



City Council

October 7, 2024

Newberg Public Safety Building 401 E. Third Street

Denise Bacon Community Room

Online: <https://us06web.zoom.us/j/89536547180>

Public Comment Registration: <https://bit.ly/nbgcomment>

[View Slides](#)

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. CITY MANAGER'S REPORT

4.1. September Narrative Report

i [RCA: City Manager Report](#)

ii [Presentation](#)

5. PUBLIC COMMENTS

6. NEW BUSINESS

6.1. Utility Billing Policy Update

i [RCA: Utility Billing Policy](#)

ii [Presentation](#)

6.2. [Financial Strategic Plan and Planning](#)

i [Presentation](#)

7. CONTINUED BUSINESS

7.1. [ARPA Reallocation](#)

i [Attachment 1. ARPA GL](#)

8. COUNCIL BUSINESS

9. ADJOURNMENT

ADA STATEMENT

Contact the City Recorder's Office for physical or language accommodations at least 2 business days before the meeting. Call (503) 537-1283 or email cityrecorder@newbergoregon.gov. For TTY services please dial 711.

*Indicates supplementary item

REQUEST FOR COUNCIL ACTION



Date Action Requested: (October 7, 2024)

Order <input type="checkbox"/>	Ordinance <input type="checkbox"/>	Resolution <input type="checkbox"/>	Motion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>	Proclamation <input type="checkbox"/>
Subject: CM narrative for September 2024 events				Staff: Will Worthey CM Department: Administration	
Work Session <input type="checkbox"/> Business Session <input checked="" type="checkbox"/>				Order On Agenda: CM report	

Is this item state mandated? Yes ☐ No ☒

If yes, please cite the state house bill or order that necessitated this action: NA

Recommendation: NA

Executive Summary: The summary of events conducted by city departments in September 2024.

Fiscal Impact: All were conventionally budgeted items.

Council Goals:

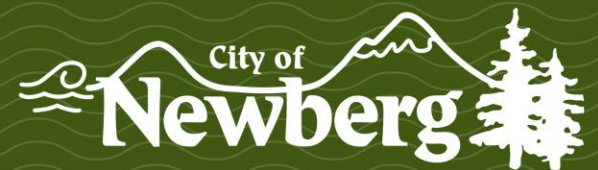
Goal 5: Create and maintain a high level of transparency with our residents in order to build trust.

Effective CM reporting assists with Objective 1:

Expand communication outreach in regard to regular city events and additional involvement with city businesses.

Newberg CM report

Monthly Events for September 2024



Activities of the **Community Development Department** in September included:

Approval of site design review applications for two parking area modifications at George Fox University and a pole barn at a local church.

Planning Commission approval of two vacation rental homes.
Redesignation of the Newberg Enterprise Zone and authorization for ARE Manufacturing to participate in the program.

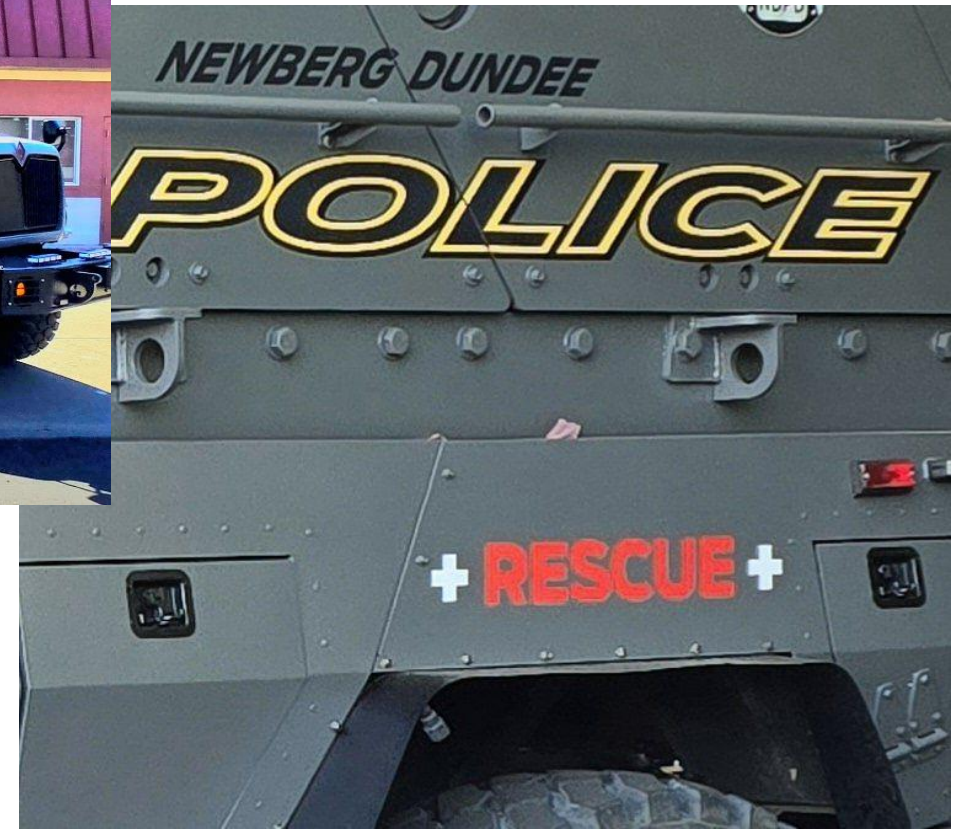
Other CDD projects included approval of a partition of a lot (from one to two lots), minor modification of an existing wireless communication tower, and modification of middle housing and intersection requirements for the Collina Subdivision.

We hosted four pre-application meetings related to construction of a duplex, construction of a quadplex, improvements at a church campus, and construction of a new commercial building for a restaurant use.

NDPD News / Accomplishments

The Department applied and was granted access to an armored vehicle through a government surplus program. The vehicle will transport several officers and equipment to a scene, while providing protection fire.

It provides a layer of protection for citizens or officers should it be necessary to respond to an active shooting event or other catastrophic event requiring rescue and evacuating people in real time.



Our hope is that this vehicle will only ever be utilized in parades, public demonstrations, or training scenarios, but it will be a welcome piece of equipment to keep us and the public safer when an extreme or violent event unfolds in our area.

NDPD is excited to announce the return of our Citizens Academy. The academy is an in-depth look at what it's like to work in public safety and learn about our local law enforcement. We have 13 citizens who are participating in the first cohort.

The academy is every Tuesday ending November 19th.

NEWBERG-DUNDEE PD CITIZENS ACADEMY

The Newberg-Dundee Police Department is excited to announce the return of our *Citizens Academy*! Come join us for an in-depth look at what it's like to work in public safety and learn about your local law enforcement.

Beginning September 17th. Classes will be every Tuesday 6pm to 8pm and one Saturday. Academy ends on November 19th.

Contact Karan Frketich to apply.

karan.frketich@newbergoregon.gov or 503-537-1280

Requirements:

- Must be 18 years of age or older.
- Must pass a background check.
- Preference given to Newberg and Dundee residents
- Class size is limited.



Training Includes

Department
Operations

Officer Survival
Skills/Firearms

Criminal
Investigations

Traffic
Enforcement

Scenario Based
Training



City Recorder

We started September off with some excitement as we shipped our first 75 boxes of records off for scanning, officially launching the next phase of our digitization efforts! For the next couple of years, we will be working to increase transparency and customer service by digitizing records and putting records into our records management system.

This step will also allow us to answer Public Record Requests more efficiently and offer a self-service option for records. The main focus for the rest of the month has been working with Community Engagement to make headway on the new website. It is looking beautiful and should offer a much-enhanced user experience!

Engineering Events

The camera at Villa and 99W is moving forward for both red light and speed. Main and 99W is waiting for additional information on ODOT infrastructure on an electrical cabinet they control, and it will probably end up being used just for speed enforcement.

Two blocks were resurfaced near Edwards Elementary in the final week of September due to a lucky stretch of good weather. Next year we will crack seal and grind and inlay far more than we did in 2024.

Wynooski Storm Outfall Project:

On the 3rd of July, City council awarded the project bid to Pihl, Inc.

A pre-construction conference was held on July 15, 2024.

Construction is underway now with completion of the entire work scheduled to be done by the time you read this.

Finance Report

During the month of September, Finance has been working on closing the books for FY24 and preparing for the upcoming audit. This will be the focus of the department for the next couple of months.

Finance has also been working on the biennial budget process (Operation Quadratic) and working with OpenGov towards getting the budget software rolled forward and set up for a biennial budget production. Finance also participated in a multi-departmental capital projects discussion for the next two biennium's to help prepare for the budget preparation which will occur early 2025.

Library Land

September is Library Card Sign-Up month, so this year we had a booth at the Newberg Wednesday Market on September 18th to promote the library and to sign people up! We signed up 12 new library patrons and chatted about our services with many more.

At the end of August, we participated in the George Fox University Welcome Weekend where we promoted Library Card Sign-Up month by creating a raffle for students to enter during the month of September and we had 46 students enter!

Library card signup desk:



We also had a successful Serve Day where 23 GFU students, staff, and faculty cleaned chairs, walkways, shelves, woodwork, and other fixtures around the library.

They also performed inventory checks, like looking for missing items and using an RFID wand to log what was on the shelves. Others also sorted through historical documents the library recently acquired from CPRD.

Public Works Plant Operations

It has been another busy month at the treatment plant. Summer is typically a slower time operationally; however, we are continuing to work to maintain a low solids inventory in the plant due to the PLC replacement.

The first piece of that project will have us shut down for about 2 weeks in the composting system, so we need to have capacity to store solids in the treatment process during that time.

Our lab staff completed the annual “Discharge Monitoring Report – Quality Assurance”. The DMR-QA evaluates the analytical ability of laboratories that perform self-monitoring analyses required by their permit.

Originally those results should have been sent out a few weeks ago, however the state has extended their deadline to have the results out to September 25th. By the time you read this we should have seen them.

Maintenance: New Sewer Line Service Install on Lincoln St.



Engineering and Operations

Programmable Logic Controller Replacement & Reprogramming Project:

Over the past month, the electrical contractors have completed their installation of new conduit and duct banks, along with the fiber communications network that the new PLCs will use for communication.

The fiber lines have been terminated, network switches installed and tested, and the new network is up and running.

The consultants have continued to work on the programming to be ready for the first installations of the new PLCs in the composting facility and solids handling facility.

The PLCs were shutdown in late September for the electricians to begin the work of demolishing the old system, installing the new, and landing all the wires onto the new PLC cards.

Public Works Facilities Recent tasks

Always going on in the background, all these standard things were accomplished:

Set up /Tear down for City Council meetings, Set up /Tear down for Court, Set up /Tear down for rate review, Set up/ Tear down for budget meetings.

Monitor HVAC repair at PSB, Move furniture out of the office at City Hall to Building C, Fix clogged toilet at PSB, Relocate boxes in Building C, Fix the water department money drawer lock at PSB

Fix the entry mat at the Library, Remove graffiti on restroom stall at Library, and many, many more.

**The Elliott Rd. Sample
Station Installed**



**Water Line Repair
At Memorial Park**



IT Happenings:

September was a month of difficulties and successes. We had one of our core pieces of network equipment begin to fail at an accelerated rate, which caused substantial issues for most staff.

This core router has been central to the city's network for over a decade, and virtually all internal data for the city goes through it.

IT has been planning the retirement of this router for quite some time, but because of the number of interconnections that go through it, it's been difficult to migrate them to other devices.

We finally received the required hardware to allow us to move the remaining connections from the device and have now fully retired it!

Its physical removal and destruction is scheduled for later this week (by the time you read this it will have occurred).

We've also begun interviews for our Help Desk position, left open after Connor was promoted to Systems Administrator.

We had a massive response to the recruitment, so we're hoping for some fantastic candidates, and everyone is looking forward to the help!

HR has been putting a lot of work into recruitments this month, due in part to many of our talented Newberg employees successfully winning in recruitments and thereby securing much-deserved promotions.

Human Resources also attended the All-Majors Career Fair put on by George Fox, where we were able to connect with local students and spread the word about the wonders of working for local government.

So that's it for September!

As you can see, residents' tax dollars have been hard at work as usual.

Questions?

REQUEST FOR COUNCIL ACTION



Date Action Requested: (October 7, 2024)

Order ☐ Ordinance ☐ Resolution ☒ Motion ☐ Information ☐

No. 2024-3951

Subject: **Resolution adopting updated utility billing policies.**

Staff: **Kady Strode**
Department: **Finance**
File No.

Business Session

Order On Agenda:

Hearing Type: Administrative Public Hearing

Recommendation: Adopt Resolution No. 2024-3951.

Executive Summary: The Utility Billing policy was previously updated by Council in 2013, however many of the daily practices have changed over the years and the policy needs a revision to match current practices. It is also prudent to review and update policies on a frequent basis.

Fiscal Impact: N/A - no proposed fee changes.

Strategic Assessment: By adopted the revised Utility Billing polices as recommended will allow the Utility Billing department to continue to become more efficient an allow for greater customer service opportunities.

RESOLUTION No. 2024-3951

A Resolution adopting updated utility billing policies.

Recitals:

1. **WHEREAS**, the utility billing policies should be reviewed on a regular basis.
2. **WHEREAS**, the utility billing policies have been reviewed as presented and are shown in Exhibit A.

The City of Newberg Resolves as Follows:

1. The City Council approves the utility billing policies as attached in Exhibit A, which is hereby adopted and by this reference incorporated.

Effective Date of this resolution is the day after the adoption date, which is: October 8, 2024.

Adopted by the City Council of Newberg, Oregon, this 7th day of October, 2024.

Rachel Thomas, City Recorder

Attest by the Mayor this _____ day of October, 2024.

Bill Rosacker, Mayor

Hours of Operations:

- The Utility Billing department, located in the Public Safety Building. Hours of operation are from 8:00 a.m. to 4:30 p.m. and closed 1:00 p.m. to 2:00 p.m. for lunch.

New Accounts:

- Customers can sign up for service by providing detailed information including 2 forms of government-issued identification, such as a Social Security number, Driver's License, Military ID Card, and/or Passport and a current contact telephone number. This must be done in person or online.
- Non-refundable connection fee of \$20.00 will appear on the first billing received by customer.
- If you are a renter, you must indicate that on your application and include your landlord's contact details. All landlords will need to sign an agreement that they are responsible for any unpaid bill left behind by their tenant.

Monthly Billings:

- Meters are read the 25th of the month.
- Utility Billing department does a cursory review of the consumption reports.
- Bills are produced 3-5 days after the meters are read and are produced on the 1st working day of the month. They are mailed from a 3rd party provider. Electronic billing is also available.
- The due date of the billing is approximately 30 days after the billing date.
- There is approximately a 10-day grace period before the billing is considered "late."
- A delinquency letter is generated and mailed to customers on the 11th day after the due date and a past due fee of \$20.00 will be added to all accounts that have not paid by the end of the grace period.
- One late payment/delinquent fee can be written off per year per account.
- Automated telephone calls are generated to delinquent customers approximately 11 days after the due date and again multiple times prior to shut off (usually 5 times). People can also elect to receive these notifications via text.
- Approximately 10 days after the delinquency letters have been mailed, the accounts that remain delinquent at that time will have their water shut off and an additional shut off fee of \$50.00 will be applied to the account.

- **Example of timeline:**

▪ Meter Reading	5/25-5/30
▪ Billing Produced	6/1
▪ Due Date	6/30
▪ Grace Period	7/10
▪ Delinquency Letter and \$20 fee added	7/11
▪ Automated telephone calls made (5)	7/11-20
▪ Shut off and \$50 fee added	7/21

Shut-offs:

- Water shut-offs are processed once per month. Water shut-off days may vary due to holidays and payment due dates. They are never processed on a Friday to give our customers the opportunity to pay their bill and have their water turned back on before the weekend. This generally occurs on a Tuesday to allow ample time in the week for payment and reconnection.
- The shut-off list is generated the morning of shut-off day and addresses are entered into our workorder system to notify Public Works.
- Minimum past due balance for shut offs and delinquencies is \$35.

- To get reconnected to services they have to pay the \$20 delinquent fee, \$50 shut off fee, and the past due invoice amount. The \$50 shut off fee is related to labor hours for staff time to disconnect then reconnect services and because of this, the fee cannot be waived.
- Special exceptions must be made in writing, preferably emailed to water@newbergoregon.gov and approved by the Finance Director.
- No payments will be taken after 4:30 p.m. in order for our Public Works personnel to complete the turning on process by 5:00 p.m.
- The Public Works Maintenance workers are required to turn off the customer's water, even if the customer says that they are contacting the Utility Billing Department.
- All the customers on the shut-off list must have their water turned off before the Public Works Maintenance workers will begin turning the water back on for customers that have paid to have their water turned back on.

Extensions:

- Accounts may be extended to the 30th of the current month, giving the customer 30 additional days to pay their bill.
- As long as customers pay their billing by the extension due date they will be allowed to continue requesting extensions.
- If someone fails to pay by their extension date, they will not be eligible for another extension for one year.
- When a customer fails to pay their bill by the extension due date, then they will receive notice (in the form of a door hanger) that they have failed their extension and a \$20.00 past due charge will be added to the account and that payment will be due by 4:30 p.m. of the following day. If payment is not received by 4:30 p.m. then an additional \$50.00 fee will be charged, and the water will be shut off.
- On shut off day if a customer calls requesting an extension, this request must be done in writing, preferably via email at water@newbergoregon.gov and approved by the Finance Director.

NSF Checks:

- When we receive notice from our bank of Non-Sufficient Funds from either a check or a direct payment plan account, the payment will be reversed from the account and a NSF fee charge of \$25.00 will be charged to the account. A yellow door hanger will be given to the customer with the total amount due shown on the hanger. Payment will be due by 4:30 p.m. the following day. If payment is not received, then the water will be shut off the next business day.

Closing Accounts:

- Customers can close their accounts by going online or coming in person to complete the application. The customer will simply need to provide a forwarding address or email for the final billing to go to and the last day they wish to have water at the location. The Maintenance Technician will do a final meter reading and provide that number to the Utility Billing Department. Upon receipt of that number the account will be closed and the final bill will be generated and sent to the forwarding address.
- If a renter leaves with a balance owing in excess of \$500, the account must go into and remain in the owner's name until the balance is paid.

Leak Adjustments:

- When a customer has a leak at their home and the leak has been repaired, the customer may request a leak adjustment. The customer must complete a Leak Adjustment form and submit that form along with receipts for the repairs to the Utility Billing Department. Credit is given for a maximum of 2 months of the leak, depending on when the leak occurred.
- The meter at the customer location is read by the Maintenance Technician to make certain there is not a leak. If the meter does not appear to be “spinning,” then the Utility Billing department will prepare a Leak Adjustment Worksheet and the customer will be given a credit that will appear on their next billing.
- Customers may only qualify for a Leak Adjustment once a year.

Winter Averages

- Winter Averaging is figured on the lowest consumption months of the year, which is during the winter.
- The actual meter reading for the consumption of water for the months of November, December January and February (consumption that shows on your December – March billings) are totaled and divided by 4, a minimum of 100 cubic feet is charged. This number is then used during the remaining months of the year when more water is being used, but doesn’t necessarily go down the sewer system (April billings – November billings). A cap is placed on the sewer consumption. If less water is consumed, then the sewer is calculated on the actual water consumption amount used.

Equal Pay

- Equal pay is a specialized payment plan that spreads out payments over a year with many advantages such as helping you minimize the impact of seasonal swings of water and sewer consumption.
- Qualifications to enroll:
 - Must have a zero balance before enrolling
 - Must have a good payment history (no more than two late payments and/or services interruptions)
 - Must be enrolled in our Direct Payment Plan or Recurring Payment Plan (Auto Pay)
 - Must reside in residence and have service at the same address for 12 continuous months

Disputes of Bill

- Customers begin with the Utility Billing department if they are disputing their billing. If they don’t feel their issue has been resolved then they will be referred to the Finance Director for further assistance.

Utility Assistance Voucher

- The Utility Billing Department has a list of non-profit agencies that customers can receive assistance from in order to pay their water bills. Contact the Utility Billing Department for a copy of the agencies.
- Military and low-income assistance is available through the City of Newberg on limited first come first serve basis in the month of June. Those eligible can receive a \$25 per month credit on their bill.

Medical Waivers

- A medical waiver can be granted for individuals or individuals living in the home who suffer from a medical condition deeming necessary to have access to water. Once a medical waiver is in place, the owner will still be responsible for the bill incurred, but the City will not shut off the water due to delinquent payment. The medical waiver is required to be filled out by a doctor or medical practitioner and must be sent back to the Utility Billing department directly from the medical provider’s office. If the medical waiver does not have an end date on it, a new waiver will be required one year from the date it’s received in order for it to be renewed. The Utility Billing department will be monitoring all medical waivers.

Payment Plans – up to 24 months

- Customers still need to pay their current bill in addition to the payment plan agreement.
- Customers are only eligible for one payment plan at a time.
- UB Staff will review payments plans due and send reminder to pay. Reminders are usually sent on the 2nd of every month. If not paid by the 5th of the month, then they will be shut off and assessed the \$50 shut-off fee.
- If a customer has failed a payment plan and wants a new payment plan or to reinstate their current payment plan, they will need to obtain the approval from the Finance Director.

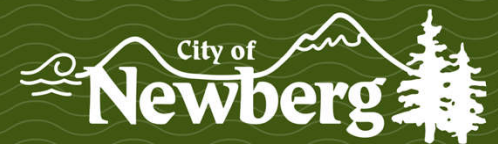
Collections

- If your closed account has a delinquent balance for more than 100 days you will be sent to collections.
- If your open account with a medical waiver and have a delinquent balance for more than 120 days, you will be sent to collections.

Liens – exceptional circumstances

- If a residential customer accrues an outstanding delinquent municipal services bill in excess of \$2,000, utility billing staff will refer the matter to the City Manager for a full review of the circumstances that caused this unusual balance to accrue.
- If a commercial customer accrues an outstanding delinquent balance in excess of \$5,000, utility billing staff will refer the matter to the City Manager for a full review of the circumstances that caused this unusual balance to accrue.
- If the City Manager finds that it is warranted, the customer shall be given 60 days notice to remediate the account or a lien shall be recorded against their property for the balance owed.
- This may, at the City Managers discretion, require review by the City Attorney.

Utility Billing Policy Update



Reason for Update?

Last policy
update
occurred in
2013

Best practice
to review
and update
policies on a
regular basis

Some
practices
have
changed
since COVID



Fees Comparison

	NEWBERG	SHERWOOD	MAC WATER & LIGHT	OREGON CITY	LAKE OSWEGO	WILSONVILLE	ROSEBURG
Delinquency Fees	\$ 20.00	\$ 11.57	\$ 45.00	\$ 25.00	\$ -	\$ 5.00	\$ 20.00
Reconnection Fees	\$ 50.00	\$ 70.00	\$ 75.00	\$ 50.00	\$ 60.00	\$ 35.00	\$ 40.00
		\$186.72 (after 4:30pm)		\$190 (after 4:30pm)			

**No proposed changes to current fees

What Has Changed?

New Accounts:

If you are a renter, you must indicate that on your application and include your landlord's contact details (or property management).

All landlords will need to sign an agreement that they are responsible for any unpaid bill left behind by their tenant.

What Has Changed? (cont.)

Extensions:

Exceptions began during 2020 to help accommodate those struggling to pay their bill and the department has continued to offer in special circumstances and would like to add it formally to the policy

	NEWBERG	SHERWOOD	MAC WATER & LIGHT	OREGON CITY	LAKE OSWEGO	WILSONVILLE	ROSEBURG
Extensions	30 days	7 days	30 days	30 days	30 days	30 days	30 days

**If a customer calls before delinquent letters are ran and asks for an extension, the \$20 delinquent fee will not be added to their balance owed.

What Has Changed? (cont.)

Shut-Offs:

Shut offs previously occurred on a Wednesday, and now occur on a Tuesday to allow for residents more time to get their accounts cleared and water restored before the weekend

Deadline to get water turned back on is now 4:30pm vs. 5:00pm (due to staffing hours)

Special exceptions began during 2020 to help those struggling to pay their bill and the department has continued to offer those in special circumstances and would like to add it formally to the policy

Minimum balance is now formally established at \$35



What Has Changed? (cont.)

Shut-Off Comparison

	NEWBERG	SHERWOOD	MAC WATER & LIGHT	OREGON CITY	LAKE OSWEGO	WILSONVILLE	ROSEBURG
Minimum Balance to Shut Off	\$ 35.00	\$ 25.00	\$ 45.00	\$ 75.00	\$ 1.00	\$ 35.00	\$ 20.00

**No proposed changes

What Has Changed? (cont.)

Closing Accounts:

If a renter leaves a balance owing in excess of \$500, the account must go into and remain in the owner's name until the balance is paid.

What Has Changed? (cont.)

Payment Plans:

Previous policy allowed for payment plans up to 3 months.

Since COVID, the policy had been amended to allow for payment plans to be up to 24 months.

Previous policy only allowed for one payment plan in a 12-month period – new policy is amended for approval by Finance Director if customer fails a payment plan and would like a new plan or to reinstate their current payment plan.

What Has Changed? (cont.)

Medical Waivers:

A medical waiver can be granted for individuals or individuals living in the home who suffer from a medical condition deemed necessary to have access to water. Once in place the City will not shut off services due to delinquent payment.

Must be filled out by doctor or medical practitioner and must be sent back to the Utility Billing department directly from the medical provider's office.

These are required to be renewed each year.

Customers are still required to pay their accounts even if they are not shut off.

What Has Changed? (cont.)

Liens – exceptional circumstances:

If a residential customer accrues an outstanding delinquent balance in excess of \$2,000, Utility Billing staff will refer the matter to the City Manager for a full review of the circumstances that caused the unusual balance to accrue.

If a commercial customer accrues an outstanding delinquent balance in excess of \$5,000, Utility Billing staff will refer the matter to the City Manager for a review of circumstances.

If the CM finds it warranted, the customer will be given 60 days notice to remediate the account, or a lien will be recorded against their property for the balance owed.

Questions?



REQUEST FOR COUNCIL ACTION



Date Action Requested: (October 7, 2024)

Order <input type="checkbox"/>	Ordinance <input type="checkbox"/>	Resolution <input type="checkbox"/>	Motion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>	Proclamation <input type="checkbox"/>
Subject: Strategic Financial Planning Discussion				Staff: Will Worthey CM Department: Administration	
Work Session <input type="checkbox"/> Business Session <input checked="" type="checkbox"/>				Order On Agenda: Long Range Fiscal Planning	

Is this item state mandated? Yes ☒ No ☒

If yes, please cite the state house bill or order that necessitated this action:

Yes and No:

In an indirect sense several unfunded state mandates that impact our finances such as HB 2001 can be seen as involved in this discussion.

Recommendation: Staff is not seeking a recommendation at this time but is setting forth the items that will need to be answered so as to be able to build a long-range fiscal plan. This will impact several massive CIP projects.

Executive Summary: In the very near future the CM will be bringing some critical decisions before council that will lead to a long-range financial plan as specified in our council goals. To start to create that draft staff will need the answer to several key strategic questions that will shape the destiny of the city over the next ten years or more. We need these decisions to be made so as to address the CIP needs of the city for a decade and more.

The City Manager believes that six decisions must be made by council to be able to create a long-term fiscal plan and address the capital project needs that are organic to this set of problems. It is envisaged that a follow-on work session(s) will be needed to scope these answers.

This informational session will introduce the six questions.

Fiscal Impact: Cannot be known yet but each major capital project under consideration is \$10M or more.

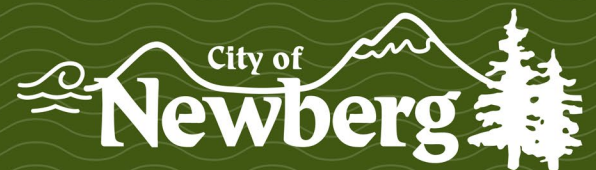
Council Goals:

Goal 6 Objective #4.

Ensure that the city has a long-term financial plan that supports its goals and objectives.

Newberg.

Long Range Fiscal Planning for the next 10 years



Council Goal 6 ...

Objective #4. Ensure that the city has a long-term financial plan that supports its goals and objectives

Fiscal decision points to build a long-range financial plan

In the very near future, the CM will be bringing some critical decisions before council that will lead to a long-range financial plan as specified in our council goals. To start to create that draft, staff will need the answer to several key questions that will shape the destiny of the city over the next ten years or more. We need to start this to build the CIP needs for the next several years.

I assume that the council will desire a separate work session to grapple with these very weighty decisions separate from normal council business.

First, I want to cover what our strategic cash reserves look like in key areas and recall that most funds except the general funds can only be spent on their intended and collected purpose.

Please also remember that this is ***not simple***, and some reserves will always need to be kept back for contingencies and to make month to month payroll, to plan for future retirement costs etc.

Remember the bulk of our staff are paid their wages from these funds, 01, 02, 03, 06, 07 and 17.

The general fund (01) was predicted to be in the region of \$5.1M at the end of this fiscal year.

I intend to take a snapshot on this after the bulk of the property taxes come on at the end of the year, however, the SRO default and the delay of selling the Butler property will have an impact of our projections.

At this time, I am anticipating the fund will decline sharply as a result of these factors. I will know a lot more in January.

Fund (02) streets is in a very poor condition after the expenses of Elliot Road. It is expected to end the year in the region of \$700 - \$899K and we are not proposing any CIP projects in this area bar (possibly) River Street backed by NURA.

The Wastewater fund (06) is currently healthy and may end the year with a balance of about \$15M.

The Water fund (07) is also currently healthy, and we are predicting a balance of about \$10M in our thinking around the water plant design and construction.

The building fund (03) has a very good cash balance and is expected to end the year at 3M.

Fund (17) Stormwater has a decent balance as the demands put on this fund are lighter. It is expected to end the year at about \$2.7M.

Now let's look at SDC balances as of September 2024:

42 - STREET SYSTEM DEVELOPMENT FUND	\$7,047,783
43 - STORMWATER SYSTEM DEVELOP FUND	\$291,133
46 - WASTEWATER SYSTEM DEVELOP FUND	\$14,413,598
47 - WATER SYSTEM DEVELOPMENT FUND	\$290,128

Currently we have very good liquidity in wastewater and streets, if the old SDC model had been designed more rationally these reserves would be more balanced.

Here is what we think we know right now (Engineering design work will be needed to check and refine these numbers):

A new water treatment plant may be about \$30M if we are lucky and build the minimum that we need.

I have already ordered a reduction in the size and scope of the plant to a bare bones design at 9 MG, with no conference space etc.

We have discovered however, that both plants can be operated together to provide very long-term water production reserves if designed that way.

A new oxidation ditch may cost something in the region of \$15M as supporting infrastructure will need to be upsized or replaced.

The River Street project may cost something like \$10M.

The city is currently carrying existing debt from the water treatment plant of about \$17M.

Everything costs twice what it costed before the pandemic.

I have given considerable thought to the six decision points connected to the biggest scale projects that confront us. These decisions are:

1. An affirmation that the removal of the communications tower debt early is still desired in light of recent issues impacting the general fund.

The current debt reduction plan was predicated upon the new SRO revenue and that has ceased with an uncertain future. What should we do now on debt reduction?

2. A commitment to raising the property tax rate (as already approved by a vote of the people) if the general fund is otherwise predicted to decline.

The only other alternative is cutting department revenue, and this will fall most heavily in absolute terms on public safety.

Can we agree on a formulae to regularize this decision so we can plan effectively? I have ideas.

3. A decision about paying off the city's DEQ debt early or not.

The pro's for early debt payoff would be a lower burden on rates, the cons will be less liquidity left for large CIP projects that we have no choice but to build.

I have finance staff working on an analysis around this issue right now and will have the options figured out in a granular fashion in the near future.

4. A decision about the advisability of using SDC funds to avoid taking on extra debt for massive CIP projects should it be found to be legal (Miller Nash is scoping this right now). Can the city borrow its own SDC funds to avoid taking on other debt?

Once again, the pros are the avoidance of taking out more debt and therefore taking pressure off rates, the cons are less SDC funds available to power other CIP projects.

5. A decision on the question - does the city support underwriting the NURA River Street project as NURA does not have the funds right now to take out debt funding itself? NURA would also need to agree.

This has no drawback for the city budget as utility fund debt can still be undertaken elsewhere if desired, however, council may decide not to underwrite NURA debt as a matter of principle.

In this case, River Street will not be repaired for many years (perhaps five more years before anything can begin). The debt in question will be likely to be in the \$10M scale.

6. New information will be presented soon about the Oxidation ditch number 3 project; council must decide if it wants to go ahead with this project and the water treatment plant at the same time **OR** focus solely on the water treatment plant.

Pro's this *may* mitigate a risk of DEQ intervention in the city's construction future. I am awaiting information from Public Works at the time of writing this slide (9/30/2024).

The drawback is obvious, less money to power the water treatment plant as we were planning to lend ourselves sanitary money for the potable water project thereby reducing our possible debt burden.

Once the answers to these six questions are known, the city manager will be able to work with the Finance Director to build out a plan based upon the likely resources.

The decision points must be known (strategic decisions) before actions are taken (tactical decisions) especially in light of the issues currently facing the general fund on the revenue side.

Specific tactics to address the plan will be presented once the decisions are known.

One tactic will involve a reexamination of rates as councilor Kilburg requested.

Councilors should be ready to help message the public in explaining why rates need to increase when we need to build this infrastructure and property tax increases are capped by a foolish state law.

Given the future burden of NERPS pensions (set to get worse over time) on the general fund, there is no magic solution that can occur from general fund transfers.

Lastly, it is worth noting that the final likely costs of massive capital projects will never be known until engineering design work has been completed, and that will cost hundreds of thousands of dollars on the front end per project.

Questions and where we go from here?

Perhaps councilors can tell staff what data they need to decide on each of these six questions and discuss the format to this long-range planning.

REQUEST FOR COUNCIL ACTION



Date Action Requested: (October 7, 2024)

Order <input type="checkbox"/>	Ordinance <input type="checkbox"/>	Resolution <input type="checkbox"/>	Motion <input checked="" type="checkbox"/>	Information <input type="checkbox"/>	Proclamation <input type="checkbox"/>
Subject: A Motion to Re-designate Unspent ARPA Funds to Other Worthy Projects				Staff: Will Worthey and others Department: Administration and others	
Business Session				Order On Agenda:	

Is this item state mandated? Yes ☐ No ☒

If yes, please cite the state house bill or order that necessitated this action:

NA

Recommendation:

Given the short span of time that now remains for ARPA projects to complete and given the risk of funds needing to be returned to the federal government staff recommends the following two (2) steps henceforth called the ***ARPA Close Out Actions***.

Step one to inform the two remaining projects that the funds will be re-directed as their projects are incomplete (and at this stage not capable of completion). These funds will be rededicated to other projects listed in this motion.

Step two to give spending authority to dedicate the remaining ARPA funds to a list of small capital projects for the good of the city and its residents listed in this motion.

Staff suggests this motion:

“I move that city staff carry out the two listed ARPA Close Out Actions authorizing the listed expenditures”

Executive Summary:

Several ARPA projects came in under budget while a small number of others failed or ended early or incomplete. This has left the city with a reserve of approximately \$450,000 that it needs to incur or return to the federal government. See Attachment #1 for the main sources of this revenue.

Having polled department heads there are a number of very useful capital projects related to different building or programs that funds could be dedicated to so as to use our allocation wisely.

Some of these projects like the E-ticketing system were pursued earlier via failed grant applications and other such as the library repairs have been on the facility list for some time.

The Geotech exploration listed below will settle the question once and for all what site is better for building the water plant the one originally planned or the one NE of the current oxidation ditches.

Fiscal Impact:

These actions will allow a series of excellent enhancements to occur to our services and buildings without any impact on the city's budget.

Two projects have failed to complete. Some other projects came in under budget and some interest accrued during the last few years. For the projects that failed to complete the relevant entities management has been notified by email on 9/13/2024 of the necessity for the city to take further steps:

- Social Goods street seats has an undistributed amount of \$20,831. They failed to complete the project despite dozens of contacts and requests from planning and the CM, so this amount is available to be reallocated.
- North Valley Friends/Providence MOU #2 a sum of \$150,000. No cottage cluster has ever been built so this amount is available to be reallocated.

Here is the list of proposed projects all of which must occur very rapidly to meet the December 30 deadline (note these are mostly estimates not firm bids as yet):

- Repairing the crumbling stairs at the library and add a ramp on the north side to make the building more ADA and fire safety complaint. \$50,000.
- Two to three new HVAC units at the Public Safety Building possible cost \$50,000.
- One large scale HVAC unit at the Waste Water Treatment plant possible cost \$80,000.
- IT server and / or mail appliance upgrades (depending on what we can do first) \$80,000.
- Carpentry to add a door and modify some doors at the PSB estimate \$10,000.
- NDPD E-Ticketing upgrade \$109,000.
- Keller Geotech exploration of alternative water plant sites \$65,000 (an additional \$38,000 will come from already budgeted CIP funds).

Any remainder from these projects will be spent on small scale general fund items to get as close to the penny as possible before we run out of time.

Council Goals:

Goal 3 Ensure Newberg infrastructure (roads, water, city employees) is in good repair and supply. This is generally related to the suggested expenditures.

Goal 4 Enhance community safety, is a direct beneficiary of the E-ticketing system.

Primary Sources of Remaining ARPA Funding

Project Title	Project Award	Incode [*]
Social Goods	34,500.00	13,669.00
Harvest House	350,000.00	274,995.00
Good Life (WATER PLANT)	220,000.00	20,417.50
NVFC	400,000.00	250,000.00
TOTAL		

In addition a few other project came under budget by small amounts and the interest accrual.

^{*} This is the amount that has been spent the difference needs to be reallocated.

Difference
20,831.00
75,005.00
199,582.50
150,000.00
445,418.50

here has been some