

TUESDAY, 7:00 P.M.

APRIL 23, 1995

BUDGET COMMITTEE MINUTES

WASTEWATER TREATMENT PLANT

NEWBERG, OREGON

Members Present:

Charles Cox	Roger Currier
Alan Halstead	Donna McCain
Dave McMullen	Robert Weaver
Dan Wollam	Bob Ficker
Alan Larking	Melinda Newland
Fred Owens	Bert Pennock
Damon Sump	Robert Soppe

Others Present:

Donna Proctor, Mayor
Duane R. Cole, City Manager
Kathy Tri, Finance Director
Ben Erb, Asst. Fire Chief
Charles Liebert, Utility Manager
Greg Scoles, Community Development Director
Diane Padilla, Asst. Finance Director
Peggy Hall, Legal Secretary
Robert Tardiff, Police Chief
Frank Douglas, Division Chief/EMS Coordinator.

The meeting was called to order by chair Dan Wollam at 7:03 p.m. He began the meeting by having every member introduce themselves.

Budget Message: Duane Cole presented the budget message for the 1996-97 fiscal year. He said that this is the 107th year of the City. It is important to remember stewardship and to keep in mind trust, integrity, honesty, and responsibility. What is chosen to fund or not to fund can affect the quality of life in the City of Newberg. He then reviewed department head background.

Next Mr. Cole reviewed the budget development process. He explained the allocation process that the budget committee reviewed at an earlier meeting. He examined what he thought the City could afford and not afford. He explained that the department heads met their targets from the allocation and also presented information on what was lost by meeting those targets. He emphasized that while the State has not taken action to affect our intergovernmental revenues, it is anticipated that the State's budget problems get worse and worse, that our State's shared revenues are in jeopardy and we need to keep this in mind in looking toward the future. He explained that the legislature looks at cities as cash cows and are willing to give more to schools and prisons, which they perceive as state priorities. These will be major issues in the next legislative session.

He explained that property tax collections are good and the staff remains conservative in estimating receipts due to the uncertainty of the economy. Overall, the budget looks like a reduction due to decrease in grants.

Mr. Cole then reviewed the changes in the general fund. These include the transfer of a communications officer from the 9-1-1 Emergency fund to the general fund; the completion of Francis Square, which includes some allocations from the City with regard to sidewalks, curbs and gutters; the pavilion being built in Memorial Park; computerized permits system in the billing and Planning department; the addition of a code enforcement officer; the allocation of room tax receipts; the reimbursement to the Economic Development Fund for the demolition of the building at First and College; the additional contribution to Police capital; repair of the Fire department and legal building roofs; the repair or replacement of the roll-up doors at the Fire Department; the restoration of the Library Book budget and the replacement of the lights in the Carnegie section of the Library; and the inclusion of funding for the social service agencies at the same level as in the current year's budget. He also reviewed the list of unfunded projects found on page 26 of his budget message.

In the Street fund, he highlighted the remodeling of the shop at Third Street Public Works yard, which will be shared between the Street, Sewer, and Water funds. He indicated that in the Utility Funds there will be no rate increase as recommended from the Citizen Utility Rate Review committee. But there will be a review of the Systems Development Charges.

Mr. Cole indicated that the two ballot measures on the May 21, 1996 election are included in the budget as required by State law. These include funding for fire truck replacement and the replacement and remodeling of City facilities and a Fire Sub-station on Springbrook Road.

In the Library budget, the City anticipates transferring the Edwards Gift that is in the Gift and Memorial fund to the Library Foundation at the request of the Edwards family. Finally Mr. Cole explained that the last time the City had a tax base change was in 1982. This year, 1995-96, is the first year of two serial levies, financing additional fire and police services. He explained that the next opportunity to go before the voters for tax base is November 1996 and after that it will be May 1998. The serial levies end on June 30, 1998. If the City does not receive a new tax base that incorporates the serial levies, the City will need to go before the voters to renew the serial levies in 1998. He indicated that budgets have their own momentum. Services must go on and some areas around the margins can be looked at and tweaked.

Public Hearing on State Revenue Sharing: Chair Dan Wollam opened the public hearing on State Revenue Sharing (S.R.S). Kathy Tri explained the S.R.S Fund. She indicated that the City receives approximately \$80,000 from the S.R.S. source. She indicated that the resource for the S.R.S. is the State Liquor Tax and is distributed to cities on a formula basis. She added that in the 1996-97 budget many of the one time capital items are being financed by the S.R.S funds. She added that this is a source of money the City receives from the State that the State legislature will be scrutinizing more closely, and is important that the City not use this money for operating expenses.

No one spoke at the public hearing. Dan Wollam closed the public hearing.

Review of Departmental Budgets

Library: Library Director Leah Griffith presented the Library's budget. She said that the Library needs to focus on technology and the 21st century. The staff does this by focusing on baby time and the young children and getting them interested in reading books and by providing access to specialized services such as the HEAL project. This budget will get the Library there.

Robert Soppe asked about the volunteer hours. Dan Wollam asked about pressures for new resources. Leah Griffith explained about the three CD-ROMs and Internet workstations at the Library and the demand that they require of the staff to assist patrons. She indicated that in the future patrons may need to subscribe to specialized services. Bert Pennock asked about the Salem Library Grant, which will provide Internet access for patrons through a subscription service. Donna McCain indicated that the University of Oregon night library provides coin operated computers and asked if we had looked into that. Ms. Griffith stated that we may not have sufficient volume to cover our costs. Alan Halstead asked about the count through the turnstile and if it included non-library patrons, as well as library patrons. Leah Griffith responded that it did.

Robert Soppe asked about the change in the gift in the Memorial fund. Leah Griffith explained that the Edwards family wished to give an additional amount towards the Library. However, they wanted to do it through the Foundation. They asked if the City would give their original gift to the Foundation so they can be combined into one gift and controlled by the Foundation. Leah Griffith explained the status of the Library Foundation.

Police Department: Chief Bob Tardiff gave an overview of changes in the 1996-97 Police department budget. The major changes in personnel services are related to COPS FAST and COPS MORE grants from the federal government and the increase in clerical staff from .82 to 1.0 FTE. The changes in materials and services included a \$10,000 increase to the equipment reserve to start a replacement fund for a list of equipment included in the budget. He explained that if the City could start putting some money away for replacement of expensive equipment in the Police department, that this will help greatly in the future. In addition, he explained that the price of gasoline could be a concern in next years budget. With regard to capital outlay, he said most of the capital outlay which were included on page 216 of the budget are funded out of the serial levy. Bob Weaver asked about the status of forfeiture funds. Bob Tardiff explained the current court rulings on the use of forfeiture funds and explained that the City has been moving away from using these funds to purchase capital to having the levy purchase capital equipment. He explained that the City can still receive some forfeiture under certain circumstances. Chief Tardiff also responded to a question regarding the effectiveness of the mobile traffic monitors. He explained that there is no statistics off of them yet, however, they could be programmed to provide statistics. The community feels that they are very effective. There was a question on page 115 with regard to personal services for patrol. Kathy Tri and Bob Tardiff noted that there was an error that would be corrected. The total dollar for patrol personal services was correct however. There was also a question regarding the communication budget for training and travel. Robert Tardiff explained that there is a need to train eight communication officers and the figure in the 1996-97 budget is a more realistic figure to provide this training. He also explained what capital RAIN meant. It is a Regional Automated Information Network that involves 20 agencies and five counties. It has computer files of all the

crimes, it provides video imaging and connection to DMV. Dan Wollam asked about the unfunded decision package for GREAT (gang prevention). Robert Tardiff explained that this would be a similar program to DARE, and has been very successful in other communities. It centers on violence in schools and deals with peer pressure. Youth crime is the biggest problem that the City has.

Fire Department: Frank Douglas presented the Fire department budget. He highlighted the major changes in the 1996-97 budget. They include the increase of the secretary's FTE to full-time with benefits; in suppression, the capital expense is for reroofing the fire station and roll-up doors; in prevention, the budget is essentially flat, but there is a reclassification of the Fire Marshall's position to a management position; in rescue, the capital outlay is to replace the dive rescue; and in the emergency medical services area, the budget is essentially flat. Bob Weaver asked about Fire membership program and how many memberships there currently are. Frank Douglas responded that there are approximately 250 members at this time; however, once the four new firefighter/paramedics are fully trained, he will be devoting more of his time to the FireMed program to increase memberships.

Community Development: Greg Scoles, Department Head, reviewed the 1996-97 Community Development budget. He indicated that this is essentially a status quo budget. This current year, the department made a number of management changes and now the organization is fixed. The focus for 1996-97 will be on safety and customer service. He then reviewed the various programs in the departmental budget. In planning, he indicated that the budget includes the receipt of three grants for a total of \$120,000. In building inspections, he discussed the plans examiner position, which has currently been filled on a contractual basis. In Addition, the budget includes funds to develop a computerized permit system. In the street fund, there was a reduction in capital outlay contracts and vehicle replacement money. He added that this is an extremely tight budget and these reductions needed to be made. In the sewer fund, there are a couple of organizational changes, which include combining four supervisors into three and replacing one of the supervisors with a laborer. The focus in this budget is maintenance to prolong the life of the plant. Major budget items include power, which is effected by increased PGE rates, the fully operational composter. However, there is a less than 1% increase in this budget. In the water fund, there is no significant changes. In the central services (fleet and facility maintenance) there are no significant changes. He briefly reviewed capital projects, in particular two, which came out of the Traffic Safety committee - speed bumps and school signs. He indicated that these will be experimental and be provided in two or three locations. He added that capital projects will be more fully reviewed in the meeting.

Administration: Duane Cole reviewed the general government budget. Robert Soppe asked a question about the Francis Theater and what it is worth. Duane Cole indicated that they had an offer for \$30,000; however, the City has over \$60,000 into the property.

Duane Cole also reviewed the City Manager's office budget. He talked about the Economic Development Revolving Loan program, the addition of the code enforcement officer, and timing for another city wide survey. He added that a new program in the City Manager's budget is a Human Resources program. He felt that with 108 employees, it was time to separate out the human resource activities. In addition, the City continues to negotiate with two unions and is faced with many mandates with regards to safety, wellness and recruitment. Bob Ficker asked about using an outside

payroll service. Kathy Tri responded that it took as much time and expense to use an outside payroll service as it did in-house. The staff actually saved money and a days worth of work by using in-house payroll service. Robert Soppe asked about the Economic Development loans and how many had been asked for this year and if there is much interest for this money. Duane Cole responded that several loans had been provided for this year and that there is not much interest. With regard to the Code Enforcement officer, the staff has been wrestling with this typw of position for several years. Are we handling complaints? The staff has been trying to on a case by case basis. However, a case by case basis is not working and we need to develop a more proactive program.

Finance Department: Kathy Tri reviewed the Finance department budget. She indicated that the department is in four funds and has five staff members. The only major change to the budget is the purchase of equipment to change our utility billing bills. Due to new postal regulations, the City will need to barcode utility bill and this may require some new equipment.

Legal Department: Peggy Hall reviewed the Legal department budget. She added that there is an addition of archive supplies for \$3,000. This will help clean up the blue house and the safe in City Hall. She added that the professional services line is for outside legal services and will only be used if needed.

Roger Currier asked about the phone costs for the Legal department and why there are substantial. He indicated that he could get a much cheaper phone system for the Legal department. The staff indicated they would come back to the next meeting with an explanation of how the phone costs that are in the Central Service budget are broken down.

Peggy Hall then reviewed the court budget. The major changes in the court budget relate to personnel with regard to the assistant court clerk and the court clerk. The court clerks position has been reclassified to a higher grade. In addition, the prosecution services and court appointed attorney fees were combined in the 1996-97 budget. The court is getting more trial requests and people a requesting representation, which the City must pay for. Peggy Hall then gave a detailed explanation of one seatbelt ticket and the process it went through until resolution.

Adjournment: The committee adjourned at 9:30 p.m.

Secretary