

CITY OF NEWBERG BUDGET COMMITTEE MINUTES

May 3, 2007

7:00 P.M.

PUBLIC SAFETY BUILDING - TRAINING ROOM

1. CALL MEETING TO ORDER/ ROLL CALL

Members

Present:

Mayor Bob Andrews
Mike Boyes
Roger Currier
Bob Larson
Bart Rierson
Robert Soppe

Jack Reardon (Chair)
Darlyn Adams
Thomas Barnes
Andrew Smith

Members

Absent:

Jeff Palmer

Ernie Amundson
Joel Perez
Lon Wall

Others

Present:

Jim Bennett, City Manager
Terrence Mahr, City Attorney
Elizabeth Comfort, Finance Director
Janelle Nordyke, Assistant Finance Director
Libby McCann,
Al Blodgett, Fire Chief
Frank Douglas, Deputy Fire Chief
Chris Mayfield, Deputy Fire Chief
Brian Casey, Police Chief
Jennifer Nelson, Recording Secretary

2. ELECT BUDGET COMMITTEE CHAIR

Jim Bennett, City Manager and Budget Officer, delivered an introduction discussing meeting times and the role of the committee chair, which was required to be elected. It was noted there was no other requirement other than a chair and that there be an equal number of elected members as citizen members, but there were no other stipulations on process or rules for running the meetings.

MOTION: Currier/Adams to nominate Jack Reardon for Budget Committee Chair.

VOTE: To elect Jack Reardon for the Budget Committee Chair. (Unanimous) Motion carried.

MOTION: Rierson/Soppe to nominate Darlyn Adams as the Vice Budget Committee Chair.

VOTE: To elect Darlyn Adams as the Vice Budget Committee Chair. (Unanimous) Motion carried.

Chair Jack Reardon began by setting some rules for running the meetings. He stated his preference for the 9:30 pm cutoff and saw no reason to go over that time.

Councilor Soppe asked if there was an option to extend that time limit or if it would be a rigid rule.

Chair Reardon repeated he would like to end on time and thought they may run over for a few minutes but suggested not starting any new business after 9:30 pm. He asked the committee if they wanted to approach each budget individually or hear them entirely and vote on the budget as a whole.

A consensus determined the committee preferred to hear all parts of the budget and to vote on the budget as a whole.

Chair Reardon suggested members try to get their questions answered at the time of the hearing and to address them as they go as they are presented. He advised all to make sure they are clear before moving on.

Councilor Currier suggested placing hot topic items or pressing issues onto a dry erase board or flip chart or on a separate hand-out at each meeting, for easy reference and reminder.

Councilor Larson asked to receive a copy of the agenda prior to the meeting so those department budgets can be reviewed ahead of time.

Mr. Bennett recommended placing those unresolved issues or items needing further discussion to the back of the agenda sent before each meeting

Councilor Boyes inquired what procedure would be for voters that may be absent, asking if they are to direct any questions to the department heads after the fact or to Mr. Bennett or Ms. Comfort.

Chair Reardon responded that in the interest of time everyone should try to attend all meetings.

Mr. Bennett replied he would be able to get them up to speed if necessary.

Councilor Soppe stated that in addition to putting "hot items" on the back of the agenda he would also like to see them on the board at each meeting to recognize an issue and to make sure it gets on list.

3. HEAR THE BUDGET MESSAGE: JIM BENNETT

Mr. Bennett referred to page 13 and discussed the three main areas which make this year's budget different from last year: streets, public safety, and overall general health of the general fund. He mentioned an editorial written by Lon Wall about how general funds always have trouble raising enough revenue. He mentioned a number of positive things being done in the city, such as the Mountainview S curve project, the extension of northern arterial road system, the new expansion of the waste water expansion facility, the reuse program, and the upgrades to the northern water reservoirs. He was surprised almost 80% of revenue goes to public safety since it is most valued by the citizens; so they need the best resources, the most personnel, and the highest technology. He discussed a minor depression in terms of development, about a ½ million dollars, and the anticipation it will be back to normal next year; this depends on business coming in to town and residential areas being built.

Other items presented are listed briefly here:

- Too much of administrative services allocated to water and wastewater, not to departments actually using those services.
- General fund took hit of \$250,000.
- Property taxes have not kept pace with the economy.
- Concerns with the property tax revenue versus budget needs after this upcoming year
- Options for finding additional revenue services

Councilor Soppe brought up an issue regarding the change in how services are allocated and how the city tries to charge departments, asking how the new system is more appropriate and if there was a process to determine this.

Mr. Bennett replied they have been allocating too much of those costs wrongly, but suggested going into further detail later.

Councilor Currier asked how changes would affect water and sewer rates.

Mr. Bennett responded it would affect future rate increases and it is a topic to discuss when we get to administrative services.

Councilor Soppe brought up the \$250,000 from the general funds for discussion.

Mr. Bennett addressed this by discussing street repair. A portion of the gas tax is used for local repairs, sidewalks, and potholes. Other money is received from system development charges (SDCs) which pay for parks, transportation, building new roads or expanding existing ones, but SDCs cannot be used for pot holes. Regardless of how fast the city grows the amount does not come close to what we need. A long term solution must be found to fix local streets. He also mentioned emergency medical service funds and how the large senior population and medicare is affecting funding struggles from ambulance fees.

Councilor Soppe asked what has been used for inflation numbers for last ten years and why property taxes have not kept up with inflation.

Mr. Bennett stated a range from 2.5% - 3.5%, but is based on development.

Councilor Soppe stated there were a number of things not in budget this year that were included last year, mainly that there were FDE's listed before that are no longer.

Ms. Elizabeth Comfort, Finance Director, replied they can certainly include that and there was an FDE history for each department on page 246.

Councilor Soppe argued it is more convenient to have it listed on the page for each departments budget totals rather than looking at back. He stressed a desire to have last year's estimations easily accessible for comparison for this year's projections. He also wanted to see a list of long range projections for what we expect for the general fund and wondered why that had been pulled from last year's budget format to this one.

Discussion followed about why certain items were eliminated from last year's budget format and that the entire budget would not be rewritten to include those items this year but it could be requested to be brought back in next year. It was determined that staff would provide a forecast only.

4. PUBLIC HEARING: STATE REVENUE SHARING POSSIBLE USES

Chair Reardon opened the public hearing.

Mr. Bennett said that part of the state budget law requires having a public hearing when doing the budget. He discussed how the state shared revenue was like the liquor or cigarette tax and is related to them. The state shared revenue is \$138,000 for the state of Oregon and whenever adopting a budget we need to invite the public to suggest uses for that money. It is currently set into the general fund budget which is going to public safety. The only things not going to public safety is monies from grants, reserves, contingencies, and number of individual line items.

No individuals from the public body signed up to address the committee and the hearing was closed.

Chair Reardon called for a break at 8:37 pm for five minutes. He reconvened at 8:42 pm.

5. DEPARTMENT PRESENTATION: FIRE DEPARTMENT, FIRE CHIEF AL BLODGETT

Al Blodgett, Fire Chief, offered thanks to Ms. Comfort for her help with this year's budget. He stated there was little change from last year's except for labor, fuel, and energy costs, which he had no control over. He mentioned he did present a wish list, but not all could be accommodated. There was a change in employee expense requiring extra funding to open fire station 21, still holding those employees. Emergency Medical side is taking hits due to the Medicare issues costing them a million dollars, but that is in the hands of people above us. Contingencies and reserves are dropping; they started with \$160,000 contingency that will be down to about \$37,000. One thing asked for was a new fire engine, a new ambulance, and new staff vehicle; but decided to look at dropping request for new fire engine for a few years in order to receive a new ambulance now. He asked for an increase in the fire truck fee, as well as changing verbiage to include more than just fire trucks. Suggestions were made increase the water meter fee for a while and to drop back later to get through the crunch of purchasing a new engine. He concluded with a recommendation for positive consideration for a rolling stock fee and support for the purchase of new ambulance and staff vehicle.

Councilor Currier asked why it was acceptable that \$45 for FireMed fee for a whole family for one year with problems caused by Medicare and ambulance fees already.

Frank Douglas, Deputy Fire Chief, explained the fee covers an full year for an entire family. There is a lot of cost in paying people to go to an emergency, they tried to use as little property tax as possible. FireMed tries to protect the people we serve from the cost of high ambulance costs. FireMed started before the Medicare piece ever came about. If the Medicare allowable was \$450 and the bill is \$900, and patient is responsible for difference. His best estimate was the money collected washes with what is lost. With private insurance, they collect all but the deductible from the insurance. If you have no insurance and have FireMed, they do not get a bill. He claims to have seen very little abuse and would like to see more FireMed policies sold.

Councilor Boyes asked if other communities are overwhelmed as well with the retirement homes and high senior population.

Mr. Douglas said the casino has also been a challenge and if ambulances increase in call volume it will bring additional revenue.

Chief Blogett noted the average now is at about 10 calls a day.

Councilor Currier mentioned a previous discussion during council with an idea to charge for out of town people in accidents and asked if a placeholder in the budget would be needed.

Mr. Bennett replied it could probably be handled through a supplemental budget. He stated they would need to look at how many there were and see if it would be beneficial.

Chief Blogett agreed it was something that could be taken under advisement and discussed.

Mayor Andrews stated the ambulance provides service for a large district, including Dundee, Dundee rural fire, Newberg and Newberg rural fire. He asked if the revenue supports the activity.

Mr. Douglas replied it does.

Councilor Soppe asked what percentage of ambulance calls are Medicare based and if they considered raising the rates.

Mr. Douglas said it was approximately 50% and the rate increase will be on the finance committee.

Councilor Soppe mentioned being previously given a 20 year plan a year or two ago and wondered if they were still on track.

Chief Blogett stated they have shoved it out farther because it was thought to be for fire equipment only but they had more than anticipated.

Discussion commenced concerning the possibility of Providence donating an ambulance or surprising the City somehow in a large way. Nothing was able to come to fruition so far other than a gentlemen's agreement with the previous Mayor. It was clarified that Providence had signed agreements stating any deal given to Newberg must be extended to all. It was concluded that we are still waiting for something good, but we do not know what or when.

Other topics discussed included the Mock dorm at George Fox University and charging for false alarms.

**6. DEPARTMENT PRESENTATION: POLICE & COMMUNICATION
DEPARTMENT, POLICE CHIEF BRIAN CASEY**

Brian Casey, Police Chief, stated there were no new personnel to add, no huge increases, only a ¾ position being increased to full time and a dispatcher position to a dispatch supervisor. He mentioned they do not have some of the revenue sources from drug seizures and one account with \$4,000 remaining. Currently they have twenty-eight officers and that is what is intended for this year.

Councilor Currier asked for information about computer forensics.

Chief Casey said he was looking to bring on someone at an entry level position. They would just not add another officer since the position opened with the prior chief retiring.

Mr. Bennett clarified that without adding an additional person it would address the need for the new position.

Councilor Boyes wondered if the computer forensics person would also serve as an officer.

Chief Casey confirmed they would be required to back fill shifts and work on property crimes.

Mayor Andrews asked for the status of the Dundee/Newberg contract.

Chief Casey replied there were three years remaining in contract and it was also based on calls for service which is at 8% of our calls, about 335 thousand. There is an escalator if the calls go up.

Discussions also covered money raised for a police canine, which was a one time expense and the police raised the \$13,500 needed to purchase the dog. The photo radar red light was also brought up and asked to hold discussion until the council meeting on Monday, May 7th. However, questions were asked about whether the City wants to pay for another or placing fake cameras. The response was that it would only put in another if it would pay for itself and that is at the decision of the vendor.

7. DISCUSSION

Councilor Currier suggested the need for a wireless microphone for the podium and speakers not sitting at the main table.

Terrence Mahr, City Attorney, distributed copies of the editorial written by Lon Wall.

8. ADJOURN: NEXT MEETING MAY 10TH, 2007

MOTION: Adams/Soppe to adjourn the meeting at 9:28 pm. (Unanimous) Motion carried.
