



City of Newberg

**Budget Committee Meeting**

September 21, 2010

7 pm Public Safety Building

**Agenda**

1. Call to Order
2. Public Comment
3. Approval of May 18 and 25, 2010 minutes
4. Proposal for the strategic budget planning and public input process
5. Adjourn

**CITY OF NEWBERG BUDGET COMMITTEE MINUTES**

**May 18, 2010**

**7:00 P.M.**

**PUBLIC SAFETY BUILDING**

**401 E. Third Street, Newberg**

**Members**

**Present:**

**Councilors:**

Bart Rierson  
Denise Bacon  
Marc Shelton  
Stephen McKinney  
Wade Witherspoon  
Bob Andrews, Mayor

**Citizens:**

Jack Reardon  
Deanna Moore  
Lon Wall, Chair  
Janet Irish  
Darlyn Adams  
Ernie Amundson  
Thomas Barnes

**Members**

**Absent:**

District 6 Councilor - Vacant

**Staff**

**Present:**

Dan Danicic, City Manager  
Janelle Nordyke, Finance Director  
Caleb Lippard, Assistant Finance Director  
Howard Hamilton, Public Works Director  
Leah Griffith, Library Director  
Dave Brooks, Information Technology Director  
Barton Brierley, Planning & Building Director  
Mary Newell, Support Services  
Crystal Kelley, Recording Secretary

**Public**

**Present:**

Leticia Duran, Your Community Mediators  
Rod Kilcup, Your Community Mediators  
Marlena Bertram, Your Community Mediators

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1. **Call to Order:** Chair Lon Wall called the meeting to order at 7:06 p.m.
  2. **Approval of April 27, 2010 Budget Committee Minutes**

**Motion #1: Andrews/Barnes** moved to approve the April 27, 2010 Budget Committee meeting minutes (13 Yes / 0 No).

### 3. Public Comment

The Budget Committee made a request at the Town Hall meeting to hear from others with Your Community Mediators. Mrs. Leticia Duran stated she is with Your Community Mediators. She has been teaching conflict resolution at the Yamhill County Correctional Facility as well as her volunteer work with Your Community Mediators. She is available to the Budget Committee for questions and to offer her testimony for the services YCM provide.

Chair Wall stated he had asked at the Town Hall meeting if Mrs. Marlena Bertram and Mr. Rod Kilcup could come to the next Budget Committee meeting prepared with suggestions for areas in the City budget that would allow them to borrow funds so the City could approve their request for support. Mrs. Marlena Bertram stated she looked over the budget and found some areas for potential funding sources for Your Community Mediators. However, they are not familiar with departmental fund restrictions. She provided copies to the Finance Director of her suggestions as well as to the City Manager and the City Attorney. Mr. Rod Kilcup stated he went through the entire budget as they requested. He is unfamiliar with the history of the budget. He has done a budget for another organization and found it to take many years to develop.

Mr. Rod Kilcup stated he read the mission statement for the City. Your Community Mediators are working with the social needs of the community as the City's Mission Statement mentions. YCM provides a broad range of services to the community very similar to the very services the City states in their Mission Statement. He believes their activities cover the mission statement and helps the City achieve that mission. The Governor of Oregon has talked a lot about doing more with less and the tipping point that will require us to do less with less. Rod understands the decisions the Budget Committee will have to make will be tough. He can understand if the Budget Committee feels the request by Your Community Mediators is more than the City can handle at this time. They would like to ensure the Budget Committee understands they have been providing services to the community for many years. If you look at the staff time their activity takes and the cost associated with it, it is very reasonable. It comes out to around \$4,900 dollars. The volunteer time priced out at \$30 per hour and if given for free that would be another \$8,000 dollars. He would prefer not to speculate how much they provide with regards to the Police Department since they are not certain. YCM has a very modest budget. It is important for others to see they have financial support throughout the community to aide with their other fund-raising efforts. Mrs. Bertram stated the Police Department's mission is very similar to the mission of Your Community Mediators. They bring crime victims and offenders together to try and make things right.

Mayor Andrews asked about their relationships with the municipal court. Mrs. Bertram stated they have to go before a mediator before they go to small claims court. YCM gets referrals from them and provide the services requested when needed. She met with other members of staff today to brief them of some services they offer to the community. The municipal court does not use them at a high degree since they are not aware of what services they offer. Janet Irish asked how many years they have received funding from the City of Newberg. Mrs. Bertram stated it has been for the last 4-5 years.

Chair Wall stated Your Community Mediators have been at most Budget Committee meetings and are aware of how the budget process works. He asked if they have already received the budgets details in regards to other counties that support their services. Mrs. Bertram stated they have been assured they exist in other budgets for this year. They have a United Way grant they are applying for as well as a Best Buy grant. Councilor Marc Shelton recommended they consider the At Risk Youth grant as well. YCM is also looking into the Nike Foundation grant.

#### **4. Public Hearing: State Revenue Sharing possible uses**

Janelle Nordyke stated the City has been given the opportunity to receive state legislative funds. In the past the City has been using the state revenue sharing funds for the Police and Fire Departments. The funds come from OLCC taxes from the State. They are estimating \$180,000 dollars to be used with a 50/50 between the Police and Fire Departments. Mayor Andrews asked what the historical use has been. Mrs. Nordyke stated it has been a 50/50 split between the Police and Fire Departments. Chair Wall asked if a notice of public hearing was put out for tonight's meeting. Mrs. Nordyke stated they did put a notice out stating there would be a public hearing at this meeting. Dan Danicic stated they are required by the state to declare how the City is going to spend the funds. The Budget Committee has the option to decide how the funds will be disbursed. The staff would recommend they continue the plan to use the funds for a 50/50 split for the Police and Fire Departments.

Mrs. Bertram asked if there is an opportunity for Your Community Mediators to use some of the funds as a community service program. Mr. Danicic stated the Committee could decide to allocate the funds to Your Community Mediators. Councilor Bart Rierson stated he does not think they should use funding out of the state revenue for Your Community Mediators. Councilor Shelton stated the amount of support the Police Department has is a significant need and to take out of their funding will directly impact the Department and the City. Any funding that gets taken from the staffing of the Police Department will cause issues for the Department. He agrees the revenue sharing is not the place to make up for the need with Your Community Mediators. Mrs. Bertram stated in some communities the mediation services are directly connected to the Police Department.

**Motion #2:** Andrews/McKinney moved to utilize the state revenue sharing with a 50/50 split going to the Police and Fire Departments (13 Yes / 0 No).

#### **5. Discussion and Questions**

Mr. Danicic stated this is the point in the budget process to discuss any element of the budget and decide on Your Community Mediators request. The ultimate goal is to get to the point of approving the budget to be moved to City Council for approval.

Jack Reardon stated 4 years ago when he first joined the Budget Committee he felt the City streets were in very bad shape and were not being properly maintained. Gas tax is all they have to spend for street repairs in the budget at this time. He would like to convince staff and City Council to scrutinize every line item in the budget to maximize the amount of funding they can provide for road repairs and maintenance. He provided a packet to the Committee that included

pictures of roads in the area that he feels need attention. The City sold the crack filling equipment they owned several years ago for other needs at the time. The City can consider leasing out the crack filling equipment rather than having to find funds to purchase new equipment.

Councilor Rierson stated he would like to request staff prepare a quote for what it would cost to purchase a crack filling piece of equipment. He would also like to find out from other communities the same size what percentage of their budget goes to the maintenance of roads. The public needs to know how many streets they will repair and what the plan is up front. Chair Wall asked what is involved and what type of equipment was sold. Mr. Danicic stated the City owned the application equipment but rented the cauldron that heated up the material. Chair Wall asked what the City does with the money in the budget for street maintenance. Mr. Danicic stated it is used for maintaining street signs and trimming vegetation which also comes from the transportation fund.

Mayor Andrews stated the City is faced with federal mandates in regards to street signs. They are replacing all the school cross walk signs. These are some of the things being used by the transportation funds. It was agreed they would have the issue of crack repair go before the City Council. Councilor Rierson assured the Committee they would go into the issue in City Council and give it the attention it deserves. Councilor Witherspoon stated he thinks it is difficult this late in the process to make this kind of change to this year's budget. They would consider looking at it further and putting together a presentation for the next fiscal year. Mr. Danicic stated they will consider the issue when putting together the budget for next fiscal year.

Mr. Reardon asked staff to consider finding money this fiscal year to work on the roads that can't wait a year for the necessary repairs. He would like to see them look closely at the budget right away to add more funding for road repairs. Mrs. Irish asked why it is too late in the process to make the changes. Councilor Rierson stated he does not feel the time constraint they are working under allows enough time to make those changes now. Councilor Shelton stated to purchase the equipment is not feasible this fiscal year. The question of how much they need for crack repair is a valuable question. Mr. Reardon asked if it was true that a survey was done in the City. Mr. Danicic stated there was a visual inspection done of all the streets to see what was needed. He would suggest they use the contingency proposed to allocate some funding for crack sealing and then have the public works Department look at the remainder of the budget to see what else can be done. Councilor McKinney stated the City Council can reevaluate the goals they have and make this a higher priority. In order to make a dent in the problem they are going to have to consider some hard issues to catch up on the City roads. He thought he heard there was an estimate in excess of 7 million dollars of repairs needed on the City roads.

Mr. Reardon asked staff if they are familiar with the stimulus funding from the federal government that will go to the roads. He thought the funding was for transportation projects. Mr. Danicic stated ODOT took the funding and the City of Newberg got \$485,000 dollars. In order to get the money out quickly they elected to use fund distribution. There were a lot of strings attached which the City was not prepared to meet. Rather than give the money directly to the City ODOT would handle the projects. They reviewed the list and paired it down some. They did bid advertisement which was scheduled in June for overlays in town. They are working with

ODOT to determine the best way to handle the projects. There is some money being put on the streets outside the money already in the budget. The City received more money than they anticipated. The City is setting the money aside for now since they are trying to appeal the legislation. They may come back and ask for the money back later or deduct it from future disbursements. The City is waiting to see what happens with the appeal before they use the funds.

Councilor Denise Bacon stated when people have hard economic times conflict will go up making the need for Your Community Mediators more necessary. She would like to see it added back to the budget. Chair Wall stated he asked why the funds were taken out. He was told there was some controversy about how the funds were being used. He would like to hear the reason why it was taken out of the budget. Councilor Shelton stated just because we have funded something does not mean we have to continue to fund it. When you are talking about issues around children and families there is some partnering that can happen with other organizations for this need. It can't be left up to the cities to fund this type of service. They have been educated better on what Your Community Mediators is doing in the City. Janet Irish stated many cities take a certain amount of money for City programs and then decide how they will divide it out. She suggested they look at a variety of community programs and fund the ones that are needed for the community.

Mr. Danicic stated he takes responsibility for taking the funding out of the budget. The final decision ends with the Budget Committee and the City Council. There is a list of community support projects the City already supports such as what Janet Irish is referring to. They are not represented at the meeting tonight since they are not asking to be kept in the budget. He put the budget together and the cut came after going through all the line items and cutting in many areas to allow them to balance the budget. Many other programs will have to be cut as a part of the budget process for next year as well as in the coming years.

Councilor Rierson stated that in previous Budget Committees meetings about 3-4 years ago they had discussed that not all mediation is for court services since most of the referrals come from the court system. He recommends they look at next year's budget to fund the service. The vision of the Budget Committee is to honor the mission statement. It is an appropriate thing for the City to fund.

**Motion #3: Rierson/ Bacon** moved to fund the \$5500 dollars requested by Your Community Mediators (12 Yes / 1 No {Darlyn Adams}).

Councilor Shelton asked if they can use funds for tourism to repair Springbrook Road leading to the Allison. Mr. Danicic stated they can use that money to repair the roads for that project. The Allison is going to drive revenue for the City which is something the City can consider. Councilor McKinney stated in the past they have funded the visitor center out of the TRT's. They can resist the temptation to use TRT's to keep things connected. They should use the business tax fees collected for business specific things. This keeps all parties more accountable to each other. They should use TRT's to fund the visitor center and use the business licensing fees in a more business related way.

Mr. Reardon stated he feels the numbers are really high for health care. Does the City pay for dependent health for all employees? Mr. Danicic stated they pay 90% of family members of City employees. Mr. Reardon stated they may consider having some of the health care plan covered by the individual. Councilor Bacon stated she would not ask someone to work for the City and not offer the family a health plan. Mr. Reardon stated it is rare for dependents to have their insurance paid for rather than just the City employees. Councilor Rierson stated he is also reluctant to introduce the topic since it goes against the mission statement for the City. They are introducing a new co-pay plan which will save the City \$130,000 dollars. They can do a number of things to avoid penalizing the family. Mrs. Adams stated a part of looking for a job is medical insurance. She feels the City employees deserve a policy where they will not be penalized. The employees would feel they are being discriminated against. Chair Wall stated at some point we are going to have to discuss issues such as insurance that may be a sensitive subject. Councilor Shelton stated he feels they will need to consider this issue and he would rather see them have to cut back on some benefits rather than cutting actual jobs which would take actual income from staff.

The next Budget Committee meeting is scheduled for Tuesday May 25, 2010. Mr. Danicic stated they could approve the budget tonight if they are ready to do so. It was agreed they would proceed with the meeting next week to allow further discussion before they approve the budget.

## **6. Adjourn**

The meeting adjourned at 9:00 p.m.

Approved by the Newberg Budget Committee on this 21<sup>st</sup> day of September 2010.

**AYES:**

**NO:**

**ABSENT:**

**ABSTAIN:**

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Budget Committee Chair

**CITY OF NEWBERG BUDGET COMMITTEE MINUTES**  
**May 25, 2010**  
**7:00 P.M.**  
**PUBLIC SAFETY BUILDING**  
**401 E. Third Street, Newberg**

**Members**

**Present:**

**Councilors:**

Bart Rierson  
Denise Bacon  
Thomas Barnes  
Stephen McKinney  
Darlyn Adams  
Marc Shelton

**Citizens:**

Jack Reardon  
Deanna Moore  
Lon Wall, Chair  
Janet Irish  
Ernie Amundson  
Bob Andrews, Mayor

**Members**

**Absent:**

District 6 Councilor - Vacant

Wade Witherspoon

**Staff**

**Present:**

Dan Danicic, City Manager  
Janelle Nordyke, Finance Director  
Howard Hamilton, Public Works Director  
Leah Griffith, Library Director  
Brian Casey, Police Chief  
Les Hallman, Fire Chief  
Terrance Mahr, City Attorney  
Dave Brooks, Information Technology Director  
Barton Brierley, Planning & Building Director  
Crystal Kelley, Recording Secretary  
Caleb Lippard, Assistant Finance Director

**Public Present:** Troop 293 was present from the Scouts to fulfill their merit badge for citizenship in the community. They needed to attend a city meeting as part of the requirements to earn the badge.

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1. **Call to Order:** Chair Lon Wall called the meeting to order at 7:05 p.m.
  2. **Public Comment:** There was no public comment offered.
  3. **Street Fund**

Mr. Dan Danicic stated they discussed at the last meeting the desire to find a way to further provide for the transportation fund for the purpose of road repairs. They were able to find \$30,000 dollars from the budget which would allow them to begin some projects on the streets. Out of 136 lane miles they have identified 42 lane miles that need crack filling. There are also

26 lane miles that need to be re-ground and over laid with new asphalt. In addition, there are 6 lane miles that need complete reconstruction and 4 lane miles of gravel roads that need to be maintained. The city would contract out 100% of the crack repairs. Mrs. Janet Irish asked if \$30,000 dollars will cover the miles needed. Mr. Danicic stated they are hoping the \$30,000 dollars will cover about 6 lane miles of repairs. Mr. Jack Reardon asked what the \$30,000 dollar line item for transportation on the budget is for. Mr. Danicic stated they have been using the funds for road over lays. Mr. Reardon asked what streets will be over laid by the stimulus money. Mr. Howard Hamilton stated 9<sup>th</sup> street and Villa road. He does not have the specific details for all the roads on the list. Mrs. Janelle Nordyke will have to provide the information to the committee. Mr. Danicic stated he would like to repair some roads that are not a part of the planned repairs with the stimulus money. Major Bob Andrews asked Mr. Hamilton what the cost for over lays would be. Mr. Ernie Amundson stated it would be \$250,000 per lane mile.

**Motion #1: Reardon/ Andrews** moved to add the proposed change to the budget to allow \$30,000 to go to transportation for road repairs. (12 Yes / 0 No).

Councilor Stephen McKinney stated in the past a portion of the money from the business license fees and hotel taxes was used to clean up the lines of revenue on the budget. He would like to propose the City use the hotel taxes for the visitor center. This allows the City to use business license fees for business related activities. Some people have solicited the city to assign a percentage of the TRT's to support the visitor center. That stream of revenue will be unknown for a given number of years and can change from year to year. Some of the thinking has been to clean up the lines of revenue with an activity related to the assignment of the funds which would be good for the City. On a sub level they want to ensure they create a way to be accountable to each other for those funds. The funds may be more useful by creating a relationship with the Chamber to support the visitor center.

**Motion #2: McKinney/ Barnes** moved to clean up the budget by using business license fees for a business purpose and connect it directly to the TRT's and us a portion of the hotel and motel tax for the visitor center (2 Yes / 10 No).

**Motion #3: Shelton/ Barnes** moved to recommend the budget committee move the issue of the Hotel Tax being used for the Visitor Center to the City Council and to contract the services for the visitor center to the Chamber of Commerce (12 Yes / 0 No).

Mr. Danicic stated all business license fees are set aside for economic development loans. He is concerned about shifting the \$12,000 out of the economic development fund at this time. It is clear the visitor center funding was an important part of the funding for the Chamber. He would recommend they approach it at the City Council level since it is more than just funding for economic loans. Councilor Marc Shelton stated it gives the City Council the chance to look at the issue further. He would be in favor of pulling it out of the Budget Committee and put it as a priority for the City Council instead. Major Andrews asked when the business licensing fees were put in place. Mr. Danicic stated it was 2003. Mayor Andrews stated he thinks there needs to be some further work done with the City Council. He thinks this is a very viable discussion that will require more work.

Chair Lon Wall asked if the citizens on the committee are okay with leaving the issue to the City Council. Mrs. Darlyn Adams stated she would like to see the issue go before City Council rather than the Budget Committee at this time. Mrs. Deanna Moore stated contracting with the Chamber to run the visitor center is a great idea. She is concerned with how it will affect this budget if they pull out the business tax. She would like to see it brought before the City Council. Councilor Rierson asked how much the business license fee is. Mrs. Nordyke stated it is \$50 for a full time business and \$25 for a home business.

**4. Discussion and Questions:** There were no questions stated

**5. Approval of Proposed Budget**

Mr. Ernie Admundson asked if the tax rate is any different this year. Mrs. Nordyke stated it has remained the same for several years and will remain the same this year as well.

**Motion #4: Rierson/ Barnes** moved that the Budget Committee of the City of Newberg recommends to the City Council to approve the 2010-11 Budget as amended and to impose the taxes provided for in the approved budget at the rate of \$4.3827 per \$1,000 of assessed value for general operating purposes and \$450,000 for Debt service, and that these taxes are hereby imposed and categorized for the tax year 2010-11 upon the assessed value of all taxable property within the City. The amendment includes (1) \$5,500 for Your Community Mediators which will be included in Community Support under General Government (pg 116) and will be funded by a transfer from Contingency, and (2) the reallocation of \$30,000 for the crack repair for the streets. (12 Yes / 0 No)

**6. Adjourn**

The meeting adjourned at 7:41 p.m.

Approved by the Newberg Budget Committee on this 21<sup>st</sup> day of September 2010.

**AYES:**

**NO:**

**ABSENT:**

**ABSTAIN:**

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Budget Committee Chair