

TUESDAY, 7:00 P.M.

APRIL 24, 1997

BUDGET COMMITTEE MINUTES

WASTEWATER TREATMENT PLANT

NEWBERG, OREGON

Members Present:

Roger Currier	Donna McCain (chair)
Bob Ficker	Bert Pennock
Donna Proctor	William Rosacker
Damon Sump	Robert Soppe
Lisa Thomas	

Others Present:

Duane Cole, City Manager
Terry Mahr, City Attorney
Kathy Tri, Finance Director
Robert Tardiff, Police Chief
Michael Sherman, Fire Chief
Leah Griffith, Librarian
Debbie Smith-Wagar, Asst. Finance Director

The meeting was called to order by Chair Donna McCain at 7:00 p.m.

Minutes: The minutes of the January 28, 1997 meeting were reviewed and the following correction made: the spelling of William Rosacker's name was corrected. Motion: Rosacker/Pennock to approve the minutes as corrected. The motion passed unanimously.

Budget Message: (Note: see attached copies of overheads used during the budget message presentation). Duane Cole delivered the budget message, noting it was a difficult year due to Ballot Measures 47 and 50 and all of the uncertainty surrounding them. He reviewed the process the city staff has gone through to get to the current budget document, starting back in December 1996. He said the current budget document will use accumulated cash to make up part of the anticipated shortfall in property taxes. Mr. Cole gave an overview of revenues and expenses included in the budget document. He said the budget is designed as the first of a three-year "glide" into Measure 47 or 50. He also said the current budget assumes no major changes in policy or level of service.

Robert Ficker asked about the amount of cash being used to make up for the property tax reduction. Duane Cole acknowledged in earlier meetings the budget committee had discussed using only \$100,000 to make up for some cuts, but he said staff had also been directed to try not to lay anyone off and to keep the current level of service, which this budget would do. The City will still have a carryover of about \$1,100,000, which will provide the approximately \$900,000 needed to pay the City's bills between July 1 and when property tax receipts start coming in, plus about \$200,000 to be used to offset property tax reductions in fiscal year 98/99.

State Revenue Sharing Public Hearing: Kathy Tri reported that state revenue sharing is expected to provide about \$82,000 to the City this coming year. No one spoke at the public hearing and it was closed.

Review of Ballot Measures 47 and 50: Kathy Tri discussed Ballot Measure 50, which will be voted on in a mail-in election May 20th. She said because of all of the questions surrounding Measure 47, the legislature decided to put Measure 50 on the ballot. Measure 50 is intended to simplify property taxes by giving everyone a property tax rate as opposed to a property tax base. One of the benefits is that new property added to the tax rolls could provide additional revenue to the City. Under the current system new property reduces other property owners' bills, and doesn't provide any additional revenue to the taxing districts. However Kathy Tri also cautioned that there is an additional computation based on growth around the state that must be met before the additional property value would provide additional revenue to the city.

Another aspect of Measure 50 is that it will lump all serial levies in with the existing tax bases to give taxing districts one base. The tax rate would then be determined from that lump.

Ballot Measure 50 is also expected to significantly reduce the need for property assessments.

Adjournment: The committee adjourned at 8:03 p.m.

Secretary