

TUESDAY, 7:00 P.M.

May 18, 2004

BUDGET COMMITTEE MINUTES

CITY HALL

NEWBERG, OREGON

Members Present:

Darlyn Adams
Roger Currier
Donna McCain
Bart Rierson

Mike Boyes
Sally Dallas
Louis Larson
Robert Soppe

Lon Wall
Mike McBride
Robert Larson

Absent: Bob Andrews, Doug Pugsley and Bob Stewart

Others Present:

James Bennett, City Manager
Kathy Tri, Finance Director
Janelle Nordyke, Ass't Finance Director
John Lindstom, Building Div. Head
Howard Hamilton, Operations Div. Head

Terry Mahr, City Attorney
Leah Griffith, Library Director
Dave Brooks, IT Manager
Russ Thomas, Public Works Div. Head
Barton Brierly, Planning Division Head

1. Call to Order

Chair Sally Dallas called the meeting to order at 7:05 p.m.

2. Roll Call

Roll call was noted by Kathy Tri.

3. Continued Business

CDD

Mike Soderquist provided a diagram of the Main Street LID showing the properties that will be affected. He said that the budget had some changes with-in the departments for Street, Sewer and Water Funds. The different divisions commented on their budget changes as follows:

- ***Planning Division:***

Future Land Use Operations Study (\$34,000)

- ***Building Division:***

Building has increased significantly in the past year due to the commercial and residential buildings within the City's limits. The budget has increased to meet the demand new construction has put on the division.

- ***Engineering Division:***

Street Fund: There is a reduction of Professional Services and only covers the bypass lobbying.

Sewer Fund: Professional Services has been increased by \$25,000.

Water Fund: Professional Services has been increased by \$42,000.

Capital Outlay GIS software (\$2,500) and for new aerial photos (\$3,500) has been budgeted.

- ***Public Works Division:***

Street, Sewer and Water departments have increases due to fuel and the Storm and Fleet departments are status quo. Facilities increases are due to increased fuel costs, restoring cuts for ground maintenance and prior year's under-funded programs. It was verified that inmates were used when feasible.

Bart Rierson asked what the cost was to fly the big flag year-round. It was noted that the flag costs \$1,000 and is replace twice a year. However, the flagpole was not designed for the large flag, therefore a large flag cannot be flown continually. To replace the flagpole would be \$50,000. It was verified that there was not a banner fund.

Mike Soderquist stated to help with the budget, Public Works buys used vehicles and they are currently looking for a flat bed truck. The ground maintenance was cut last year, so there were no hanging flowers in town.

It was asked and verified who maintained the following:

North side of fill: George Fox University maintains

South side: Chehalem Park Recreation District maintains.

- ***Operations Division:***

Sewer Department had no major changes and the budget decreased. There is a direct correlation between lower rainfall and lower expenses, higher rainfall and higher expenses.

Water Department had an increase of \$59,631 for the Emergency Operations Plan (mandatory) and to increase the replacement contingency fund by \$25,000.

It was asked if the touch read system had been completed and if new construction were required to put in the radio readings meters? Mike Soderquist stated yes and that the cost was paid by new construction, however there is additional cost for the city to implement. He stated that there was a significant long-term cost savings for it requires less time to read meters, which allows us to spend more time on service calls. We will be gradually replacing existing meters with radio reads.

Administration:

It was noted that the overall increase is 2%. (Refer to page 87-91) due to the following:

- The Secretary's salary will be split 50/50 between Administration and Legal.
- Printing and advertising for notices increased 2000%.
- Professional Services dropped 28%. The drop is that the City is paying for actuarial services through the Central Services budget, as it is tied directly to the retirement plan.
- Capital Outlay reduced by 87% due to less computers to be replaced this year.

Finance Department:

It was noted that there was a major increase (re-structuring) in the computer maintenance line item, a decrease in Contractual Services and increasing the number of licenses for the accounting software. It was verified that the phone system was 2 ½ years old and that the equipment rentals included the fax machines, copiers, printers, etc. The switching from radios to Nextel phones has significantly increased the phone service costs. Personnel (refer to pg 97) increased .5FTE.

Legal Dept:

It was noted that the main increase was due to the Secretary's 50% portion of her salary. Terry Mahr will continue as the prosecutor and it is being proposed to increase the paralegal position to help Terry Mahr without hiring another attorney. Municipal Court is going to transfer DUII's to Yamhill County, which would eliminate the need to add a prosecutor in the future.

Discussion was held to increase the Travel & Training for additional training for a paralegal. It was verified that an average attorney fee was \$200 per hour. It was asked if the city should hire one on an hourly basis. Lon Wall stated that he had confidence with Mr. Mahr and believed \$4,000 was less compared to an attorney fee and believed the best way to conserve money would be using paralegals.

4. Recap:

It was agreed at the next Thursday meeting that the departmental funds would be discussed and then the committee would work through the other departments.

It was asked if the budget reflected the sewer rate increase and it was verified that it was based on the higher amount. City Council approved the Category Rate Review Committee recommendation.

It was asked if Kathy Tri could figure into the budget a \$1 increase to water/sewer to take care of the Police Vehicle Fund. Some members expressed concerns of the increases and how it could affect fixed income residences.

Other suggestions: Take all non-profits together and have them contribute \$2,000 to fund those services that they don't pay. Problem is trying to find a measurement that will work and that it may not be allowed because it falls under the taxes.

Motion: It was moved and seconded to adjourn at 9:00 p.m. Approved unanimous.
Motion carried.

ADOPTED BY THE Budget Committee this 3 day of May 2005.


Secretary

Next Meeting: Thursday, May 20, 2004
7:00 PM
Public Safety Building

Agenda Items: Continued Business
Final Deliberations