

**NEWBERG BUDGET COMMITTEE MINUTES**  
**APRIL 14, 2015, 6:00 PM**  
**PUBLIC SAFETY BUILDING (401 E. THIRD STREET)**

**CALL MEETING TO ORDER**

**ROLL CALL**

Members Present:	Mike Corey	Patrick Johnson	Beth Koschmann
	Megan Morris	Anthony Pete	Stephen McKinney
	Lon Wall	Bob Andrews	Tony Rourke
	Scott Essin	Helen Brown	Lesley Woodruff
	Denise Bacon		

Staff Present:	Jacque Betz, City Manager	Matt Zook, Finance Director
	Sue Ryan, City Recorder	Truman Stone, City Attorney
	Mary Newell, Support Services 9-1-1	Doug Rux, Community Development Director
	Jay Harris, Public Works Director	Dave Brooks, Information Technology Director
	Les Hallman, Fire Chief	Leah Griffith, Library Director
	Brian Casey, Police Chief	

**CONSENT CALENDAR**

**MOTION: Andrews/McKinney** moved to approve meeting minutes for April 29, 2014, May 6, 2014, May 13, 2014, May 20, 2014 and May 27, 2014 meeting minutes. Motion carried (13 Yes/ 0 No).

**NEW BUSINESS**

Budget Message: City Manager Jacque Betz presented the annual budget message (Exhibit A). She said the recommended budget served as the annual financial plan for the City. The City would live within its means. The revenue picture was improving and the recommended budget provided basic services while maintaining the quality of standard residents had come to expect. However the cost to deliver current services was also growing, restricting the ability to support new enhanced services in the upcoming year. The budget was an 8% decrease from the prior budget. This year staff proposed funding for projects that they could reasonably accomplish. The City was limited in collection of property taxes due to Measure 5. The budget assumed a 4% growth rate in assessed value and allowed for new development. The budget also included utility rate adjustments. There would be a new Transient Lodging Tax Fund to be spent on tourism related activities. The budget considered a 1% COLA for all employee groups except Public Works that had a 2% COLA in their bargaining agreement. It also unfroze salary increases to allow for merit increases. Administration was going to conduct an assessment of the compensation for employees. She suggested the Council work on the reserve policy, determine an appropriate level of working capital, and develop a strategic plan that created the basis for future funding decisions. She thanked the Budget Committee and staff for their work on the budget.

Councilor Corey asked about the Cost of Living increases. CM Betz said the presented budget was status quo but there was an issue with the current compensation for the City's employees.

Councilor Bacon thanked CM Betz for her concern for the employees and the best budget document ever.

Councilor McKinney asked about the study to explore employee compensation. CM Betz said Interim Human Resources Director Nancy McDonald was working on updating job descriptions and employee compensation.

Vice Chairman Patrick Johnson asked about the questions he had emailed, which would be addressed later in the meeting. He complimented the City staff on their preparation of the budget.

Review of General Fund Historical Reserves: Finance Director Matt Zook gave a presentation on the 8-year historical review of the General Fund ending balance (Exhibit B). He had focused on net operating revenue and how they had drawn down on reserves for the past eight years. This year they intended not to draw on any reserves. The reserve level was 2.5 million dollars and they would be looking at whether it was an adequate reserve level.

Review Department proposals: CM Betz said if the Committee had questions that Department Heads were here to answer them, but they would not be giving individual presentations.

General Government: FD Zook said the materials and services line item had gone down by 61% because of the establishment of the Transient Lodging Tax Fund. The FY14-15 budget had an NEA Our Town grant, which had ended. He explained the new Transient Lodging Tax Fund, which would be \$300,000 for tourism promotion. He explained the Cable TV Trust Fund, which were funds from the closure of a local cable TV company and dedicated for transmission of communications.

Commissioner Pete asked if it could be used for broad band. CM Betz said she would consider it within that realm.

Commissioner Reardon asked about a decrease in fees. FD Zook said the anticipated SDC revenue this year was lower.

Councilor Rourke clarified the TLT fund contained the money for the Chamber of Commerce Visitor Center and that the Community Support Fund was \$40,000.

Councilor McKinney was in favor of a moratorium on community support to improve the City's bottom line.

Municipal Court: FD Zook said there were not many changes to this budget except there was a one-time extra help built into the FY 14-15 budget and was not included in the next fiscal year. Internal control issues would be addressed with existing staff with no additional resources.

Police: FD Zook said there were no new staffing changes for Police. He explained the reductions in some of the line items. He then discussed the Civil Forfeiture Fund, which represented forfeitures to be used for undercover investigations, and the Public Safety Fee Fund, which collected revenue for police and communications officers.

Police Chief Brian Casey discussed overtime costs, which he thought were low, and when they should hire another officer. One new officer would not significantly reduce the overtime. The two new 911 dispatchers were a direct result of correcting overtime. He thought there were areas that the department needed to start saving for and they would have to figure out how to fund any new State mandates.

For insurance and health care costs and retirement, CM Betz said police and fire belonged to a different insurance carrier and the City had two retirement plans, PERS and NRP. One of the focuses for the City Council was to assess the Newberg Retirement Plan to alleviate budget costs. FD Zook said changes in personnel also caused differences in costs.

Communications: FD Zook said in the 911 Tax Fund there was a reduction due to the new employees. This fund had a limited source of revenue. There was a 16% increase in the Public Safety Fee Fund as it went into effect in January and only reflected half a year's budget in the current fiscal year. The next fiscal year the fee would be collected for the whole year.

Vice Chairman Johnson requested the City Council look at 911 services. He did not think they could afford to fund the department at the level it needed to be funded.

Fire and EMS: FD Zook explained the reductions in these budgets. There were challenges regarding staffing and the increase in calls.

Councilor McKinney asked about additional personnel for the Fire Department and funding for future needs.

Fire Chief Les Hallman had been watching for the need to hire additional staffing. Currently the General Fund was not in the position to support additional staffing right now. He was working with the City Manager to come up with some options to address the staffing issue. The target goal was to hire three additional fire fighters. He thought the chances of being engaged in a large forest fire fight were small and the State would fully reimburse the cost. He explained the staff turnover was due to the desire for upward mobility.

Library: FD Zook said it was a status quo budget for the Library but that some funding for books and materials would be restored. They had also consolidated the Library Administration and Public Services departments.

Community Development: FD Zook said the department would maintain the same staffing levels. He said in the Building Inspection Fund there was an increase in personal services due to an increase in building inspection services. It did not increase the FTE. He said in the Economic Development Fund there was a reduction to the professional services line item. A grant from Yamhill County Housing Authority had been eliminated and was not re-occurring in the next fiscal year.

Community Development Director Doug Rux explained that in Planning and Building the City accepted online payments for permit applications and there were bank fees for those. As activity increased, and the number of transaction increased, the cost went up. He gave a background on the Economic Development Fund. The primary purpose of the fund was for a loan program to industrial and retail businesses focusing on the downtown area. An affordable housing component was also added to the fund. He planned to look into how to recapitalize and reinvigorate this fund in the future. He discussed a State grant application that would pay for consultant services to do inventory work on historic structures downtown. FD Zook clarified the Building Inspector was currently a contract position.

City Manager's Office: CM Betz said there were no significant changes to the budget from last year. FD Zook explained that three departments were combined into one, combining City Recorder, Human Resources, and City Manager into one.

Finance: FD Zook said there were not a lot of changes to the department this year. There was a vacancy to fill and he would be working on streamlining processes and delivering better services to citizens.

Information Technology: FD Zook said there was a reduction in personal services. There was also a change in capital outlay that was a one-time cost and would no longer be in the budget. CM Betz said because significant software upgrades had been done this year, there would be cost savings in the next year's budget.

Legal: FD Zook said the primary change in this budget was in personal services. The 14-15 budget had been set too low as some benefits had been overlooked for the City Prosecutor position. It had been corrected for the next fiscal year budget.

CA Stone explained the miscalculation in the current budget for the prosecution paralegal benefits. That person became a full time employee in January. Another change was restoring the City Prosecutor position, which would be a contract position.

There was discussion regarding what was included in the Administrative Support Services Fund.


Vice Chairman Johnson said all of his questions had been answered.

**PUBLIC COMMENT:** None

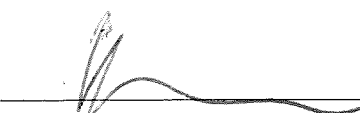
**FUTURE MEETING DATES:** The next meeting would be April 21<sup>st</sup>. There were two more scheduled if needed. CA Stone reminded Budget Committee members they could not discuss the budget outside of a public meeting.

**ADJOURNMENT:** The meeting was adjourned at 8:00 p.m.

**ADOPTED** by the Newberg Budget Committee this 26th day of April, 2016.

  
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Sue Ryan, City Recorder

**ATTESTED** by the Budget Committee Chair this 26th<sup>th</sup> day of April, 2016.

  
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Lon Wall, Budget Committee Chair