

CITY OF NEWBERG BUDGET COMMITTEE MINUTES

May 18, 2010

7:00 P.M.

PUBLIC SAFETY BUILDING

401 E. Third Street, Newberg

Members

Present:

Councilors:

Bart Rierson
Denise Bacon
Marc Shelton
Stephen McKinney
Wade Witherspoon
Bob Andrews, Mayor

Citizens:

Jack Reardon
Deanna Moore
Lon Wall, Chair
Janet Irish
Darlyn Adams
Ernie Amundson
Thomas Barnes

Members

Absent:

District 6 Councilor - Vacant

Staff

Present:

Dan Danicic, City Manager
Janelle Nordyke, Finance Director
Caleb Lippard, Assistant Finance Director
Howard Hamilton, Public Works Director
Leah Griffith, Library Director
Dave Brooks, Information Technology Director
Barton Brierley, Planning & Building Director
Mary Newell, Support Services
Crystal Kelley, Recording Secretary

Public

Present:

Leticia Duran, Your Community Mediators
Rod Kilcup, Your Community Mediators
Marlena Bertram, Your Community Mediators

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1. **Call to Order:** Chair Lon Wall called the meeting to order at 7:06 p.m.
 2. **Approval of April 27, 2010 Budget Committee Minutes**

Motion #1: Andrews/Barnes moved to approve the April 27, 2010 Budget Committee meeting minutes (13 Yes / 0 No).
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3. Public Comment

The Budget Committee made a request at the Town Hall meeting to hear from others with Your Community Mediators. Mrs. Leticia Duran stated she is with Your Community Mediators. She has been teaching conflict resolution at the Yamhill County Correctional Facility as well as her volunteer work with Your Community Mediators. She is available to the Budget Committee for questions and to offer her testimony for the services YCM provide.

Chair Wall stated he had asked at the Town Hall meeting if Mrs. Marlena Bertram and Mr. Rod Kilcup could come to the next Budget Committee meeting prepared with suggestions for areas in the City budget that would allow them to borrow funds so the City could approve their request for support. Mrs. Marlena Bertram stated she looked over the budget and found some areas for potential funding sources for Your Community Mediators. However, they are not familiar with departmental fund restrictions. She provided copies to the Finance Director of her suggestions as well as to the City Manager and the City Attorney. Mr. Rod Kilcup stated he went through the entire budget as they requested. He is unfamiliar with the history of the budget. He has done a budget for another organization and found it to take many years to develop.

Mr. Rod Kilcup stated he read the mission statement for the City. Your Community Mediators are working with the social needs of the community as the City's Mission Statement mentions. YCM provides a broad range of services to the community very similar to the very services the City states in their Mission Statement. He believes their activities cover the mission statement and helps the City achieve that mission. The Governor of Oregon has talked a lot about doing more with less and the tipping point that will require us to do less with less. Rod understands the decisions the Budget Committee will have to make will be tough. He can understand if the Budget Committee feels the request by Your Community Mediators is more than the City can handle at this time. They would like to ensure the Budget Committee understands they have been providing services to the community for many years. If you look at the staff time their activity takes and the cost associated with it, it is very reasonable. It comes out to around \$4,900 dollars. The volunteer time priced out at \$30 per hour and if given for free that would be another \$8,000 dollars. He would prefer not to speculate how much they provide with regards to the Police Department since they are not certain. YCM has a very modest budget. It is important for others to see they have financial support throughout the community to aide with their other fund-raising efforts. Mrs. Bertram stated the Police Department's mission is very similar to the mission of Your Community Mediators. They bring crime victims and offenders together to try and make things right.

Mayor Andrews asked about their relationships with the municipal court. Mrs. Bertram stated they have to go before a mediator before they go to small claims court. YCM gets referrals from them and provide the services requested when needed. She met with other members of staff today to brief them of some services they offer to the community. The municipal court does not use them at a high degree since they are not aware of what services they offer. Janet Irish asked how many years they have received funding from the City of Newberg. Mrs. Bertram stated it has been for the last 4-5 years.

Chair Wall stated Your Community Mediators have been at most Budget Committee meetings and are aware of how the budget process works. He asked if they have already received the budgets details in regards to other counties that support their services. Mrs. Bertram stated they have been assured they exist in other budgets for this year. They have a United Way grant they are applying for as well as a Best Buy grant. Councilor Marc Shelton recommended they consider the At Risk Youth grant as well. YCM is also looking into the Nike Foundation grant.

4. Public Hearing: State Revenue Sharing possible uses

Janelle Nordyke stated the City has been given the opportunity to receive state legislative funds. In the past the City has been using the state revenue sharing funds for the Police and Fire Departments. The funds come from OLCC taxes from the State. They are estimating \$180,000 dollars to be used with a 50/50 between the Police and Fire Departments. Mayor Andrews asked what the historical use has been. Mrs. Nordyke stated it has been a 50/50 split between the Police and Fire Departments. Chair Wall asked if a notice of public hearing was put out for tonight's meeting. Mrs. Nordyke stated they did put a notice out stating there would be a public hearing at this meeting. Dan Danicic stated they are required by the state to declare how the City is going to spend the funds. The Budget Committee has the option to decide how the funds will be disbursed. The staff would recommend they continue the plan to use the funds for a 50/50 split for the Police and Fire Departments.

Mrs. Bertram asked if there is an opportunity for Your Community Mediators to use some of the funds as a community service program. Mr. Danicic stated the Committee could decide to allocate the funds to Your Community Mediators. Councilor Bart Rierson stated he does not think they should use funding out of the state revenue for Your Community Mediators. Councilor Shelton stated the amount of support the Police Department has is a significant need and to take out of their funding will directly impact the Department and the City. Any funding that gets taken from the staffing of the Police Department will cause issues for the Department. He agrees the revenue sharing is not the place to make up for the need with Your Community Mediators. Mrs. Bertram stated in some communities the mediation services are directly connected to the Police Department.

Motion #2: Andrews/McKinney moved to utilize the state revenue sharing with a 50/50 split going to the Police and Fire Departments (13 Yes / 0 No).

5. Discussion and Questions

Mr. Danicic stated this is the point in the budget process to discuss any element of the budget and decide on Your Community Mediators request. The ultimate goal is to get to the point of approving the budget to be moved to City Council for approval.

Jack Reardon stated 4 years ago when he first joined the Budget Committee he felt the City streets were in very bad shape and were not being properly maintained. Gas tax is all they have to spend for street repairs in the budget at this time. He would like to convince staff and City Council to scrutinize every line item in the budget to maximize the amount of funding they can provide for road repairs and maintenance. He provided a packet to the Committee that included

pictures of roads in the area that he feels need attention. The City sold the crack filling equipment they owned several years ago for other needs at the time. The City can consider leasing out the crack filling equipment rather than having to find funds to purchase new equipment.

Councilor Rierson stated he would like to request staff prepare a quote for what it would cost to purchase a crack filling piece of equipment. He would also like to find out from other communities the same size what percentage of their budget goes to the maintenance of roads. The public needs to know how many streets they will repair and what the plan is up front. Chair Wall asked what is involved and what type of equipment was sold. Mr. Danicic stated the City owned the application equipment but rented the cauldron that heated up the material. Chair Wall asked what the City does with the money in the budget for street maintenance. Mr. Danicic stated it is used for maintaining street signs and trimming vegetation which also comes from the transportation fund.

Mayor Andrews stated the City is faced with federal mandates in regards to street signs. They are replacing all the school cross walk signs. These are some of the things being used by the transportation funds. It was agreed they would have the issue of crack repair go before the City Council. Councilor Rierson assured the Committee they would go into the issue in City Council and give it the attention it deserves. Councilor Witherspoon stated he thinks it is difficult this late in the process to make this kind of change to this year's budget. They would consider looking at it further and putting together a presentation for the next fiscal year. Mr. Danicic stated they will consider the issue when putting together the budget for next fiscal year.

Mr. Reardon asked staff to consider finding money this fiscal year to work on the roads that can't wait a year for the necessary repairs. He would like to see them look closely at the budget right away to add more funding for road repairs. Mrs. Irish asked why it is too late in the process to make the changes. Councilor Rierson stated he does not feel the time constraint they are working under allows enough time to make those changes now. Councilor Shelton stated to purchase the equipment is not feasible this fiscal year. The question of how much they need for crack repair is a valuable question. Mr. Reardon asked if it was true that a survey was done in the City. Mr. Danicic stated there was a visual inspection done of all the streets to see what was needed. He would suggest they use the contingency proposed to allocate some funding for crack sealing and then have the public works Department look at the remainder of the budget to see what else can be done. Councilor McKinney stated the City Council can reevaluate the goals they have and make this a higher priority. In order to make a dent in the problem they are going to have to consider some hard issues to catch up on the City roads. He thought he heard there was an estimate in excess of 7 million dollars of repairs needed on the City roads.

Mr. Reardon asked staff if they are familiar with the stimulus funding from the federal government that will go to the roads. He thought the funding was for transportation projects. Mr. Danicic stated ODOT took the funding and the City of Newberg got \$485,000 dollars. In order to get the money out quickly they elected to use fund distribution. There were a lot of strings attached which the City was not prepared to meet. Rather than give the money directly to the City ODOT would handle the projects. They reviewed the list and paired it down some. They did bid advertisement which was scheduled in June for overlays in town. They are working with

ODOT to determine the best way to handle the projects. There is some money being put on the streets outside the money already in the budget. The City received more money in gas tax revenue than they anticipated. The City is setting the money aside for now since people are trying to appeal the legislation. The State may ask for the money back later or deduct it from future disbursements. The City is waiting to see what happens with the appeal before they use the funds.

Councilor Denise Bacon stated when people have hard economic times conflict will go up making the need for Your Community Mediators more necessary. She would like to see it added back to the budget. Chair Wall stated he asked why the funds were taken out. He was told there was some controversy about how the funds were being used. He would like to hear the reason why it was taken out of the budget. Councilor Shelton stated just because we have funded something does not mean we have to continue to fund it. When you are talking about issues around children and families there is some partnering that can happen with other organizations for this need. It can't be left up to the cities to fund this type of service. The Budget Committee has been educated better on what Your Community Mediators is doing in the City. Janet Irish stated many cities take a certain amount of money for City programs and then decide how they will divide it out. She suggested they look at a variety of community programs and fund the ones that are needed for the community.

Mr. Danicic stated he takes responsibility for taking the funding out of the budget. The final decision ends with the Budget Committee and the City Council. There is a list of community support projects the City already supports such as what Janet Irish is referring to. They are not represented at the meeting tonight since they are not asking to be kept in the budget. He put the budget together and the cut came after going through all the line items and cutting in many areas to allow them to balance the budget. Many other programs will have to be cut as a part of the budget process for next year as well as in the coming years.

Councilor Rierson stated that in Budget Committees meetings about 3-4 years ago they had discussed that not all mediation is for court services since most of the referrals come from the court system. He recommends they look at next year's budget to fund the service. The vision of the Budget Committee is to honor the mission statement. It is an appropriate thing for the City to fund.

Motion #3: Rierson/ Bacon moved to fund the \$5,500 dollars requested by Your Community Mediators (12 Yes / 1 No {Darlyn Adams}).

Councilor Shelton asked if they can use funds for tourism to repair Springbrook Road leading to the Allison. Mr. Danicic stated they can use that money to repair the roads for that project. The Allison is going to drive revenue for the City which is something the City can consider. Councilor McKinney stated in the past they have funded the visitor center out of the TRT's. They can resist the temptation to use TRT's to keep things connected. They should use the business tax fees collected for business specific things. This keeps all parties more accountable to each other. They should use TRT's to fund the visitor center and use the business licensing fees in a more business related way.

Mr. Reardon stated he feels the numbers are really high for health care. Does the City pay for dependent health for all employees? Mr. Danicic stated they pay 90% of family members of City employees. Mr. Reardon stated they may consider having some of the health care plan covered by the individual. Councilor Bacon stated she would not ask someone to work for the City and not offer the family a health plan. Mr. Reardon stated it is rare for dependents to have their insurance paid for rather than just the City employees. Councilor Rierson stated he is also reluctant to introduce the topic since it goes against the mission statement for the City. They are introducing a new co-pay plan which will save the City \$130,000 dollars. They can do a number of things to avoid penalizing the family. Mrs. Adams stated a part of looking for a job is medical insurance. She feels the City employees deserve a policy where they will not be penalized. The employees would feel they are being discriminated against. Chair Wall stated at some point we are going to have to discuss issues such as insurance that may be a sensitive subject. Councilor Shelton stated he feels they will need to consider this issue and he would rather see them have to cut back on some benefits rather than cutting actual jobs which would take actual income from staff.

The next Budget Committee meeting is scheduled for Tuesday May 25, 2010. Mr. Danicic stated they could approve the budget tonight if they are ready to do so. It was agreed they would proceed with the meeting next week to allow further discussion before they approve the budget.

6. Adjourn

The meeting adjourned at 9:00 p.m.

Approved by the Newberg Budget Committee on this 21st day of **September** 2010.

AYES: 13

NO: 0

ABSENT: 1 (Moore)

ABSTAIN: 0


Recording Secretary


Budget Committee Chair