

THURSDAY, 7:00 P.M.

MAY 1, 1997

BUDGET COMMITTEE MINUTES

WASTEWATER TREATMENT PLANT

NEWBERG, OREGON

Members Present:

Roger Currier	Bert Pennock
Bob Ficker	Robert Weaver
Donna Proctor	Damon Sump
Robert Soppe	Lisa Thomas
Melinda Newland	Fred Owens (arrived 8:00 p.m.)
Fred Howe (arrived 7:20 p.m.)	

Others Present:

Duane Cole, City Manager	Terry Mahr, City Attorney
Kathy Tri, Finance Director	Robert Tardiff, Police Chief
Leah Griffith, Librarian	Mike Soderquist, Community Dev. Director
Debbie Smith-Wagar, Asst. Fin. Dir.	

The meeting was called to order by Vice-Chair Robert Soppe at 7:00 p.m.

Minutes: The minutes of the April 29, 1997 budget committee meeting were handed out. Bert Pennock moved to approve the minutes of the April 24, 1997 and April 29, 1997 meeting. Melinda Newland seconded the motion. During discussion other members expressed concern that they had not had time to review the minutes. Melinda Newland withdrew her second and Bert Pennock withdrew his motion.

Old Business: Finance Director Kathy Tri handed out a revised page 90 adding the mayor to the organizational chart. She also handed out a summary sheet showing the increases and decreases in the Police Department budget for salaries and materials. City Manager Duane Cole reviewed the outstanding issues at the end of the April 29th budget meeting. His list included:

- Use of Net Working Capital (use of cash)
- Visitor Center
- New Revenues
- Increasing Revenues
- Use of Newberg Charitable Organization Funds
- Library Partnerships
- Staffing 2 Floors at the Library
- Increase the use of Part-time Employees
- Reserve Officer at Meetings
- Copier Costs

New Business - Department Budgets - Community Development: Community Development Director Mike Soderquist presented the proposed Community Development Department budget. He referred to pages 32 and 33 of the budget document, showing the increases and decreases in expenses for that department. The City had advertising for a traffic engineer that was included in the budget, but no one responded to the ads.

Mike Soderquist said the response he got was that no one qualified for the position wanted to work for local governments in Oregon now that Ballot Measure 47 had passed. He also said that traffic engineers are in demand. Because no one applied for the position, the City will try to contract with someone to do the work. Bert Pennock asked if the City would pay this person's benefits under the contract. Mike Soderquist said his intention is that the City would not pay benefits, but would treat the person as a contractor. Roger Currier asked how much was budgeted for the position. Mike Soderquist said about \$60,000. Roger Currier asked if someone already working for the City couldn't do this work. Mike Soderquist said no one currently on staff had the time. He said at least one employee probably did have the expertise.

Mike Soderquist also gave an update on the proposed Well #7 Project. He said Marion County has turned down the City's request to drill the well, but he feels the option is not dead. He said other options include putting pipes under the Willamette River for a Ranney System, drill wells elsewhere, create additional storage space, buy water from other areas, develop water conservation programs, and encourage volunteer audits of water use. However he said the least expensive option remains drilling the currently proposed well.

Mike Soderquist also provided a handout that showed that when compared to other cities, even though Newberg doesn't have a rate scale that charges more per cubic foot for big users, the City does charge more in total for large users than other cities. Roger Currier asked if large users such as irrigation users actually pay less per cubic foot than lower users. Staff said yes. Duane Cole explained that when the current rates were set the assumption then was that it cost less to provide large amounts of water, so large users should pay less per cubic foot. He said if the current council doesn't agree with that assumption then rates should be reconsidered.

Bert Pennock asked why there was an overall increase in expenses for Community Development. Mike Soderquist referred to page 129 of the budget document, which showed that even though the expenses increased, revenue from sources other than property taxes also is expected to increase, so the department will not rely on as much property tax revenue as last year.

Robert Soppe asked if this was a case of having to spend the money in order to make money. Mike Soderquist said not in the short run. He said the City's level of service to people who buy permits and pay other service fees could go down, but eventually this would catch up to the City. City Attorney Terry Mahr said that if the City doesn't meet certain time requirements on permits, then the permits are automatically granted and the City loses its ability to oversee and regulate the planning and building activities.

Department Budgets - Capital Improvements: Mike Soderquist presented the proposed Capital Improvement budget, and handed out a detailed description of all of the projects proposed for the coming year.

Bert Pennock asked about the Telemetry Upgrade. Mike Soderquist said the upgrade will allow workers at the Wastewater Treatment Plant to control some operations at the pump station by radio instead of having to go down there.

Lisa Thomas asked what would happen to the \$400,000 budgeted for Well #7 if the project doesn't go forward. Mike Soderquist said the money can be used for any of the other options he had outlined if the council approves.

Other Outstanding Issues: Kathy Tri reviewed the proposed Social Services budget. The only item in the budget is \$14,000 for the Chahalem Valley Senior Citizens Council transportation program. Fred Howe

asked how much of that went for insurance. Duane Cole said the money isn't earmarked for a specific expense, but he was told the transportation program's insurance cost about \$12,000 a year. By bringing the program under the City's insurance the expense could be reduced significantly.

Robert Weaver asked if other cities served by the program are contributing. Leah Griffith, who is on the council's board of directors, said she didn't think so. She said she believed Yamhill County was the only other local government contributing to the program.

Robert Soppe confirmed with Duane Cole that the City has told the Chahalem Valley Senior Citizens Council that this is the last year the City will be able provide funds for the program.

Property Tax Levy: Kathy Tri explained which parts of the property tax levy are subject to government limitations under Ballot Measures 5 and 47 and which are outside of the limitations. This year the recommendation has been to approve levying the full amount of the property taxes and then label the reductions due to the ballot measures as "uncollectible".

Motion, Ficker/Owens, to approve the property tax levy as presented. Motion passed unanimously.

Budget Approval: Fred Howe questioned the council expenses in the line item budget. He said he doesn't want to pay for meals, and he doesn't want to continue paying council members \$8 for attending council meetings. He said he can't support paying this when the library is cutting hours. Fred Howe moved to send to the council a suggestion that they consider the money used for meals and the \$8 per meeting be redirected to the library. Lisa Thomas seconded the motion. During discussion the amount in question was identified as \$7,560. Lisa Thomas asked Leah Griffith what that would do for the library. Leah Griffith said it would allow the library to be open approximately one more hour per week. The motion failed with a vote of 3-5.

Terry Mahr addressed who could not vote on the budget because of conflicts of interest. Melinda Newland's husband works for the Police Department, and Robert Soppe provides contracted computer services for the City that is paid out of Central Services. However the budget can be broken down into departments.

Bert Pennock suggested the committee needed to hold another meeting on May 6th to resolve unanswered questions. Robert Soppe asked what issues the committee wanted more information on. There was discussion about the water rate chart and the potential revenue from selling the houses that are located where the new public safety building is to be built. Terry Mahr said final amounts from the two houses won't be known until they are sold, probably some time in June or July. Police Chief Bob Tardiff said he met with a mover on Monday who suggested the houses were probably worth about \$2,000 each. Kathy Tri said it was her understanding that the money from the houses would probably be used to reduce debt service on the bonds that will be sold to finance the cost of the public safety building.

Motion, Pennock/Thomas, to pass the budget as presented excluding Central Service and the Police Department. Terry Mahr clarified that Melinda Newland and Robert Soppe could vote on this motion because it excluded the departments that they had conflicts of interest with. Motion passed unanimously.

Motion, Ficker/Sump, to pass the Police Department budget as presented. Melinda Newland abstained from voting. Motion passed unanimously, with one abstention.

Motion, Ficker/Sump, to pass the Central Services budget as presented. Robert Soppe abstained from voting. Motion passed unanimously, with one abstention.

Adjournment: The committee adjourned at 8:45 p.m.

Secretary