

NEWBERG BUDGET COMMITTEE MINUTES
May 10, 2016, 6:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

WELCOME

Chair Lon Wall called the meeting to order at 6:00 p.m.

ROLL CALL

Members Present:	Anthony Pete	Miles Baker	Beth Koschmann
	Megan Morris	Stephen McKinney	Patrick Johnson
	Lon Wall	Bob Andrews	Lesley Woodruff
	Scott Essin	Denise Bacon	John Reardon
	Helen Brown		

Staff Present:	Stephen Rhodes, City Manager Pro Tem	Matt Zook, Finance Director
	Caleb Lippard, Assistant Finance Director	Sue Ryan, City Recorder
	Doug Rux, Community Development Director	Brian Casey, Police Chief
	Jay Harris, Public Works Director	Leah Griffith, Library Director
	Dave Brooks, Information Technology Director	Mary Newell, 9-1-1 Support Services
	Nancy McDonald, Interim Human Resources Director	Truman Stone, City Attorney

CONTINUED BUSINESS

Staff Presentation of Requested Information from the May 3 meeting: Finance Director Zook said he received a question if property taxes were due in November, why did the fiscal year start in July. When did the City actually receive tax funds? The answer was the fiscal year was governed by State law and tax revenues were received in November. Councilor Corey had comments regarding the request for funds from outside agencies and he would discuss that later. There was a question regarding review of the franchise fees and he confirmed all of them were paying the appropriate amount. The highest franchise was 7% for telecommunications and the rest were 5%. There was a question regarding a PERS estimate and next year when the rate increases went into effect. The amount of the increase would be \$200,000 to \$250,000. He explained how the reserves would be divided in half for the next two years to offset the rate increase. Another question was in regard to the history of increase in wastewater operating supplies. The supplies were polymers, sawdust, propane, and various chemicals for a new screw press process. The supply costs were increasing due to some new equipment, but the output was a better product.

City Manager Pro Tem Rhodes discussed questions regarding the new positions. These positions totaled 5 FTE, but there would be six people because there were two half time positions. He showed where the justification for the positions was located in the budget document.

BCM Essin asked about funding the 911 positions, and even though the Fire Department calls were no longer being handled through the City dispatch, the amount of hours did not change because they needed 24 hours/7 days a week coverage. Just because there were fewer calls, they did not have less staffing. CMPT Rhodes clarified it was based on call volume and hours that had to be covered. Only 15% of the calls would leave with the Fire Department change. He thought it would right size the dispatch operation.

BCM Essin was glad the new City Manager had been made aware of these new positions. CMPT Rhodes said he was sending the information to the new City Manager. He explained how the new HR Director funding worked and how the status of HR changed from being under the City Manager to its own department.

CMPT Rhodes had done research on the Communications position and how a lot of other cities had similar positions, but they were called other things. He then listed the duties of the position. He discussed what the budget looked like in three to four years with these positions. The analysis had not been done, as a five year financial plan was still being completed. They were just entering a period of development in the community which added to tax revenue and development started paying more in the Planning Department. Growth and increasing population was helping the numbers trend up as well as if the City annexed into the TVF&R District, it would free up resources and those could be used to support City services. He felt comfortable that the budget growth would work.

BCM Reardon was concerned about the substantial PERS number and the health insurance, life insurance, and unemployment and disability insurance numbers the City paid for employees, especially with five new FTEs. It was something to look at in the future. The other numbers were increasing just as much as PERS, but they had only been talking about PERS.

Deliberations on the 2016-17 Proposed Budget: There was discussion regarding the need for the five new FTEs to provide City services and the funding to sustain them in the future.

Some Committee members were more concerned about potential problems, especially regarding PERS and costs for City services, and getting behind in the future and that development would not bring a net wash or a gain. The City needed to be conservative about having more funds due to development and spending the extra savings from the transfer to TVF&R.

Chair Lon Wall wanted to give money to the outside entities that requested it. FD Zook said Councilor Corey gave input that the Mediators' request for \$2,000 should be added to the budget. The Mediators had requested more than that. This money would come from the General Fund.

BCM Johnson was much more open to phasing in the new staff positions and hiring the System Administrator, Accountant, HR Assistant, and Assistant Planner positions first.

There was further discussion regarding the need for taking care of employees who provided services to the City, the perception of spending money recklessly, money in reserves, and taking a phased approach since there were rate increases and other costs going up for citizens.

Marlena Bertram, Yamhill County Mediators, said the City of McMinnville had not made a commitment yet but the Mediators asked them for \$26,000 and asked Yamhill County for \$12,000. She was requesting Newberg to give them \$22,115. The amount was based on the amount of service they had provided. The last time Newberg gave them funding it was \$5,500. So far Willamina was giving them \$1,000, Dayton \$1,750, Amity \$100, Sheridan \$1,000, and Carlton \$1,700.

MOTION: Reardon/Essin moved to give Yamhill County Mediators \$7,500. Motion carried (11 Yes/ 0 No).

CMPT Rhodes said the money for these outside agencies would come out of contingency. Dawn Witt, Executive Director for Homeward Bound Pets, said Homeward Bound was receiving \$1,000 from Willamina and they were asking for money from the County and doing fundraising with other cities.

MOTION: Essin/Bacon moved to give Homeward Bound \$2,000. Motion passed (7 Yes/5 No [Morris, Kaushmann, Andrews, Johnson, and McKinney]).

Approval of the 2016-17 Budget and Approval of Taxes Provided for in the 2016-17 Budget:

MOTION: Reardon/Andrews moved to approve the 2016-17 budget in the amount of \$86,966,374 and impose the tax as provided for in the 2016-17 proposed budget at the rate of \$4.3827 per \$1,000 of assessed value for permanent rate tax. Motion passed (9 Yes/3 No [Essin, Koschmann, and Morris]).

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

ADOPTED by the Newberg Budget Committee this 3rd day of May, 2017.


Dan Keuler, Senior Accountant

ATTESTED by the Budget Committee Chair this 3rd day of May, 2017.



Beth Koschmann, Budget Committee Chair