

NEWBERG BUDGET COMMITTEE MINUTES
APRIL 16, 2016, 6:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

WELCOME

Chair Lon Wall called the meeting to order at 9:10 a.m.

Budget Committee members introduced themselves. Finance Director Matt Zook gave a presentation on the Budget process and the committee's role.

ATTENDANCE

Members Present:	Lon Wall	Miles Baker	Beth Koschmann
	Lesley Woodruff	Bob Andrews	Stephen McKinney
	Jack Reardon	Helen Brown	

Staff Present:	Steve Rhodes, City Manager Pro Tem	Matt Zook, Finance Director
	Sue Ryan, City Recorder	Nancy McDonald, Interim Human Resources Director
	Jay Harris, Public Works Director	Caleb Lippard, Assistant Finance Director
	Dave Brooks, Information Technology Director	
	Doug Rux, Community Development Director	
	Brian Casey, Police Chief	

CITY FACILITY TOUR

Staff and the Committee toured city facilities, which included the Public Safety Building, Information Technology services, the Public Works Maintenance Yard, Dayton Avenue Pump Station, the Newberg Dundee Bypass, Rogers Landing, Water Treatment Plant, Otis Springs Reservoir, areas of Newberg slated for future development, and the Newberg Public Library.

The committee had lunch from 12:30 p.m. to 12:50 p.m.

ELECTION OF CHAIR AND VICE-CHAIR

MOTION: McKinney nominated Lon Wall as Chair Budget Committee for 2016. Motion carried (8 Yes/ 0 No).

MOTION: Andrews nominated as Vice-Chair Budget Committee for 2016. Motion carried (8 Yes/ 0 No).

Election was unanimous by consensus.

STAFF PRESENTATION

FD Zook gave a presentation on the role of the committee and a review of the budget process.

He said the Budget Committee is an elected governing body and an equal number of qualified City voters appointed by the governing body. A quorum is a majority fo the total membership of the Committee, I.e. 8 members. Any budget committee action requires an affirmative vote of a majority of the total budet committee, not merely the majority of members present (i.e. Newberg requires 8 affirmative votes).

He said we are talking about the financial plan for a fiscal year that is from July to June. This is the one year plan for the upcoming 2016-17 Budget Year. He explained what that included. April 26 will be the first committee meeting, May 3 the second meeting, May 10 the third meeting if needed and June 6 would be the public hearing and budget adoption.

He said at the first meeting the Budget Officer will deliver the budget message and begin review of the proposed budget.

The budget message will be a high level overview then the detailed review of the budget and programs will begin including estimated revenues and expenditures for the next year. He talked about state shared revenue and the committees recommendation on use of those taxes distributed by the state.

He explained how the budget is proposed and how the budget could be changed during the process to eventually become an adopted budget.

Budgets are required by Oregon State law, which requires a public process to receive comments and questions. FD Zook explained that discussions need to take place in a public meeting. While BCM members are encouraged to discuss the budget with others but to avoid committee deliberation among committee members. Questions for information should be directed to the Budget Committee Chair, who will coordinate with City staff to provide at the next meeting for the benefit of the full committee.

BCM Wall explained how members need to avoid discussion among committee members in a social setting but talking to neighbors or other citizens about the budget is okay. He explained how they need to use their city emails and avoid meetings by email as well.

FD Zook talked about the budget resources and requirements and the various categories. He explained how interfund transfers work and the purpose and function of the fund accounts.

There was discussion on the compensation and classification study and adjustment of salaries for employees.

FD Zook shared resources that the committee members can find more information online.

MOTION: Andrews/Reardon moved to adjourn . Motion carried (8 Yes/ 0 No).

BUDGET MATERIALS AND NEXT STEPS

FD Zook distributed the 2016-17 Budget to committee members and the next meeting would be on April 26 at 6:00 p.m. in the PSB Training Room.

ADJOURNMENT: The meeting was adjourned at 1:20 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

and with a grant she was able to work there full time. The School District did not give funding to the organization, but she had worked with the School District to get collaborative grants. She explained the fees they charged for their services.

BCM Koschmann asked about donations from the other cities in Yamhill County. Ms. Bertram said they received funding from all of them last year except Newberg and Willamina. BCM Baker asked about alternative mediation. Ms. Bertram explained there were private mediators that were a lot more expensive.

PUBLIC COMMENTS

Cynthia Thompson, Manager of Yamhill County Transit Authority, thanked them for adding the transit service line item in the budget. She explained about their services in Newberg. There were two local fixed routes, para-transit service, and a commuter route. Ridership was growing and the system had been around since 2012. She was working on getting bus stop signs installed and creating a Transit Development Plan.

BCM Reardon asked why the bus went to Tigard instead of stopping in Sherwood. Ms. Thompson said they were looking at the possibility of stopping in Sherwood. She explained the number of riders per route.

BCM Koschmann asked about how they arrived at the \$18,000 for this service. Ms. Thompson did not know; it was negotiated when the district was formed.

NEXT STEPS: The next meeting would be held on May 3, 2016.

ADJOURNMENT: The meeting was adjourned at 8:26 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

BCM Johnson asked since the Fire Equipment Fee was being suspended due to the contract with TVF&R, would there be a deficit. CMPT Rhodes said the City did not need the fee because TVF&R was covering the equipment costs.

FD Zook then discussed the Police Communications Division. He said there was a reduction in the maintenance agreement because costs associated with the Fire Department would not be needed. Contractual services went up due to a Code Red system. There was a shift from the 9-1-1 Fund to the General Fund for a .4 FTE.

FD Zook discussed the Library Fund. He said there were some grant funds for facilities changes, such as security gates and a different check out desk. The library increased its hours by five more hours. Regarding the Planning Department, an additional FTE would be hired, and equipment and training would go up. Professional services would go down. There was a grant for historical preservation. There was a transfer from the General Fund to the PERS Reserve Fund and the revenue received for marijuana tax was going into reserves.

FD Zook then moved on to the Street Fund which was funded by the gas tax primarily. There was a federal exchange grant for projects. The last time the City drew down on those funds was in 2013/14. These funds were used for maintenance of the City's streets.

Public Works Director Jay Harris said the federal exchange dollars could be used for road improvement projects and the current allocation was proposed to go to the Villa Road improvements.

FD Zook said there was a division in the Street Fund for engineering services, which was an in-house service. He recommended an increase in the contractual services line item for lobbyist expenses for the bypass project and a transportation consultant for the Transportation System Plan project that had already been awarded at the Council level. The increase would be \$39,500. Regarding Public Works Maintenance, the small tools line item had been separated from the supplies line item for better transparency. He said beeper pay was the old term that had not been changed, but it meant on call pay. Every week Public Works had a different person on call. Summer help would increase by .24 FTE. The internal charge for computers was a way to save for future equipment purchases. There was a transfer out to the Water Fund for a software purchase and there was a transfer out for street capital projects.

BCM Johnson asked how much it would cost to get the City's streets to a good level. PWSD Harris said it would be about \$15 million to maintain the current pavement condition index throughout the City.

BCM Johnson asked if that amount grew exponentially every year. PWSD Harris said yes.

BCM Reardon thought contingency money should be used for the roads. PWSD Harris said with the state of the streets, he thought the money should stay in reserves.

The Committee stopped review of the budget on Page 56 and would resume at the next meeting on May 3, 2016.

Outside Agency Requests not included in the Budget:

FD Zook said there were outside agency representatives there to speak before the Budget Committee.

Dawn Witt, Executive Director for Homeward Bound Pets, said many Newberg cats had been spayed or neutered through their volunteers at the clinic. Homeward Bound was requesting \$2,000 to help with fixing the cats in Newberg. This was a non-profit no kill shelter. Homeward Bound Pets was trying to get a clinic in McMinnville which would allow them to keep the money in Yamhill County and would be open once a week.

Marlena Bertram, Yamhill County Mediators, said the City had a history of supporting Yamhill County Mediators and bringing community mediation to Newberg. Mediation training was given bi-annually at George Fox University. They had one employee and 20-30 volunteers. She discussed the cases in Newberg that they had performed in the last fiscal year and how they helped kids, families, and neighbors in the community. She asked for City support of their program. They were also open to contracting their services with the City.

BCM Andrews asked about the Mediators' history and if the School District gave any funding. YCM Bertram said it began with several people in neighborhoods who wanted a better way to solve problems rather than legally. They became involved with the Friends Church and it became a non-profit. They were involved in the Peace Institute with George Fox

not been counted in the tally sheet before. Each fund started with a summary page and the font was changed to make the numbers larger.

FD Zook discussed the fund summary of the General Fund. The beginning fund balance was \$3 million due to not spending as much as was budgeted in the current fiscal year. He explained the General Fund revenues, reserves, and expenditures. He said in the Other category, one of the largest amounts was the City of Dundee contract with Newberg to administer its Police Services. The planning and subdivision fees were up and the Technology Fee was new and would fund software purchases. More items in the Other category were CCRLS reimbursement, traffic fines, transfers in the EMS fund for the TVF&R contract, and transfer from the Transient Lodging Tax Fund for administration of the tax. The Photo Redlight Fund was down because the light on Springbrook Road and 99W had been removed.

BCM Koschmann asked if we are taking anything out of reserves for the budget.

FD Zook explained the City would be spending down the beginning fund balance and the reserves would end with \$2 million. The City's reserves were healthy. A Compensation and Classification Study was done last year and a supplemental budget was approved and some reserves were used. The City should have 8-12% in reserves and Newberg was in that range.

There was discussion on a new redlight location which would have to be approved by ODOT and the amount in reserves.

FD Zook then went through the budgets by department. The Municipal Court budget would remain the same with no additional funding.

BCM Essin asked about purchasing I-Pads for the Council. CMPT Rhodes said the I-Pads were part of the agenda management system. BCM Essin was questioning costs, such as phone, mileage, etc., to be a Councilor and he thought reimbursement should be included in the budget. CMPT Rhodes thought it could be discussed at a Council Work Session.

BCM Reardon asked about the \$18,000 for Transit services. CMPT Rhodes explained based on the request from the agency, this amount was paying for the services provided for residents of Newberg. This request was being treated as an expense of our operation rather than a grant process.

FD Zook then discussed Police Services. No significant changes were being proposed. Because the Fire Department was going away, the overhead costs for the other departments were increasing because overhead costs did not change. Salaries and operating costs had also increased. The network upgrade was also being allocated throughout the departments. Yamhill County would be passing along medical costs for prisoners to the City and that was an unanticipated variable cost.

Police Chief Brian Casey explained when prisoners were taken to jail from Newberg, the City was responsible for the medical costs of the prisoner. The City could not hold anyone longer than four hours. If the prisoner needed medical care, often they were taken directly to the hospital. He thought the number of current patrol staff was adequate.

BCM Koschmann asked what confidential funds were. PC Casey explained these funds were used for drug operations or for information.

BCM Morris asked about the overhead in administrative salaries and FICA taxes. Why was FICA going up if wages were down? FD Zook said FICA was based on holiday pay, beeper pay, uniform allowance, etc.

FD Zook said Police Support Services was maintaining status quo and increasing very little. Animal Control was a historical cost, but now the City contributed to the cost of the utilities for the animal shelter. Regarding the Fire Department, since it was being transferred to TVF&R, there was 1 FTE in the budget as an employee, and the rest of the budget was one payment for the contractual services.

BCM Johnson asked how the contract would be managed. CMPT Rhodes explained the IGA set up a group that oversaw the contract. The \$3.6 million spent in the General Fund for the Fire Department and the money in the EMS fund, Fire Equipment Fund, and Fire Technology Fund all rolled into the \$4.25 million per year contract with TVF&R.

NEWBERG BUDGET COMMITTEE MINUTES
APRIL 26, 2016, 6:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)

WELCOME

Chair Lon Wall called the meeting to order at 6:05 p.m.

ROLL CALL

Members Present:	Mike Corey	Miles Baker	Beth Koschmann
	Megan Morris	Stephen McKinney	Patrick Johnson
	Lon Wall	Bob Andrews	Lesley Woodruff
	Scott Essin	Denise Bacon	

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

CONSENT CALENDAR

MOTION: Andrews/Corey moved to approve minutes from the April 7, 14, and 21, 2015 Budget Committee meetings.
Motion carried (13 Yes/ 0 No).

NEW BUSINESS

Budget Message: City Manager Pro Tem Stephen Rhodes delivered the budget message (Exhibit A). The total city budget was \$86,796,656, a 5.6% decrease from the current budget. The total appropriations were \$72,358,180. This was a balanced budget. The permanent tax rate was \$4.3827 per \$1,000 of assessed value. The assessed valuation for the City would increase \$1.77 billion or 4.3% from the 15/16 assessed value. The City expected to collect 93% of the total levy in the year it was levied in 16/17, just over \$7.2 million in tax revenue. In addition to the permanent tax rate levy, the City had been levying taxes to pay the 1997 and 1998 bonds for the public safety building and fire facility. The final payments for these bonds would be paid in 2016/17. No levy would be necessary for the final pay off and the tax rate would decrease in 2016/17. The 2016/17 was built to address maintaining quality services and implementing Council's priorities. Some of these activities included visioning, technology, and additional staff including a Systems Administrator, moving from a part time to full time Information Technician, a half time position in the Finance department, full time Information Officer, full time Human Resources Director, part time HR Assistant, full time Assistant Planner, and full time Facilities and Ground Maintenance Worker. Revenue was projected to see a modest increase from the current fiscal year. One notable change in the revenue was that the Fire Equipment Fee would be suspended as part of the switch to TVF&R. A new fund called PERS Stabilization Reserve was in the proposed budget. This would help off-set the anticipated PERS employer contribution rate increase effective July 1, 2017. Additional changes in the proposed budget were the contractual transition of the City's Fire Department to TVF&R for the next two years, a tourism strategy was being created for the Transient Lodging Tax fund, and completion of a five year financial plan.

Chair Lon Wall asked if there were any questions. There were none.

Review of Budget: Finance Director Matt Zook said the budget was laid out by fund and there was a summary with an explanation of key changes. He was intending to hit the highlights of the budget. The City had a number of funds, and the report must include all active and inactive funds with history going back for two years. He explained the beginning fund balance, expenditures, transfers out, ending fund balance, and reserves.

CMPT Rhodes explained the layout of the budget and the summary of funds that had pieces throughout the budget, such as the police department, community development, and public works. The full time employees were broken out historically and year to year. Five more FTEs were being proposed and there were some current positions added that had