

CITY OF NEWBERG BUDGET COMMITTEE MINUTES

MAY 15, 2008

7:00 P.M.

PUBLIC SAFETY BUILDING

401 E. Third Street, Newberg

CALL MEETING TO ORDER/ROLL CALL

Members

Present:	Mayor Bob Andrews	Joel Perez
	Darlyn Adams	Ernie Amundson
	Thomas Barnes	Mike Boyes
	Jeff Palmer	Marc Shelton
	Andrew Smith	Lon Wall
	Bart Rierson	Bob Larson

Staff

Absent:	Jack Reardon (Chair)	Roger Currier
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Staff

Present: Dan Danicic, City Manager
Terrence Mahr, City Attorney
Elizabeth Comfort, Finance Director
Janelle Nordyke, Finance
Howard Hamilton, Interim Public Works Director
Al Blodgett, Fire Chief
Brian Casey, Police Chief
Leah Griffith, Library Director
Mary Newell, Support Services
Tabrina McPherson, Engineering Support
Dave Brooks, Information Technology Director
Barton Brierley, Planning & Building Director
Dawn Karen Bevill, Recording Secretary

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- 1. Vice-Chair Bob Larson** called the meeting to order at 7:00 p.m.

Roll Call was noted by Dawn Karen Bevill.

- 2. APPROVAL OF MAY 1, 2008 MINUTES**

Vice-Chair/Councilor Bob Larson noted a change in the minutes on page 4 from repositions to repossessions.

(Correction noted (P3) to May 1, 2008 Minutes (P6) from \$94K to \$194K)

MOTION #1: Rierson/Perez moved to approve the May 1, 2008 Budget Committee Minutes as amended. (10 Yes/No 0) [Jeff Palmer & Darlyn Adams abstained])

3. FOLLOW-UP DISCUSSION FROM MAY 1, 2008:

MOTION #2: Amundson/Adams to approve the Yamhill County Mediation increase request from \$5,000 to \$5,500. Motion passed unanimously (12 Yes/No 0)

Yamhill County Mediation Increase Request Discussion:

Mayor Bob Andrews asked the source of the fund.

Elizabeth Comfort, Finance Director replied the traffic ticket funds.

Commissioner Lon Wall commented on payment for service and stated next year he would appreciate a better explanation.

Vice Chair/Councilor Bob Larson suggested receiving a report from Yamhill County Mediators at next years Budget Committee Meeting.

Councilor Bart Rierson stated there is a suggested donation which they collect when able, although many can't afford it.

Dan Danicic, City Manager suggested asking them to present documentation showing the amount collected.

MOTION #2: Amundson/Adams to approve the Yamhill County Mediation increase request from \$5,000 to \$5,500. Motion passed unanimously by voice vote.

Public Safety Fee Discussion:

Elizabeth Comfort, Finance Director reviewed the \$3 proposal increase. Each of those \$3 dollars would represent funding for one officer. Four (4) officers are placed in the General Fund. Utility billing is a vehicle to reach all customers and doesn't exclude any non-profits, but includes all those within the city who receive public safety. The \$1 scale shows that as the property tax base grows and the number of housing increases, more dollars will be collected, which will fund those officers in the future. As far as a sunset, a better approach would be 155 new homes in the City of Newberg which can support in the General Fund one more officer. A suggestion would be a temporarily look to fund those 3 officers initially and the Budget Committee can review the increased property taxes and make an adjustment to the fee by adding another officer to the General Fund.

Councilor Rierson stated he would rather look at it every year instead of setting a sunset or making assumptions. He questioned the number of 155 homes, thinking it would take 1,155 homes. He recommended more public input with a place holder in the budget. Mr.

Rierson doesn't feel comfortable as a City Councilman deciding a fee without public input.

Commissioner Wall agreed with Councilor Rierson and continued on to ask about another General Fund transfer for Central services.

Elizabeth Comfort replied no money is being transferred out of the General Fund except for Central Services. Last year, they looked at how Central Services were allocated and the water and sewer utility funds and their share Capital Projects had always been included, which in turn weighted those a little heavier. It was then run through without the Capital Projects and just the operating expense. That then charged the General Fund and EMS heavier. It was then decided not to do that and went back to the allocation method that had been used in previous years. This year no change was proposed for allocating Central Services.

Mayor Andrews stated he's in agreement with Councilor Rierson on this particular issue and asked for clarification on the \$3 fee.

Elizabeth Comfort explained its \$1 per officer and referred to the grid which was handed out at the last meeting showing total revenues \$194,832.

A consensus was reach concerning a correction was to the May 15, 2008 minutes on page 6: \$94K should be corrected to \$194K.

Councilor Mike Boyes stated he'd asked some individuals about the \$3 on the water bill and received various answers. The 20% increase is enough to pay, as is. He'll vote no.

Councilor Jeff Palmer commented the money needs to be paid now for later replacement and repair.

Commissioner Barnes asked about the City of Dundee contract for public safety.

Brian Casey, Police Chief replied the contract calls for 70 hours per week, regardless of the officers on staff. The staff increase is based on Newberg's population and will have no impact on Dundee.

MOTION #3: Rierson/Palmer moved to have a place holder in the 2009 budget for \$3 on the utility fee to cover the cost of 3 new public safety officers awaiting advisory vote before implementing the fee. Motion passed (11 Yes/No 1 [Mike Boyes])
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4. TRANSPORTATION LEVY: FUNDING THE GAP

Dan Danicic, City Manager referred to a brochure Public Works put together showing their outreach, but is not part of the budget. The City Council identified a need for road

maintenance but had elected not to promote it as a fee. The maintenance project funding is now through a levy. The brochure is a quick outline on the current funding.

Mayor Andrews asked the difference between a fee and a levy.

Dan Danicic explained the fee is an ongoing monthly fee assessed to all utility customers; a levy is a tax based on the property value itself. Non profit organizations don't pay toward a levy.

Vice-Chair/Councilor Larson asked when a levy would take place.

Dan Danicic replied this coming November was being considered which means the information will need to be gathered together and a levy proposed by August in order to get to City Council and on the ballot. He will need to meet with the Councilors to formulate that.

Ernie Amundson asked about receiving only \$150,000 a year.

Dan Danicic explained out of the allocation each year, only 150,000 is available. Last budget season there was \$300,000 in reserves and the Budget Committee wanted to take \$200,000 of that for road maintenance. \$900,000 is being received each year in gas tax which goes toward electrical costs, street lights, spot repair, pot holes, street signage, etc.

Commissioner Wall believes the greatest need is for Police Officers. He's concerned the public will find out about the dollar increases and is afraid the fee will be shot down. He questioned why there are so many fee increases this year.

Dan Danicic explained it's a build up over time. There's been a deficit in street maintenance for many years, not allocating enough funds toward the future infrastructure improvements, and running short on Police Officers for quite awhile. All the departments are showing needs.

Councilor Palmer commented with the property taxes being capped, the problem of streets is endemic throughout Oregon. This is not only a city issue but a state issue.

Commissioner Wall stated this group understands the technical end but the public doesn't see all of it.

Councilor Palmer believes in public awareness and agrees with Commissioner Wall.

Mayor Andrews stated this is a public admission and agrees with Commissioner Wall. The proposal will be in competition with the tax payers' pocketbook whether it's a fee or a tax. Neighboring jurisdictions are, instead of using a levy or a fee, saying if that's important to you, then form an LID and pay for it. That's becoming a not to popular approach.

Councilor Rierson stated the gas tax is a non winner in this community and doesn't raise very much money. The local option levy or a fee is the question. The nice thing about the fee is the non-profit organizations help support the maintenance. Also, the people can decide for themselves. He feels it's his place to educate the public and let them make the decision where the money goes.

Vice-Chair/Councilor Larson asked if levy fails can the City Council do a maintenance fee.

Councilor Rierson replied yes, but he wouldn't vote for it if it's refused by the public.

Commissioner Barnes asked how will the option levy receive money from out of town construction trucks that are tearing up the roads in Newberg.

Vice-Chair/Councilor Larson asked if the construction people pay for that.

Councilor Rierson stated it's time for the city to revisit and form a mechanism for that.

Mayor Andrews stated he's asked several times for the consideration of a Construction Impact Fee which the Budget Committee can impose at their discretion.

Councilor Boyes agreed that would make the residents very happy.

Joel Perez asked about the reason for the levy this year.

Dan Danicic replied this election a double majority isn't needed.

5. DISCUSSION:

May 7, 2008 Handout Discussion:

Commissioner Barnes brought up the 4 sheets Elizabeth Comfort had mailed out.

Elizabeth Comfort had mailed out 4 different sheets, the bottom 3 sheets had no impact on the total budget dollars against clean up. There have been some discrepancies in the summaries but not in the budget itself.

Councilor Palmer asked about the 2 revisions he received; one dated May 1st and the other dated May 7th.

Elizabeth Comfort replied the May 7th is revision to the Capital Outlay Only. The other sheet is out of the budget message with the dollar amounts to each item and the dollar amount impact.

Mayor Andrews asked if this years' property evaluation is available.

Elizabeth Comfort replied they have the proposed but the actual won't be available until October. The proposed is located (P37).

Councilor Rierson asked the estimated range.

Elizabeth Comfort replied in 2006-07 they estimated 12% and came in at 11.7%. This year she projected 9% and came in at 7%.

Elizabeth Comfort stated Al Blodgett will be retiring on January 2, 2009 and there will be a payout.

Mayor Andrews asked the status on the maintenance levy.

Dan Danicic explained at this point, he needs definitive direction from the City Council.

6. BUDGET APPROVAL:

MOTION #4 Palmer /Shelton moved to approve the proposed budget as modified by the Budget Committee to include the Public Safety Fee Fund and approve the tax rate imposed 4.3827 per thousand assessed value evaluation; and approve \$400,000 in tax to be imposed for debt service subject to the modification of adding \$500 to the Yamhill County Mediators; and subject to the recommendations made by the Budget Committee concerning the public outreach on the Public Safety Fee Fund. Motion passed unanimously. (12 Yes/0 No; 2 absent [Roger Currier, Chair Jack Reardon])

ADJOURN:

MOTION: Adams/Palmer to adjourn the meeting at 8:45 p.m. Motion carried.