

BUDGET COMMITTEE MINUTES

PUBLIC SAFETY BUILDING

NEWBERG, OREGON

Members Present:

Darlyn Adams
Donna McCain
Bob Andrews
Douglas Pugsley

Sally Dallas
Bart Rierson
Bob Larson
Robert Soppe

Louis Larson
Lon Wall
Mike McBride

Members Absent:

Roger Currier

Others Present:

Bob Stewart, Mayor
Terry Mahr, City Attorney
Kathy Tri, Finance Director

James Bennett, City Manager
Robert Tardiff, Police Chief

1. Call to Order

The meeting was called to order by Chair Robert Soppe at 7:05 p.m.

2. Roll Call

Roll call was noted by Kathy Tri.

3. Election of Officers

Moved by Mike McBride, seconded by Sally Dallas to elect Lou Larson as chair. Passed unanimously.

Moved by Bob Larson, seconded by Mike McBride, to elect Sally Dallas as vice chair. Passed unanimously.

Moved by Sally Dallas, seconded by Robert Soppe, to elect Bob Andrews as secretary. Passed unanimously.

4. Minutes

Moved by Robert Soppe, seconded by Mike McBride to approve the minutes of the April 25 and April 30, 2002 meetings with corrections as noted. Passed by those present.

5. New Business: Long Range Financial Projections

Finance Director Kathy Tri presented the long range financial projections for the General Fund. She noted that the projected budget deficit for 2003-04 was approximately \$185,000. She pointed out that the Legislature has just decided to hold back cigarette taxes until the next forecast. This will increase the deficit. She also reviewed some of the major assumptions behind the projections. She noted that these projections were done before the departments estimated their 2002-03 and 2003-04 expenditures. She reviewed the property tax system and noted that the loss of property taxes due to Ballot Measures 5 and 50 is about equal to the projected deficit. She also highlighted significant increases in the City's retirement plan costs and health costs. She discussed capital expenses, noting that the fire truck fee ends at the end of 2003-04 and that the Budget Committee and City Council should consider continuing the fee. She reviewed a list of items not included in the budget but which are needed, potential reductions and potential revenue sources.

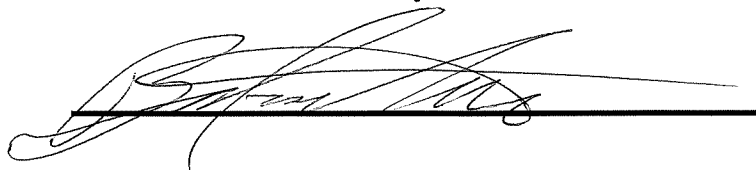
Kathy Tri also pointed out several strategic issues: the formation of a library district and county-wide dispatch center. She noted that the district idea may be put before the voters in May 2004. There was a discussion about the tax rate limit and the fact that at this point, the County will not put the measure on the ballot and therefore it will have to be put on the ballot by initiative. City Manager Bennett told the committee that the Library Board is forming a planning committee for formation of a district. Police Chief Bob Tardiff updated the committee on the status of the 9-1-1 consolidation. He stated that consolidation probably will not happen until the 2004-05 fiscal year.

The committee members then discussed potential solutions. Suggestions included reviewing the bail schedule, a fee for police services, and privilege tax. Reduction strategies included a wage freeze, furloughs, a reduction in service hours and outsourcing. Strategies included charging a fee for police and fire services, faster implementation of the riverfront plan, economic development efforts, a business license, a review of fees for services, changing the bail schedule, ads on police cars, sale of surplus property or lease surplus property. Members suggested soliciting suggestions from employees. Robert Soppe noted that the City still needs revenue since it is spending more than it is receiving. Jim Bennett spoke for continuing the privilege tax which is currently being used to retire City Hall debt. He noted that any new or continued revenue will not have full public support. He pledged that he will take the discussions into account and will present a balanced budget to the Committee in late April.

Adjournment

Kathy Tri announced the next Budget Committee meeting will be Tuesday, April 29th at the Public Safety Building. The committee adjourned at 9:13 p.m.

Secretary

A handwritten signature in black ink, appearing to be "Robert Soppe", is written over a solid horizontal line.