

**CITY OF NEWBERG BUDGET COMMITTEE AGENDA
TUESDAY, APRIL 21, 2015
6:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)**

- I. CALL MEETING TO ORDER**
- II. ROLL CALL**
- III. PUBLIC COMMENT**
- IV. REVENUE SHARING PUBLIC HEARING**
- V. NEW BUSINESS**
 - 1. Review Department Proposals**
 - a. Public Works
 - 2. Vehicle/Equipment Replacement Fund**
 - 3. Budget Committee Deliberations**
 - 4. Approve 2015-2016 Budget and Approve the taxes provided for in the Proposed 2015-2016 Budget.**
- V. ADJOURNMENT**

ACCOMMODATION OF PHYSICAL IMPAIRMENTS:

In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical accommodations you may need as far in advance of the meeting as possible and no later than two business days prior to the meeting. To request these arrangements, please contact the city recorder at (503) 537-1283. For TTY service please dial 711.

**NEWBERG BUDGET COMMITTEE MINUTES
APRIL 21, 2015, 6:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)**

CALL MEETING TO ORDER

ROLL CALL

Members Present:	Mike Corey	Patrick Johnson	Beth Koschmann
	Megan Morris	Anthony Pete	Stephen McKinney
	Lon Wall	Bob Andrews	Tony Rourke
	Scott Essin	Helen Brown	Lesley Woodruff
	Denise Bacon		

Staff Present:	Jacque Betz, City Manager	Matt Zook, Finance Director
	Sue Ryan, City Recorder	Truman Stone, City Attorney
	Jay Harris, Public Works Director	Kaaren Hofmann, City Engineer
	Mary Newell, 9-1-1 Support Services	Doug Rux, Community Development Director

Budget Committee member Jack Reardon was absent.

The meeting was called to order at 6:04 p.m.

PUBLIC COMMENT: None.

PUBLIC HEARING:

Chair Wall opened the hearing. He called for declarations of conflicts of interest or abstentions. There were none.

Finance Director Matt Zook said the Committee had received the requests for the community contributions. He clarified the hearing was regarding possible uses of the State revenue sharing funds.

Public Testimony:

Janet Floren, President of Newberg Animal Shelter Friends, said a year ago they were told that the animal control program was eliminated from the Police Department and the City asked the Friends to operate the shelter. Since that time, volunteers and NASF had been working hard to keep the shelter operating successfully. They had 12 volunteers who worked approximately 90 hours per week and in the past year 100 animals had been adopted. They worked with the County to bring stray dogs to the shelter. Because of recent Senate bills, the Friends were now required to have a kennel license and upgrades needed to be done to the shelter to be able to get the license. A Shelter Manager also needed to be hired, which would be the first paid staff member for the Friends. They were asking for \$5,000 from the State funds to meet immediate needs.

Councilor Essin was in favor of the request.

Councilor Bacon asked about the NASF relationship with Yamhill County. Ms. Floren explained the Friends needed the kennel license before there could be a Memorandum of Understanding with the County. The County would pay a nominal boarding fee. The City was paying the utilities for the shelter, doing general maintenance, and the shelter paid a \$1 per year lease.

BCM Brown asked about fundraising or grant opportunities to provide funding. Ms. Floren explained the fundraisers that were planned and possible grants. She also planned to request funds from the City of Dundee.

There was discussion on the amount of funding the City had put into the Newberg Animal Shelter in past years.

Mike Ragsdale, Newberg Downtown Coalition, said the Coalition and the City were working closely together for the parking management effort. The Coalition had made a significant contribution to the community over the past five years

of its existence. They did not receive any funding from the Chehalem Valley Chamber of Commerce. They were working on ways to increase their budget, such as through an Economic Improvement District.

BCM Johnson questioned using State funding for this purpose. The Transient Lodging Tax might be used instead.

City Attorney Truman Stone said State statutes provided restrictions on how TLT funds were spent.

Dawn Witt of Homeward Bound Pets Spay and Neuter Program said to date they had spayed/neutered 3,400 cats. The cat population needed to be controlled. They received a grant from Petco of \$20,000, about \$10,000 from the cities and the County, and the program was run solely by volunteers. She explained how the program worked. Cats from Newberg had been fixed and she was requesting \$1,500 to continue the program.

Marlena Bertram of Your Community Mediators of Yamhill County said local support was important to get major foundational grants. She explained the mediation training they provided and statistical case summary for the last fiscal year. She was requesting \$16,073 to continue services. Most of the cases were small claims and school truancy mediation. The School District did not contribute funds at this time, but was a partner in applying for a grant. She explained how they charged participants.

There was discussion on the mediation process.

City Manager Jacque Betz said there was a letter submitted in the packet about the Old Fashioned Festival and the request for \$10,000. Yamhill County Transit did not submit an application this year.

Chair Wall closed the public testimony portion of the hearing and asked for recommendations from staff.

FD Zook said it was up to the Budget Committee to discuss the proposals.

Deliberations:

FD Zook summarized the amounts given out in FY 2014-2015.

CM Betz said \$40,000 had been put in the budget, but they did not have to allocate all or any of it to Community Support. It was difficult for her to recommend using tax payer dollars to fund outside organizations. She preferred that no funds were allocated until the three year financial plan was completed.

Councilor McKinney agreed with CM Betz, although he wanted to form an active partnership with the Downtown Coalition. He thought the Coalition should be separated from the Community Support fund and be included in the City's budget.

Councilor Corey said the Old Fashioned Festival could be funded through the TLT instead of the budget.

Councilor Bacon was in agreement with the others on not funding Community Support for this year but thought the animal shelter should be helped until they were self-sufficient as the City had some fault in the situation.

Councilor Essin said if the animal shelter was not funded through this fund, he wanted to make sure they were still supported.

CM Betz said the general feel of cities in Yamhill County was why were people asking for more and where would they come up with the money. She thought it was common for City Managers to recommend less money go out to community support and stay in general services.

There was discussion regarding needing to set priorities for City spending and other funding options for these organizations.

BCM Brown thought they needed to find out what was important to citizens, especially what enhanced livability.

Chair Wall agreed with CM Betz because of the City's financial situation. However if they were going to cut this funding, he thought it should be cut for everyone and not added anywhere else for particular groups. He was against government giving money to able-bodied businesses.

BCM Koschmann had no problem with putting the money in another category if it fit better. If they could help in another way and still keep a balanced budget, she thought they should. It was important for citizens to realize the financial situation of the City.

BCM Morris agreed with CM Betz about not funding Community Support this year or in the future from the City budget.

Councilor Rourke thought there were many other ways the budget included community support, such as through grants and loans.

Councilor McKinney said there were key components that would not be able to be ignored if they wanted to continue with some significant headway. Some of these programs were significantly linked with the City.

BCM Johnson agreed with CM Betz and thought people needed to know the effects of voting in favor of Measure 5 and Measure 49 and what it did to City spending.

BCM Pete thought it was important to look at the long term goals for economic development, but he agreed they had to live within their means.

MOTION: Johnson/Bacon moved to recommend to the City Council not to use State shared revenue to fund the Community Support requests this year. Motion passed (13-0-1 [Reardon absent]).

NEW BUSINESS:

Department Proposals – Public Works: FD Zook said Public Works covered streets, water, wastewater, and stormwater. He discussed the FTE changes, what was increasing from 2.55 to 3.06. Some half time positions were going to full time positions. Some departments in the budget had been consolidated, such as in the City Manager and Library budgets. Another consolidation was where administration was rolled into Engineering Services for the Public Works Director. The three reserve funds were consolidated into the operating funds which would make them easier to manage. The SDC funds were separate from these reserve funds. There were two key funds that were used to spend money on capital projects and each were funded by transfers from rate and SDC funds. He explained the capital projects budgeted in the new budget year and how they would be funded.

BCM Johnson asked about the potential impact of unexpected projects such as the Newberg-Dundee Bypass.

FD Zook explained that sometimes they had to budget contingency funds across multiple years for those types of projects. If a project carried over to a new fiscal year and it was not anticipated, staff came back with a supplemental budget.

Mayor Andrews asked about the Villa Road project.

Public Works Director Jay Harris said the City Engineer was starting a new project on Villa Road. Last year there was a pavement restoration project on Villa Road and the new project would be in the vicinity of that work.

City Engineer Kaaren Hofmann said this would be for planning the design of Villa Road from Hayworth to Crestview. In the future money would be put in the budget for construction of the project.

BCM Koschmann asked about the Second Street parking lot maintenance project.

CE Hofmann clarified the utilities would be upgraded, alley repaved, and parking lot repaved and restriped. The City Council gave direction for this maintenance project and she explained where the funding came from. The other options were to close the parking lot or spend more money to rehabilitate the parking lot.

Councilor Rourke asked what System Development Charge funds could be used for and what had the City budgeted the funds for in this forecasted budget.

PWSD Harris explained SDCs could be used for capacity improvements. The master plans planned the growth and new development paid for the new facilities through SDCs. He further explained how SDCs were regulated and how they could not be used for maintenance.

BCM Johnson asked if the business community was charged for the use of the parking lot, if any downtown businesses or Downtown Coalition offset any costs, and had there been discussion about the Budget Committee's concern two years ago about this project.

CM Betz said there were no funds coming from the businesses. The City Council had explored all of the options for the parking lot. The Downtown Coalition was exploring charging for parking or becoming a district. The City used the parking lot as well, not just the business community.

FD Zook said there was a decrease in the capital projects budget due to the Wastewater Treatment Plant upgrade projects. There was also an increase in debt service payments due to the debt service on that project that were now beginning to be paid. Fleet and Facilities were internal service funds and some changes were due to improvements on the City's buildings. The costs were paid by the departments that they supported.

Councilor Woodruff left the meeting.

FD Zook discussed the Vehicle/Equipment Replacement Fund, which was a reserve fund that each department could contribute to for future vehicles and equipment. In the past there was contingency money that would take a supplemental budget to spend. Rather than tying up the funds, staff decided to appropriate those funds to the various departments so they could use the money when needed.

There was discussion on what happened to additional unanticipated revenue. FD Zook clarified it would be put in the General Fund. Appropriation of the money would require a supplemental budget.

Chair Wall said the Budget Committee was being asked to approve the budget for \$88,164,730.

MOTION: McKinney/Johnson moved to recommend to the City Council that the Community Support funding requests not be funded through State shared revenue or General Fund dollars.

CA Stone said there had been discussion about using Transient Lodging Tax funds. It was possible some of these projects could use the TLT funds.

Councilor Corey clarified they were not dismissing TLT funds, just General Fund dollars.

Councilor Essin thought it was confusing, and if other funds became available he wanted to be able to make it work.

Mayor Andrews was concerned that the TLT funds might reside in the General Fund.

The motion was withdrawn and not voted on.

MOTION: Andrews/Brown moved to recommend that those entities requesting funding tonight not be funded. Motion failed (2-10 [Brown and Wall in favor]).

CA Stone said the \$40,000 in Community Support should be moved to the General Fund Contingency.

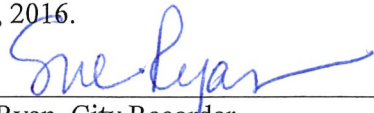
MOTION: Essin/Bacon moved to put the \$40,000 into General Fund Contingency. Motion carried (11-0-3 [Reardon/Woodruff/Johnson absent]).

There was discussion regarding moving Utility Billing Assistance of \$20,000 from its line item to Contingency.

MOTION: Andrews/Essin moved to approve the 2015-2016 Budget in the amount of \$88,164,730, and impose the taxes provided for in the 2015-2016 Proposed Budget at the rate of 4.3827 per \$1,000 of assessed value for permanent tax rate and \$425,000 for Debt Service for general obligation bonds. Motion carried (12-0-2 [Reardon/Woodruff absent]).

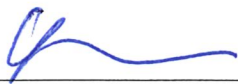
ADJOURNMENT: The meeting was adjourned at 8:46 p.m.

ADOPTED by the Newberg Budget Committee this 26th day of April, 2016.



Sue Ryan, City Recorder

ATTESTED by the Budget Committee Chair this 26th day of April, 2016.



Lon Wall, Budget Committee Chair