

CITY OF NEWBERG BUDGET COMMITTEE MINUTES

February 15, 2011

7:00 P.M.

PUBLIC SAFETY BUILDING

401 E. Third Street, Newberg

Members

Present:

Councilors:

Bob Andrews, Mayor
Denise Bacon
Ryan Howard
Stephen McKinney
Bart Rierson
Marc Shelton
Wade Witherspoon

Citizens:

Ernie Amundson
Thomas Barnes
Bob Larson
Deanna Moore
Lon Wall, Chair

Members

Absent:

Janet Irish

Jack Reardon

Staff

Present:

Dan Danicic, City Manager
Janelle Nordyke, Finance Director
Caleb Lippard, Assistant Finance Director
Terrance Mahr, City Attorney
Rob Charles, Public Works Director
Leah Griffith, Library Director
Brian Casey, Police Chief
Les Hallman, Fire Chief
Dave Brooks, Information Technology Director
Barton Brierley, Planning & Building Director
Crystal Kelley, Recording Secretary

Public Present:

Roger Wiltshire

1. **Call to Order:** Chair Lon Wall called the meeting to order at 7:03 p.m.

2. **Public Comment:**

Mr. Roger Wiltshire stated he spoke at the Budget Committee meeting in September 2010. He has not received satisfactory responses from his concerns. He stated he does not understand why the City needs to have chrome wheels on the Public Works vehicle. He does not feel the custom work on the vehicle is necessary. He stated he believes the City is spending dollars over what they should and giving one person the right to make the decision on how money is being spent. He feels the people in charge of the City's expenses are not managing them properly. He would like the Budget Committee to analyze the authority any one person has to approve purchases over \$1,000 without City Council approval. He has been in meetings and heard the City Manager tell the City Council he did not care what they thought and that he has the authority to approve spending of up to \$10,000 without their approval. He believes anyone who abuses their authority should be fired. He feels they are challenging the citizen's right to petition the City.

Mr. Dan Danicic stated the chrome wheels on the Public Works vehicles are a standard feature. The vehicles are purchased off the state list and the City is unable to pick and choose options on the vehicles. The City purchased the vehicles at the cheapest possible rate. He stated he is allowed to approve spending up to \$50,000 dollars without Council approval. He has never stated to City Council he does not care what they think. He does not feel the City Council felt he was stating he can approve the spending no matter what they decide. The City Council can review his spending at any time. He is always open to questions on the spending he approves.

Mr. Wiltshire stated he finds the responses from the City Manager unsatisfactory. He plans on using the recordings of City meetings to provide the City proof of his claims. Chair Lon Wall stated he is a citizen member of the Budget Committee and he has never found the City Manager to be dishonest. He invited Mr. Wiltshire to bring his statements and proof to the next meeting.

3. Introduction:

Mr. Dan Danicic stated they are meeting to begin the process of approving the budget. The budget this year will be challenging. He has already had a similar meeting with the City Council about the budget. He offered a chance to the Committee to ask questions as the department presentations are made. He is not asking for any decisions tonight. He sees tonight's meeting as a work session to throw out ideas for budget cuts and changes. He would like to hear the committee's ideas as they move forward.

4. Department Head Presentations:

Mrs. Janelle Nordyke presented the staff report for the Finance Department (see official meeting packet for full report). She stated the cost for the professional audit services contract extension will be increased to \$25,000. Mrs. Deanna Moore asked how much the utility billing program is expected to increase. Mrs. Nordyke stated about 3 cents per statement. Mayor Bob Andrews asked if the increase on the contract for the auditors is for the extension and if the City currently has a contract with them. Mrs. Nordyke stated it is only for if there is an extension to the contract. The City already has a contract with them. Mayor Andrews asked what the staffing concerns were when the finance team was located in two different buildings versus what they are today. Mrs. Nordyke stated being in one building does not help like they thought it would.

Mr. Terrance Mahr presented the staff report for the Legal Department (see official meeting packet for full report). He stated the department does not anticipate an increase in staffing for this budget. The City may need an assistant city attorney in the next 5 years, though. They have been putting some projects on the back burner during the busy times to allow them to focus on more pressing projects with the staff they currently have. Mayor Andrews asked if the City has experience with advancing collection for Municipal Court fees. Mr. Mahr stated they have been concentrating on collecting on the outstanding balances. The judge has been using the enforcement policies to help in this area. They have started the amnesty program to encourage those who have long standing balances to try and reduce the balances. This will help the City collect some of the outstanding funds. Councilor Wade Witherspoon asked about the role of the paralegal working in the City attorney's office. Mr. Danicic stated the prosecution paralegal has been working 3 days a week and is helping with collections on outstanding balances. She knows the system and knows how to handle collections. She can also help in other areas in the department. They have been billing her time through the Municipal Court fund. Councilor Marc Shelton asked if they have a dollar amount for the outstanding fines. Mr. Mahr stated he does not at this time. Mrs. Nordyke stated it is a lot. The first day of the program they were able to collect almost \$6,000 dollars of outstanding balances. Councilor Shelton stated it would be helpful in the future to hear the amount of the outstanding balances.

Mr. Dave Brooks presented the staff report for the IT Department (see official meeting packet for full report). He stated the department is responsible for all the City's computers and phone system as well as the network and the Help Desk. They have the ability to purchase up to 5 systems at a time. If they replace more than that at

one time it will drive a lot of work at once for the department. Mr. Bob Larson asked how they can decrease cost by using emerging technologies. Mr. Brooks stated they can use software that will automate processes which will decrease the cost for the process in the long run. Mr. Ernie Admundson asked if any City staff have a desktop and a laptop. Mr. Brooks stated there are some. In his department most of his people have both. Some staff share laptops and have their own desktops.

Chief of Police Brian Casey presented the staff report for the Newberg – Dundee Police Department (see official meeting packet for full report). He stated as the population increases it drives the needs of the department. Newberg continues to grow and has a lot of potential for growth in the future. The City needs to be prepared for the growth and determine how they will address the needs. The 911 dispatchers are running a lot of overtime and may need additional staffing in the future. Councilor Shelton asked how the revenue has been for the photo red light. Chief Casey stated it has been around \$45,000. Mr. Admundson asked if it is correct that they are not adding any additional officers. He asked if it would be more cost effective to add more officers rather than paying the over time. Chief Casey stated you can reduce cost by eliminating overtime. It can get to a point if you are adequately staffed that the overtime will balance out. If they add additional officers they will also acquire overtime for training.

Mayor Andrews asked what the other sources of revenue are. Chief Casey stated they are the school district, traffic revenue, alarm fees, dispatch fees, and animal control fees. Mrs. Deanna Moore asked if the City has considered adding another dispatch person rather than running a lot of overtime. Chief Casey stated it will cost more to hire additional employees rather than running over time due to the cost of hiring and training. There is not enough money in the overtime budget to add additional staffing. Councilor Stephen McKinney asked how soon they anticipate having to hire more staff for 911 communications. Chief Casey stated they would like to do that right now but are waiting due to cost issues. They are at least one person down on the 911 communication staffing.

Fire Chief Les Hallman presented the staff report for the Fire Department (see official meeting packet for full report). He stated the growth in population has increased the call volume for the department. They will have to meet the demand for services as the growth continues. They are closely monitoring the call volume and response times. The challenge is with overlapping calls. They are averaging at least 600 times each year that they are dealing with two or more incidences at the same time. They are also seeing a lot of times where they are handling 3 or more incidences at one time. The department would like to propose a patient transport engine which would allow two purchases in one. This would allow for a vehicle for patient transport as well as a fire engine. The City is currently already in need of both vehicles so they will be able to cover both needs with the one vehicle. The combined purchase will save the city around \$300,000. The purchases will come out of the Fire and EMS equipment fund with no effect to the General Fund.

Councilor Witherspoon asked if they anticipate any contribution from non-profit organizations this year. Chief Hallman stated they will be asking for more of that type of assistance. Councilor Howard asked what the harm would be if the City continues to use the truck they have. Chief Hallman stated it will affect the mechanical reliability of the vehicle. Councilor Shelton asked if the proposed vehicle is an engine that needs to be replaced anyway. Chief Hallman stated both vehicles need to be replaced. The new vehicle would save on the cost overall for the two purchases. Mayor Andrews asked what the cost of the money for the 3-year period would be. Chief Hallman stated they would not be charged interest on the purchase for 5 years. Mr. Danicic stated the purchase of the equipment will go before the City Council before the purchase is made.

Ms. Leah Griffith presented the staff report for the Library (see official meeting packet for full report). She stated the citizens are using the online resources a lot more. The cost is mostly covered through the State. The economy has driven more use of the library in areas such as printing and computer use. They are providing a lot of assistance for things such as job searching and air line tickets to citizens in the community. The computers used for the public internet stations are in danger of going out. They have already lost one computer in the last

month. Councilor McKinney asked if there is a fee when a citizen prints a page. Ms. Griffith stated there is a cost for the printing. There is no charge for use of the computers though. Mr. Amundson asked if they have considered charging for the use of the computers. Ms. Griffith stated she has not heard of other libraries that charge for the use of the computers. The City is not considering it at this time.

Mr. Barton Brierley presented the staff report for the Planning and Building Department (see official meeting packet for full report). He stated the department is anticipating some staffing reductions in the next year. One of the biggest challenges will be to maintain enough resources to keep the South Industrial UGB and Urban Reserve projects going. Councilor Shelton asked what the anticipated staff reduction will be. Mr. Brierley stated they are projecting between 1 and 2 for the next year.

Mr. Rob Charles presented the staff report for the Public Works Department (see official meeting packet for full report). He stated the City Council approved the loan recently for the Wastewater Treatment Plant Repair, Renovation, and Expansion project. Mr. Amundson asked why they anticipate a decrease of \$500,000 in revenue since the rate increase just took effect. Mr. Danicic stated the citizens have cut back on water usage to try and accommodate for the rate increase. The rate increase did take effect but the usage was low enough there was still a revenue loss over all. Councilor Bart Rierison asked if the lower revenue continues do they foresee deferring the wastewater treatment plant project. Mr. Charles stated they were planning on proceeding with the project last year and waited due to cost issues. They do not have plans on delaying the project at this time. Councilor McKinney asked if the CRRC will have to meet again if there ends up being a short fall in money collected to keep up with the programs. Mr. Charles stated they have been discussing that issue and will be considering having them meet again to look into how to address the revenue loss. Mr. Danicic stated there is a scheduled increase that will take place in July that has already been adopted by the City Council. Councilor Howard asked if water conservation adds additional cost. Mr. Charles stated it does add some additional cost but it is regardless of how much water people use. It is a fixed cost. The City does a projection of growth and water usage.

5. General Fund:

Mr. Dan Danicic presented the staff report for the General Fund (see official meeting packet for full report). He stated the changes they make to the budget won't be effective for several years. There would often be a future benefit rather than up front. Mayor Andrews asked what percent of the General Fund is taken up by police, fire, and communications. Mrs. Nordyke stated she would look into that part and come back to the Committee later with the information. The numbers provided on the chart on page 4 of the packet for revenue increase are estimates and not actual numbers.

Mr. Danicic stated, in reference to the proposed revenue increases, they are looking at reducing the number of days for the Municipal Court rather than eliminating it all together. Chair Wall asked for staff to get a clarification on some of the details for the franchise fees for the next meeting. Mr. Danicic stated, in reference to proposed expense reductions, if the City closed the library additional days they would see about a \$35,000 expense reduction for each additional day they close.

The proposed salary reduction would be for all City staff in order to see the level of savings shown on the graph on page 6 of the packet.

Councilor Howard asked if there is a possibility of reducing the number of hours Fire Station 21 is staffed rather than closing it completely. Chief Hallman stated with the staffing they have for each station every time they cut back they will lose the ability to respond to multiple calls. Councilor Howard asked if the City has considered going to a 4-day work week. Mr. Danicic stated he did not see a significant savings with that change.

Councilor Howard asked what would be saved if they would require employees to pay for insurance for their dependent care. Mr. Danicic stated they have not calculated it but they are considering it. Councilor McKinney stated he would like to hear the numbers if they did have the staff pay for insurance for their dependant care.

Councilor Shelton asked when they will have hard numbers on the collection of property taxes. Mrs. Nordyke stated they collect the majority of property taxes in November. They will have a better idea of the amount in September. Chair Wall stated the Committee should not rule anything out with regards to reductions even if it seems outrageous. Mr. Danicic stated he would be open to emails from Budget Committee members with ideas on how to balance the budget.

6. Budget Calendar:

Mr. Dan Danicic presented the proposed Budget Committee calendar (see official meeting packet for full report). He stated the budget needs to be adopted by June 30th. Councilor Rierson stated he recommends the Town Hall meeting start at 6:00 p.m. Chair Wall stated he would like the Budget Committee to consider a 9:00 p.m. end time for the town hall meeting up front.

Motion #1: Shelton/Rierson moved to nominate Thomas Barnes as the Vice Chair for the Budget Committee. (12 Yes / 0 No).

7. Adjourn: The meeting adjourned at 10:10 p.m.

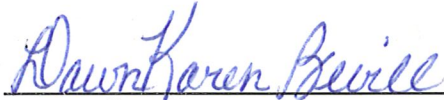
Approved by the Newberg Budget Committee on this 3rd day of May 2011.

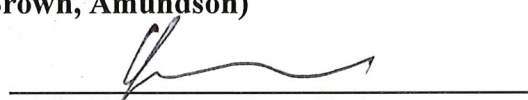
AYES: 12

NO: 0

ABSENT: 2
(Brown, Amundson)

ABSTAIN: 0


Recording Secretary


Budget Committee Chair