

CITY OF NEWBERG BUDGET COMMITTEE MINUTES

May 24, 2007

7:00 P.M.

PUBLIC SAFETY BUILDING - TRAINING ROOM

1. CALL MEETING TO ORDER/ ROLL CALL

Members

Present:	Mayor Bob Andrews	Jack Reardon (Chair)
	Mike Boyes	Darlyn Adams
	Roger Currier	Thomas Barnes
	Bob Larson	Andrew Smith
	Bart Rierson	
	Robert Soppe	Joel Perez
	Jeff Palmer	Lon Wall

Members

Absent: Ernie Amundson

Staff

Present: Jim Bennett, City Manager
Terrence Mahr, City Attorney
Elizabeth Comfort, Finance Director
Janelle Nordyke, Assistant Finance Director
Libby McCann, Accounting Clerk 1
Leah Griffith, Library Director
Robin Ashford, Assistant Library Director
Dave Brooks, Information Technology Director
Jennifer Nelson, Recording Secretary

Others

Present: Leslie Lewis, Yamhill County Commissioner
Tonya Saunders, Transit Manager, YCTA

Jack Reardon, Chairperson and Public Member, called the meeting to order.

2. APPROVAL OF MAY 17, 2007 MINUTES

MOTION: Andrews/Larson to approve the Budget Committee Minutes from May 17, 2007 as amended. (13 Yes/1 Absent [Amundson]) Motion carried.

James Bennett, City Manager, invited two county representatives to present information on expansion of public transit opportunities.

Leslie Lewis, Yamhill County Commissioner, discussed the current public transit options such as Dial-A-Ride and the 99W Link, the Town Flyer. She noted in the last year there have been an increase all services. She reviewed riding times, number of runs, and location of stops. She

mentioned the current \$12,000 contribution from the City of Newberg from the general fund for the Chehalem Valley Transit system and the fact they were able to match the contribution from a number of federal and state programs for a total of about \$27,000. She urged the committee to consider keeping the funding within the budget.

Councilor Bob Larson asked what the cost was to ride.

Commissioner Lewis replied that as of June 15th the rate will change. They are working with both providers to standardize fares which would make it less confusing for riders and good incentive to ride. She noted the advisory committee took a ride this morning on the Link. She discussed current rates varying between \$1.00 and \$1.50 depending on provider, route, and whether receiving discount for senior or disabled fares. They researched what other cities are doing and determined to change the rate to \$1.00 for a one way ride no matter if they are riding as a general public, senior, or disabled citizen. They will also offer a day pass for \$2.00 no matter how many transfers are made. There will be monthly passes for \$30.00, 10 passes for \$15.00 will be offered as well.

Councilor Larson asked about the presence of bus stops.

Commissioner Lewis replied there were a number of bus stops in each community and discussed a new project to build bus shelters here in Newberg and other communities which will start within next few months.

Councilor Robert Soppe noted they were making a dramatic drop in fares, going from \$3.00 to \$1.00 and wondered if there are that many people not taking the bus because of the fares.

Commissioner Lewis replied that routes provided by the Yamhill Community Action Partnership (YCAP) are free. The Commissioners thought they should charge and federal law states they can only charge twice as much as fixed routes, which created a problem. The idea is to get YCAP up at a dollar and then get Chehalem Valley up. She admits it is all experimental.

Councilor Soppe also mentioned the buses are hard to identify and asked if they are going to be putting anything on the buses to make it obvious what they are.

Commissioner Lewis stated they were working on new logos and will be making a marketing push to make people aware of the changes.

Brief discussion on business advertisements on the buses began and it was concluded that attempts had been made and other than Les Schwab there was not a lot of interest.

Councilor Bart Rierson noted there were 28,000 individual rides made last year and only 12% of revenue comes from fares, the rest comes subsidized from the federal government. The goal is to provide service for lower income citizens, trying to make it easier; the lower fares will help encourage use. It will encourage connectivity and hooking up to the Max. He stated everyone will start seeing bus stops and the benches will have advertisements. There are a lot of businesses that cater to seniors and they can buy covers on the ticket books. He believes there will be a lot more recognition among public and it will be good thing for Yamhill County.

Commissioner Lewis said they have been working hard and reminded the committee they had only just finished the formation of the district in March. They have gone from two bus service

providers doing own thing to trying to coordinate everyone. The rider-ship is up 27% this year and she anticipates it will continue to grow.

Councilor Roger Currier mentioned it was difficult to get a phone number to call for a bus schedule and suggested they put a number on the back of the bus so people can contact them.

Lon Wall, Public Member, asked for a re-explanation of the reason for reducing fares and the legal requirements behind the change.

Commissioner Lewis again explained that YCAP was not charging fares to riders. The federal requirement says senior and disabled riders can only charged twice the amount of what is charged for a fixed route. They had to start charging fares and wanted them to be the same for YCAP as the others so it looks like a cooperative system. Since YCAP would be going from zero fare to having a fare, they did not want to leap to up to a \$1.50 right away.

Councilor Rierson added our fares are much higher than others.

Tonya Saunders, Transit Manager/YCTA, stated the fare was based on a formula and as rider-ship goes up the fare revenue will also increase.

Discussion followed concerning where this was in the budget and what the reason was for removal. It was reasoned that there were several cuts made due to the impact on the general fund and conversation moved back to the \$90,000 hit on the general fund. Also discussed were the revision of the numbers showing a \$250,000 impact on the general fund versus what the corrected amount will be depending on the decisions of the Budget Committee.

3. DEPARTMENT PRESENTATION: LIBRARY, LEAH GRIFFITH

Leah Griffith, Library Director, presented the department budget plan and the following topics were highlighted:

- Training for staff to train and supervise volunteers with technology for customer service
- Supplying funds for book jackets and containers for protection from heavy use
- Buying books to meet needs
- Sending overdue notices, trying more by email
- Bank fees, fines, and nonresident fees being paid with visa, 17% ahead this year
- Reference staff to work desk and training for them
- Book purchases
- Programs, training for workshops , Friends give \$10-15,000 in donations for expenses
- Staff training in brain development for children and babies, story time is for brain development
- T3 for teens training in tutoring adults on the Internet, IT team 12 computers, maintained for internet access (job search, food handlers test, airline tickets, insurance, are many services moving to internet only)
- Homebound service for adults and childcare programs centers
- Virtual library, electronic resources, consumer reports, catalog
- EBSCO databases
- Library gift and grant fund, one page was left out, memorials made to library, no general fund money was included, need placeholders to put that grant in

- Making room to read project to expand the children's room, plan to start construction in May 2009, and need to raise \$700,000.
- Library Centennial is November 10th and events planned

Councilor Bob Larson asked if the library blocks pornographic sites or just polices them.

Ms. Griffith stated they do not formally filter them except for the children's computers, but we keep eye on it and are still looking for filters that still provide access. They do not have a problem with it; usually just telling the individual that it is inappropriate viewing material embarrasses them enough to get off the sites.

Councilor Soppe referred to page 93 goals and expressed concern with the increase in number of items checked out and purchased where \$600 less is being spent on books.

Discussion followed about contributions of a gift fund and the general fund having a placeholder.

Councilor Soppe noted on page 96 there was a significant increase in travel and training and questioned why.

Ms. Griffith replied they added another professional staff member, there were conferences that needed to be attended and the number of people that regularly go to the statewide conference has increased. There is also more library visits occurring to gather ideas on efficiency. Gas prices for travel, contributions to tuition reimbursement for a masters in library science degree also factors in since the library needs three professional library staff members to meet standards and they only had two. The requirement to remain between the threshold and adequate standards is to have 1% of the personnel budget.

Further discussion continued concerning the fee for the Chemeketa Cooperative Regional Library Service (CCRLS) being eight cents per 1,000 based on the assessed evaluation, the costs of items checked out to other libraries. There were also some moves in FTEs which accounts for a salary increase.

Andrews Smith, Public Member, asked about the expansion of internet and wanted a description of the use of library materials.

Ms. Griffith replied there was actually a 10% increase of check out of materials. Although most thought the Internet would be the demise of library, but we are busier than ever. She said they also added wireless internet this year, the children's' programs are a huge part of what they do, and people want more personal contacts with people as well as online resources.

Councilor Currier asked again about the total assessed value of the community or taxable assessed and asked if the college was included.

Ms. Griffith stated it is the same assessed value the city uses.

Councilor Jeff Palmer asked about circulation materials and why she wanted 10% increase.

Ms. Griffith replied they were on track in this current year for that 10%. She accounted it was just a drop from what was originally projected and that the circulation has continued to increase only in years when they were down in the book budget did it go down.

Councilor Palmer also asked about periodicals.

Ms. Griffith stated they were only keeping one year back to free up space.

Discussion followed about other libraries use of online databases and how Newberg was at the lowest, fines and fees, and scholarships for teens outside of area to receive library cards.

4. DEPARTMENT PRESENTATION: INFORMATION TECHNOLOGY, DAVE BROOKS

Dave Brooks, IT Director, presented the budget for the Information Technology department highlighting the new telephone system. Since the parts not available for the current system, he is proposing a Voiceover Internet Protocol (IP) System at \$337,000.

Discussion followed about the details of how the new system works and what could be done if the system fails. Also discussed was the significance of cell phones on the \$195,000 in the budget. It was mentioned there were shared plans to save money and that administrative positions did not have them. There was discussion on whether the phone system would belong to the city after the five year lease period. The cost is 76,000 a year for total of \$337,000.

Mr. Bennett clarified that cost is not the only thing that makes up the telephone budget for this system; long distance equipment is also leased from Verizon.

Councilor Rierson asked about the life expectancy of the technology.

Mr. Brooks stated parts would be needed as time goes on.

Councilor Currier suggested doing the same for long distance.

Mr. Brooks replied it was not rated for business class use since the internet router is unpredictable it can not guarantee clear voice calls; but as it becomes a viable option he will look into it.

Councilor Currier also questioned whether the city performed spot audits on cell phone usage and if there is a policy for usage and abuse.

Staff responded it was performed on a department basis, not city wide and that disciplinary issues have surfaced before. There is not a policy for auditing but there is a policy in place addressing proper use.

Councilor Soppe asked what the city is paying for long distance and asked for a number of what we expect to pay for long distance later.

Staff discussed there were several different carriers but Verizon is the carrier for the city. There have been attempts to move from Verizon but the city is pretty tied to them and it would be more costly to change carriers.

Councilor Larson referred to page 148 under salaries for FTE for and asked how many accounted for the \$329,000.

Mr. Brooks replied it was for 4 FTE. He moved on to the IT budget from the telephones and noted \$500 needed for printing and advertising because there was nothing before. He also spoke about training for the additional technician and a decrease in capital outlay requesting \$9,000 to increase back up to capacity.

Councilor Palmer brought up the capital outlay for computers on pages 231-2 which looks like proposing for \$234,000.

Discussion commenced concerning the total city reserves and that it was not intended to be spent but they were following the replacement schedule. Calculations of how much being spent per employee on computers were also discussed and thoughts were that we estimated a little high. Staff emphasized this fund does not act like any others being it is a reserve fund and although it is confusing it must be accounted for in the budget. Staff was also aware there was a need requested to represent the reserve in some other way for the next year's budget so the difference between what is expected to spend and what is in the reserve is clearer.

Councilor Palmer still had some concerns about the calculations of the actual amounts spent on computers from 2004 to 2007 average five to six times more than needed.

Mr. Brooks did explain they were building the reserve up for some significant expenditures coming up, the fire department will come at \$6,000 a piece all in one year for mobiles and the police have 10 units as well; he wants to see a budget for that available when the time comes. He is looking beyond this fiscal year with those recommendations.

Thomas Barnes, Public Member, noted there was 152 FTE in the city and 253 computers which is over one computer per person.

Mr. Brooks replied there are not just desktops, but also mobile computers and field laptops used for public works tools, as well as several test computers.

Joel Perez, Public Member, suggested having an annual ask for need replacement money rather than being five years ahead.

Ms. Comfort responded that is too difficult to do with the way revenue comes in to the city. Instead we need to save and build a reserve in case a server goes down; we would not be able to come up with the large amounts of money within one year to replace what needed. Also if the reserve was kept in each department the money could get lost, it is easier to track it in one pile.

Mr. Brooks noted the number of servers has grown by from 17 to 34 and this is a big contributor for the need to have a reserve budget in place.

Mayor Andrews asked if the IT budget includes the webmaster which is in the 4 FTE.

Mr. Brooks replied that was correct.

Chair Reardon asked for an explanation of the difference between contingency and reserve.

Ms. Comfort replied a reserve is savings for other years and a contingency is savings for this year. The reserve either moves out into a contingency or is spent in operation.

Mr. Bennett added that reserves usually come from a variety of different sources.

Councilor Soppe also added that contingencies are for unanticipated expenses, whereas reserves are anticipated for specific purpose, but we do not know if it will be spent. Staff verified this.

Discussion followed concerning the capital outlay for computers and if there was more than needed already in the fund then no more money would be contributed.

Councilor Larson asked if we are talking about just hardware or software too. Staff replied it was both, plus other components like printers.

Councilor Soppe suggested computers should be changed to computer equipment.

Chair Reardon called for a break at 8:47 pm and reconvened 8:53 pm.

5. DEPARTMENT PRESENTATION: LEGAL, TERRY MAHR

Terrence Mahr, City Attorney, presented his department budget and handed out a PowerPoint presentation which is available for public review. The following topics were highlighted:

- No major changes, legal budget staying the same
- Accomplishments include charter revision, litigation of transport issue, elections of 2006, fire association labor relations arbitrations, real estate developing, measure 37 claims
- Introduction of the fix-it tickets for equipment repairs
- Animal control issues concerning pit bulls
- Photo red lights, not many to trial, traffic school offered
- Reduction in staff by one paralegal
- Not as much criminal stuff done any more
- Upcoming litigations on advance financing, police search issue, and last annexations not approved
- Employment issues and seminars to be attended
- Staff completed college education
- Continuing legal training

Discussion followed concerning a staff member who finished college education and the desire to find more challenges for her before she finds other opportunities, but budget constraints have prevented that. Questions were raised about cuts in hours for some personnel.

Councilor Soppe asked about professional services which were up dramatically last year and this year.

Mr. Mahr stated it was for outside contract services when he needs more legal services that he cannot do himself such as arbitration with police and adding another attorney is a big cost. The city has grown and sometimes requires hiring individual attorneys for certain things. In the

current fiscal year it is being spent on arbitration for the fire department to bring in outside counsel, an opener on the police department when could not come to an agreement they called in a labor specialist, and called in some appeals that went back to the court of appeals.

Councilor Soppe made suggestions to have a summary at the bottom of the budget next year that shows changes and services no longer used as a method of comparison.

Mr. Bennett pointed out they have done footnotes with narrative descriptions.

Councilor Soppe stated he would still like to see the numbers to compare as well.

Councilor Mike Boyes asked about the staff that recently graduated from her college education and asked if the city has paid for part of her college tuition.

Mr. Mahr replied the city had paid for some reimbursement, as a lot of industries do. He had hoped there would be some challenges for her but there was no guarantee she will not move on elsewhere since budget constraints have not allowed that.

Discussion followed concerning the policy clarifications as to whether employees would have to pay back the money if they left.

6. DISCUSSION

Mayor Andrews asked if staff would be coming back to the next meeting with projected results of any changes.

Mr. Bennett replied they would on all issues raised there were nine listed.

7. ADJOURN: NEXT MEETING MAY 29TH, 2007

MOTION: Wall/Andrews to adjourn the meeting at 9:23 pm until the next meeting on May 29, 2007. (13 Yes/1 Absent) Motion carried.

Councilor Soppe added that the transfer from the general funds was to be discussed and encouraged all members and staff to be prepared.

Councilor Currier wanted to add the \$10,000 for change from deputy recorder to full recorder on to the hot topics list.