

Budget Committee

May 26, 2026

6:00pm

Newberg Public Safety Building 401 E. Third Street

Denise Bacon Community Room

Online: <https://us06web.zoom.us/j/89536547180>

Public Comment Registration:

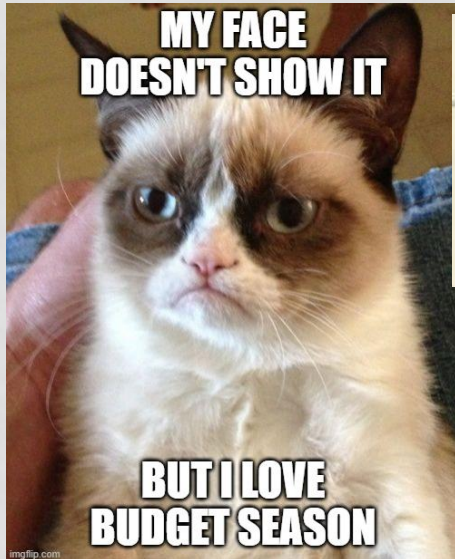
https://www.newbergoregon.gov/government/departments/public_comment_registration.php

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PUBLIC COMMENTS**
- 5. NEW BUSINESS**
 - a. Biennial Mid-Point Overview
- 6. ADJOURNMENT**

ADA Statement: Contact the City Recorder's Office for physical or language accommodation at least 2 business days before the meeting. Call (503) 537-1283 or email cityrecorder@newbergoregon.gov. For TTY services please dial 711.

CITY OF NEWBERG

BIENNIAL BUDGET MID-POINT OVERVIEW



AGENDA

- What's new at Newberg?
- Spending priorities of the City
- Position vacancies and FTE changes
- Fund Balance Update
- Debt Reduction Plan Update
- Property Tax Rate
- Transient Lodging Tax
- CIP Projects
- Health Insurance Rates
- Pension Plan Rates
- Grants
- State Shared Revenues
- Future Staffing Needs





WHAT IS NEW FOR NEWBERG?

- Will has renewed his CM contract for 8 more years!!!
- Public Works Staffing Restructuring – now dedicated teams for each utility
- Entered IGA to dispatch 911 calls for Hubbard
- Rate Review Committee met – determined future rates for 2027 and 2028 to fund CIP projects
Water 5%; Wastewater 4.1%; Storm 4.5%; TUF 4%
- River Street Ad Hoc Committee has begun (NURA)



POSITION VACANCIES



- System Administrator
- Court Clerk II
- On-Call Library Assistant I
- Public Works Business Manager
- Human Resources Manager
- 911 Communications Officer



THAT'S IT!!!!

FTE CHANGES

BY 2025-27 FTE Changes:

Adds:

- 1.0 FTE PW Operator I
- 1.0 FTE PW Operator II
- 1.0 FTE Assistant to the CM
- 1.0 FTE PW Business Manager
- 1.0 FTE PW Project Administrator
- 1.0 FTE PW Operations Manager
- 1.0 FTE PW Maintenance Supervisor – Streets
- 2.0 FTE PW Utility Tech I
- 1.0 FTE IT System Administrator
- 0.25 FTE Library Assistant II

BY 2025-27 FTE Changes:

Cuts:

- 1.0 FTE Grant Writer
- 2.0 FTE PW Superintendents
- 2.0 FTE PW Admin Support Coordinators
- 1.0 FTE PW Operator III
- 1.0 FTE IT Information Technician I
- 1.0 FTE GIS Analyst (2nd one)
- 1.0 FTE Planning Manager
- 1.0 FTE HR Generalist (2nd one)
- 0.5 FTE Library Assistant II

BY 2025-27 New FTE

- 1.0 FTE Communications Officer



STABLE FUND BALANCES

As of March 31, 2026

Fund	Beginning Balance	Total Revenues	Total Expenses	Ending Balance
01 - GENERAL FUND	5,695,582.37	13,265,213.42	13,310,905.01	5,649,890.78
02 - STREET FUND	4,030,992.43	3,187,764.30	3,606,529.72	3,612,227.01
06 - WASTEWATER FUND	20,088,846.65	9,453,502.99	7,842,187.61	21,700,162.03
07 - WATER FUND	15,793,378.70	7,715,436.80	5,398,375.60	18,110,439.90
08 - BUILDING INSPECTION FUND	3,374,868.61	742,162.76	747,352.41	3,369,678.96
17 - STORMWATER FUND	3,137,083.36	2,575,774.54	2,695,027.98	3,017,829.92
31 - ADMIN SUPPORT SERVICES FUND	1,282,927.95	7,189,490.51	6,438,943.56	2,033,474.90
42 - STREET SYSTEM DEVELOPMENT FUND	7,625,770.72	289,560.40	190,787.57	7,724,543.55
43 - STORMWATER SYSTEM DEVELOP FUND	305,583.03	72,537.50	76,250.82	301,869.71
46 - WASTEWATER SYSTEM DEVELOP FUND	15,072,720.36	946,111.64	245,298.48	15,773,533.52
47 - WATER SYSTEM DEVELOPMENT FUND	134,166.64	481,552.50	569,176.34	46,542.80



DEBT REDUCTION PLAN UPDATE



DEBT REDUCTION PLAN (CONT.)

\$	1,071,170.00	Payoff Estimate
	(15,000.00)	Starting balance
	(265,000.00)	SRO FY 23-24**
	(200,000.00)	SRO FY 25-26
	(338,986.00)	Butler Property Sale
	(54,815.00)	Photo Red Light***
	<hr/>	
\$	<u>197,369.00</u>	Remaining Covered by General Fund

**No SRO Money was received in FY 24-25 due to School District Financial Issue.

***Photo Red Light Went Live January 21, 2026

DEBT REDUCTION PLAN (CONT.)

Beginning July 1, the Communications Officer Fee will be removed from the Municipal Billing Statement

Water Service Fee	26.20
Water Consumption	20.41
Sewer Service Fee	33.63
Sewer Consumption	43.80
Stormwater	19.06
Public Safety Fee	4.58
Comm Officer Fee	2.78
Trans Utility Fee	6.86
CURRENT BILL	\$157.32
AMOUNT DUE	\$157.32



PROPERTY TAX

Newberg's Maximum Assessed Rate:

\$4.3827 per \$1,000

Current Property Tax Rate Assessed in FY 25-26:

\$3.0748 per \$1,000

Due to the November 2017 Special Election, City Council is left with the decision each year to decide whether to increase the assessed rate by 3% each year until we are back at the maximum assessed rate

Due to the stable fund balance in the General Fund, the City has elected **NOT** to take the optional 3% property tax increase next fiscal year (FY26-27)

TRANSIENT LODGING TAX

Current Year	Q1	Q2	Q3	TOTAL
Hotel/Motel	\$ 538,757.0	\$ 329,668.0	\$ 184,649.0	
Short-Term Rental	48,382	25,299	17,345	
**Late Payments	-	7,380	18,253	
Total	\$ 587,139.0	\$ 362,347.0	\$ 220,247.0	\$ 1,169,733

Prior Year	Q1	Q2	Q3	
Hotel/Motel	\$ 475,837	\$ 289,161	\$ 151,877	
Short-Term Rental	55,886	32,211	16,243	
**Late Payments	170	-	-	
Total	\$ 531,893	\$ 321,372	\$ 168,120	\$ 1,021,385

CAPITAL PROJECT UPDATE

COMPLETED CIP PROJECTS

Groundwater Treatment Plant Basin Covers	1st Street Water Valve Replacement	HB 2001 Phase IV (ahead of grind and inlay)	West Franklin Stormline
Substantially complete; on budget	Completed on time; \$20,000 under budget	Completed on time; \$96,000 under budget	Completed early; \$200,000 under budget

CAPITAL PROJECT UPDATE (CONT.)



Upcoming TUF Projects

N Springbrook Rd &
Mountainview Dr

Slurry Seal

Sections of S Meridian &
E 7th St

Grind and
Inlay

Other southern section grind and inlay

Expected timeline:
July and August

OXIDATION DITCH UPDATE



Original budgeted cost was \$17.5 Million as the project was in the very beginning stages, and the actual cost was unknown at that time.

A clarifier test was completed leading to additionally build one new clarifier for an updated total estimated project cost of:

\$32 Million

HEALTH INSURANCE

Rate Increase Over the Years

2027	14%*
2026	9%
2025	9%
2024	5%
2023	0%
2022	0%
2021	4%

**To keep existing plan, we would have seen 20% increase

Increased cost to biennium: **\$111,443**
(January to June 2027)

PENSION PLAN UPDATE

PERS

No update - rates are on same biennium as we are

NERPS

10% increase next fiscal year (New rate will be **71.67%**)

NERPS plan currently has approximately **25 active members** remaining. With fewer active members, this cost will eventually become a “shared” cost among all the funds.

Actuary has been contracted to perform financial forecast for future cost of plan and active membership which will be incorporated in BY 27-29 budget.

GRANTS

We've received \$750,000 from congressionally delegated funding to help pay for the water basis covers at the Water Treatment Plant!



GRANTS (CONT.)

We also received \$340,165 from FEMA related to the City Hall Flood Event. This money will be used for roof and window mitigation to prevent future incidents



GRANTS (CONT.)

Lastly, we received \$225,000 grant from Newberg Police Foundation to purchase two drone trucks for NDPD



STATE SHARED REVENUE

DECREASE



GAS TAX

Long-term factors of decline related to teleworking, population decline, and moves towards electric vehicles

DECREASE



LIQUOR TAX

OLCC approved construction of new warehouse has decreased revenues for foreseeable future

INCREASE



MARIJUANA TAX

With many new shops opening and other shops closing, this is more revenue natural overall

DECREASE



CIGARETTE TAX

Has been on the decline for many years now

INCREASE



9-1-1 TAX

Comes from State's portion of property taxes for cities with dispatch centers

FUTURE STAFFING NEEDS

FTE	CITY	POPULATION
202.35	Wilsonville	27,895
188.45	Forest Grove	27,076
230.00	McMinnville	35,255
224.47	Oregon City	38,175
157.75	Roseburg	23,850
181.00	Woodburn	26,068
147.28	Newberg	27,945

Newberg runs a very lean and efficient city but eventually we will need to add staffing to keep up with population growth

Springfield's city budget for FY27 cuts library hours

Hood River County School District faces second year of budget cuts

'There's no more fat to cut': Portland Public Schools leaders react to \$56 million in budget cuts

Tigard-Tualatin Schools plan to cut \$5.5M from next year's budget

Portland is facing a \$169 million budget deficit due to shelter and public safety costs

TriMet's first service cuts begin Sunday as \$300M budget gap looms

Cottage Grove cites accounting errors behind \$4.6M deficit as 2026-27 cuts deepen

West Linn facing largest ever deficit in coming years

County budget office forecasts \$11.1 million FY27 general-fund deficit and flags revenue risks

MULTNOMAH COUNTY

'We should be very, very concerned': Multnomah County bracing for \$10.5M budget deficit

Newberg-Dundee Schools Release Proposed Budget, Faces \$5.7 Million Gap Heading Into 2026-27

Forest Grove School District braces for staff cuts amid budget deficit

THANK YOU, BUDGET COMMITTEE MEMBERS!

