

Others Present:

Jim Bennett, City Manager
Kathy Tri, City Finance Director
Dave Brooks, IT Director
Terry Mahr, City Attorney
Howard Hamilton, Operations Div
Russ Thomas, Public Works Div
Al Blodgett, Fire Division Chief

Dan Danicic, Public Works Director
Janelle Nordyke, Ass't Finance Director
Leah Griffith, Librarian
Barton Brierley, Planning Division
Michael Sherman, Fire Chief
Brian Casey, Deputy Chief of Police

Absent: Bob Tardiff, Police Chief

1. Call to Order

Chairman Sally Dallas called the meeting to order at 7:05PM

2. Roll Call

Roll call was noted by Kathy Tri.

3. Approval of the April 27, 2006 Budget Meeting Minutes

The following additions were made to the minutes.

- Attendance: Roger Currier
- More non-city council members than city council members

The following deletions were made to the minutes.

- City code due.

MOTION: It was moved and seconded to approve the minutes as amended. Passed unanimously.

Ms. Tri informed the members of her retirement and expressed her appreciation for their dedication and support throughout the years.

4. Capital Improvement Projects presented by Dan Danicic

Copies of the power point presentation were provided to the members and are available for public review.

Questions:

It was asked for the number of miles street overlaying covers. Mr. Thomas stated that it will pay for approximately 200 feet and noted that the overlay budget is around \$100,000 and \$50,000 for pothole repairs.

It was verified that the money budgeted for Oak Knoll Traffic Circle did not include design and landscaping. Mr. Danicic agreed noting that the improvements to the circle are being made. The homeowners association will pay for the landscaping.

It was asked if the Illinois\Main\Hwy 240 intersection was being replaced. Mr. Danicic stated that has not been identified and that it would be 5+ years before improvements were made.

Mr. Danicic informed members that the Northern Arterial-S Curve project will begin this year and that ODOT will contribute funds over and above this \$3.2 million that is budgeted. He noted that the project would overlap with water and sewer improvements. Ms. Tri noted that all three projects were funded by system development charges.

It was asked how many property owners would be affected by the Main Street project. Mr. Danicic stated that approximately 70% of the property owners have a waiver of remonstrance in place; however it could reach 50% of the project value. He noted that the funds would need to be available if City Council declines a Local Improvement District.

It was verified that system development charges were being used for the Wastewater Treatment Plant study. It was asked if bonds were always backed by rates. Ms. Tri stated that future bond payments would come from the rates.

Mr. Soppe requested footnotes be placed on the documentation indicating where the funds come from that support a bonded project. It was asked if this was a revenue bond and how does the debt service fit into the project. Ms. Tri stated that the water system resources back the revenue bond and that the bond is similar to a mortgage and will be paid by the rates and SDC's.

It was asked what the life capacity was of the piping for the river crossing. Mr. Danicic stated physically it should last 100 years; however another crossing would be needed based on City growth.

It was noted that the figure \$355,600 periodically appeared throughout the budget documentation. Ms. Tri stated that the system created the error and that a corrected version would be provided to council by the adoption of the budget.

5. Administration presented by Jim Bennett

Questions:

Discussion was held on how much the city expected to spend out of the cable scholarship fund. Mr. Bennett stated that no money is spent until the Public Broadcasting System over expends in training and invoices the City for reimbursement.

Discussion was held regarding the Chehalem Valley local transit services. Mr. Soppe stated he had heard that the cost per ride was around \$7.00 and asked that the correct figure be provided at the next budget meeting.

6. Legal presented by Terry Mahr

Copies of the power point presentation were provided to the members and are available for public review.

Questions:

It was asked if Mr. Mahr believed Yamhill Community Mediators was beneficial for the City. Mr. Mahr stated that they have been successful in the past for endless legal issues. It was asked if \$5,000 was appropriate to budget for mediation. Mr. Mahr stated that mediation does relieve the police department and gave examples of neighbor disputes and barking dog issues. Mr. Bennett reminded members that this was a larger request than in the past because they have lost one of their major funding sources. It was noted that Yamhill Community Mediators does not charge for services. Mr. Bennett agreed he would discuss a revenue neutral source with them.

7. Debt Services presented by Kathy Tri

Questions:

It was verified that all existing debt obligation bonds would be retired by the year 2028, including the pension bond.

8. Deliberations

Mr. Wall recommended that discussions be held before the members rendered into a decision.

Mr. Soppe expressed his concerns that the General Fund is being depleted and that Capital Reserves are not funded adequately. He expressed his concerns regarding the following areas:

- Capital Reserves are not being funded
- The liabilities accumulating in capital equipment that needs to be replaced.
- Finding other funding for Mayfield's position in the fire department.
- \$500.00 in the cable fund to be reallocated.

Mr. Bennett stated that the General Fund has the same issues no matter how much the property taxes increase each year and that this would continue until the City finds another revenue resource.

Discussion continued regarding capital reserves and noted by Mr. Soppe that the members did not have the figures to make an intelligent decision.

Mr. Wall believed the City should fund a Forensic Detective.

Discussion was held regarding street replacements. Mr. Bennett stated that the Gas Tax is used to repair the streets; however the members could discuss optional fees to set into place to free up gas tax dollars for other areas.

Staffing of Station 21 presented by Chief Sherman

Chief. Sherman's recommendation for the committee member's was a revised 5-year staffing plan. Instead of adding a Division Chief, the City could promote three existing firefighters/paramedics to lieutenant status as of January 2007, transfer funding from the Building Inspection Fund to support 50% of the Fire Marshal's salary position; reduce suppression costs; and add three beginning step firefighters.

Tax Levy presented by Kathy Tri

Ms Tri stated that the tax levy proposed debt service at \$483,516 and a general property tax levy of \$4.3827 per \$1,000 assessed value would need to be approved.

Mr. Wall believed that with the new findings, the committee members were not ready to adopt the budget and suggested another meeting be held. Mr. Soppe agreed and stated certain areas within the budget would need to be resolved before a decision could be made.

Mr. Soppe would like the following resolved before approval of the budget.

- 1 Depletion of the General Fund estimates
- 2 Capital Reserve estimates
- 3 Remove \$500.00 from the wireless project in the Cable Fund and charge it elsewhere.
- 4 Capital Project pages reprinted (detailed)

- 5 Transfer 50% wages for Mayfield to the Building Inspection Fund.
- 6 Actual cost per ride for the local bus service
- 7 Accounting for dedicated fees for public safety.

Mr. Reardon would like information on how SDC's are to be used.

Mr. Rierson would like to know if Yamhill Community Mediators would charge a fee.

9. **Adjourn**

MOTION: It was moved and seconded to adjourn the meeting at 9:24 PM. Passed unanimously.

Next Meeting: **Tuesday, May 16, 2006**
 7:00 PM
 Station 21 Building

Topic: Budget Approval