

BUDGET COMMITTEE AGENDA

TUESDAY, AUGUST 31, 2021

6:00 P.M. MEETING

ZOOM Virtual Meeting

<https://us06web.zoom.us/j/82572215406> or by phone: 1(253)215-8782 ID: 825 7221 5406

Mission Statement

The City of Newberg serves its citizens, promotes safety, and maintains a healthy community.

Vision Statement

Newberg will cultivate a healthy, safe environment where citizens can work, play and grow in a friendly, dynamic and diverse community valuing partnerships and opportunity.

Values

SERVICE - We are of service to this community. Our decisions and actions should reflect that.

TEAMWORK - We foster a culture of mutual respect and support.

RESPONSIBILITY - We uphold and honor the community's trust through stewardship of resources

INTEGRITY - We believe in doing the right thing, even when no one is watching.

VALUE - We aim to provide the best value services at all times.

EQUITY - We aim to recognize everyone's unique voice and take actions to make a more equitable community.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. CONSENT AGENDA

1. Approve minutes from the following 2021 meetings: April 6, 20, 27, and 29; May 4

IV. NEW BUSINESS

1. Presentation - Overview of ARPA Program and Requirements (City Manager)
2. Discussion of Priorities for Newberg (Chair Molly Olson and Budget Committee Members)
3. Timeline for Decision Making and Other Public Input Forums (Budget Committee and City Staff)

V. PUBLIC COMMENTS

(3 minutes maximum, which may be extended at the Chair's discretion, with an opportunity to speak for no more than 5 minutes per speaker allowed)

VI. NEXT STEPS IN PROCESS

1. Budget Committee Meeting - Wednesday, September 15, 2021

VII. ADJOURNMENT

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's office of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than 48 hours prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please call (503) 554-7793.

This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.

**City of Newberg
Budget Committee
April 6, 2021**

Meeting held electronically due to COVID-19 pandemic

Meeting called to order at 6:30 p.m.

Committee Members Present: Timothy Carpenter, Beth Koschmann, Molly Olson, Greg Meenahan, Brad Sitton, Lozelle Mathai, Mayor Rick Rogers, Councilors: Bryce Coefield, Julia Martinez Plancarte, Denise Bacon, Stephanie Findley, Mike McBride, and Elise Yarnell Hollamon.

Absent: Solomon Allen

Staff Present: Interim Finance Director Dan Keuler, Merina & Co Consultant Rob Moody, City Manager Dan Weinheimer, City Recorder Sue Ryan, and Assistant City Manager Kezia Wanner.

COMMITTEE BUSINESS:

1. Election of Chair

Action: Molly Olson as Chair of the Budget Committee for 2021.
Motion: Mayor Rogers
Second: Councilor Yarnell Hollamon
Vote: 13 Yes 0 No 1 Absent [Allen]

2. Election of Vice-Chair

Action: Timothy Carpenter as Vice-Chair of the Budget Committee for 2021.
Motion: Member Findley
Second: Member Olson
Vote: 13 Yes 0 No 1 Absent [Allen]

NEW BUSINESS:

1. Budget Process Overview

Rob Moody, Merina & Co., gave a budget orientation (Exhibit A – PowerPoint). He explained the purpose of the budget which was to plan for future operations (FY 2021-22), prioritization, compliance, and transparency. He discussed the roles and responsibilities of the City Council, Budget Committee, City Manager, Finance

Department, and Department Directors. He reviewed the rules and requirements of budgeting per Oregon local budget law including the process, deadlines, and over-expenditures. The internal aspects of budgeting were fund accounting, categories, appropriations, budget philosophies, contingencies, carryovers, reserves, flexibility, trends and forecasts, capital projects, and overheads. He discussed the timelines and milestones as well as the deliverables and budget execution.

Discussion: Details of the budget could not be discussed until the Committee was provided the proposed budget and budget message, questions on budget meetings schedule and process.

2. FY 2021-22 Budget Development Considerations and Issues

City Manager Weinheimer gave a presentation on the FY2021-22 budget background (Exhibit B – PowerPoint). He discussed the budget development which took into account Council goals and internal values, the basis for decision-making, cut but considered items, and American Rescue Program. He suggested the Budget Committee meet quarterly rather than annually. He listed budget considerations and summarized the Council goals, how they set values and the STRIVE organizational value program, criteria for evaluating “adds,” considerations for the add packages, balancing the budget, organizational restructuring for central services, anticipated work program, and \$4.87 million in American Rescue Plan for Newberg which would be received in equal parts over two fiscal years.

Discussion: STRIVE organizational value model, evaluation of “adds” and process for ranking them, evaluation of status quo budget, sustaining operations, budgeting American Rescue Plan monies, transparent process for the ARP funds, expected timelines, and changing to quarterly meetings of the Committee.

NEXT STEPS:

The next meeting would be held April 20th at 6:30 p.m.

Meeting adjourned at 8:21p.m.

Sue Ryan, City Recorder

ATTEST:

Molly Olson, Chair



Budget Orientation

City of Newberg

April 2021



Executive Summary

The Objective	<ul style="list-style-type: none">• Present a clear, implementable budget to the City Council
The Approach	<ul style="list-style-type: none">• Roles and responsibilities• Rules of the game• Timelines
The Deliverable	<ul style="list-style-type: none">• Adopted Budget for the fiscal year ending June 30, 2022



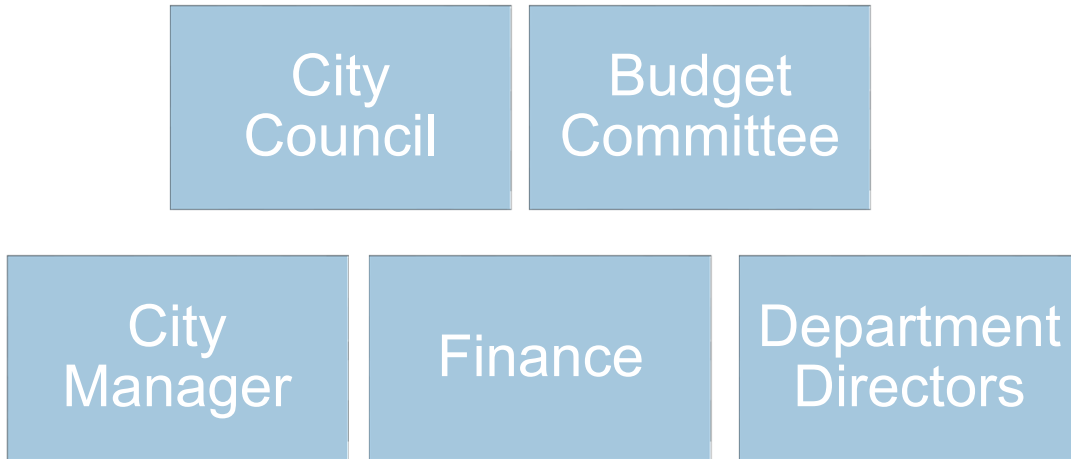
What We'll Cover Today

- + Purpose of the budget
- + Roles and responsibilities
- + Rules of budgeting
- + Internal aspects of budgeting
- + Timelines and milestones
- + Deliverables
- + Questions and answers

Purpose

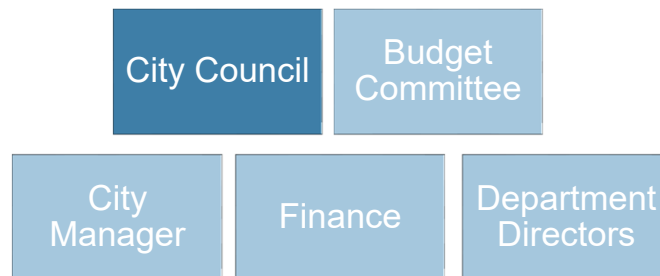
- + Plan for future operations
(FY 2021-22)
- + Prioritization
- + Compliance
- + Transparency

Roles and Responsibilities



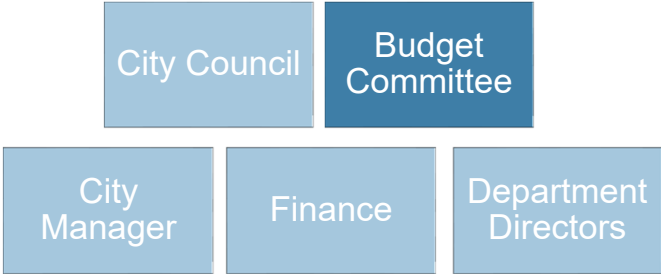
City Council's Role

- + Provide clear vision
- + Set the policy and direction for the City
- + Ultimately adopt the budget



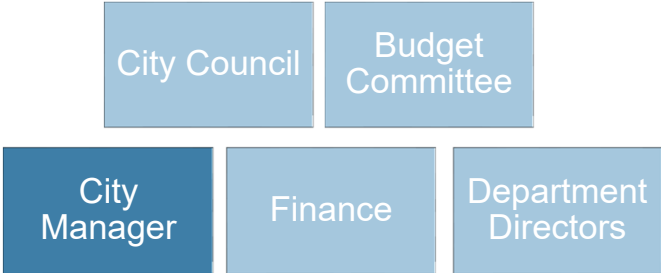
Budget Committee's Role

- + Policy level direction
- + Align resources with City goals
- + Approve the budget



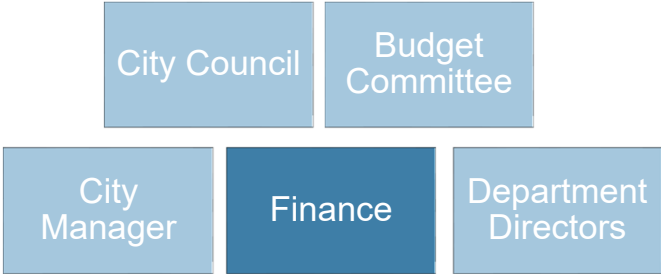
City Manager's Role

- + Provide a balanced, proposed budget for consideration
- + Implement the budget within policy and direction of the City Council
- + Support and guide staff in operation within the budget framework



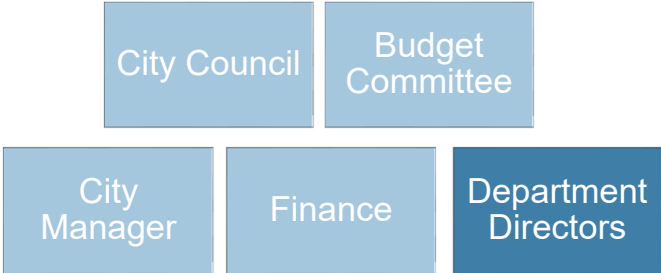
Finance Role

- + Guide the budget process
- + Balance sources and uses
- + Provide monitoring and compliance with adopted budget



Department Directors' Role

- + Guide the budget process
- + Balance sources and uses
- + Provide monitoring and compliance with adopted budget



Rules and Requirements

Oregon Local
Budget Law

Process

Deadlines

Over-
expenditures



Internal Aspects

Fund
Accounting

Categories
and
Appropriations



Internal Aspects

Budget
Philosophies

Contingencies
Carryovers
and Reserves

Flexibility



Internal Aspects

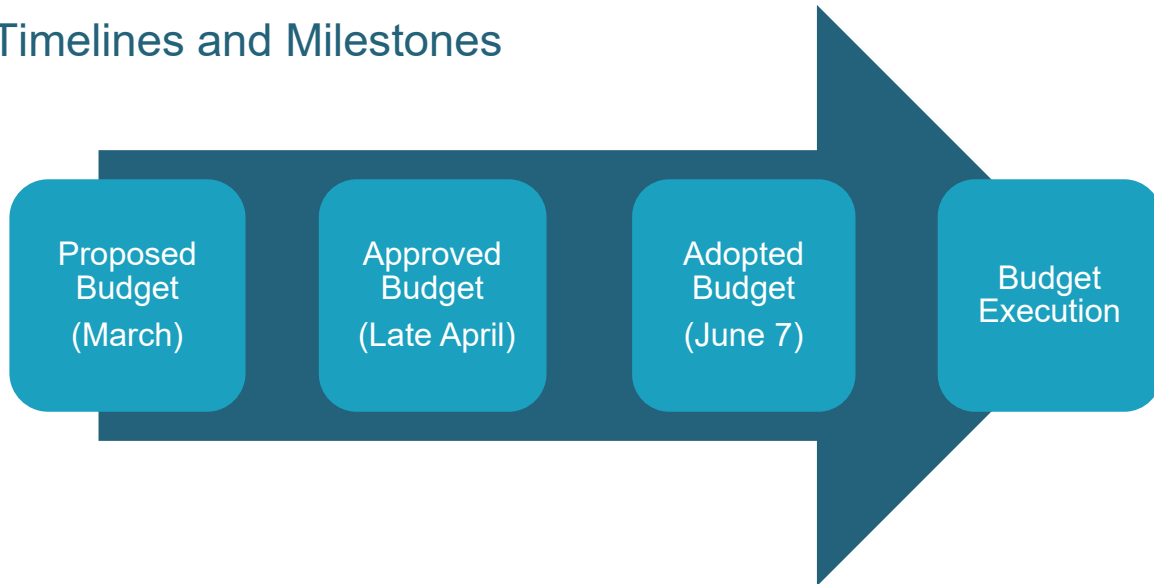
Trends and
Forecasts

Capital
Projects

Overheads



Timelines and Milestones



Deliverables

- + Budget requests to City Manager
- + Proposed Budget to the Budget Committee
- + Approved Budget to the City Council
- + Adopted Budget to the County
- + Budget adjustments
- + Monthly financial reports



Budget Execution

- + Compliance
- + Budget adjustments and changes



Questions

Budget 101

Newberg Background
FY2021-22

April, 6 2021





Overview

- Background on budget development
 - Council goals
 - Internal values
- Basis for decision-making
- Cut but considered items
- American Rescue Program

Considerations

- COVID
- Limited funds
- Organizational change
- Infrastructure needs
- City Council Goals
- Community engagement

Council Goals

- Customer service culture; resolve ongoing legal disputes
- Diversity, equity and inclusion culture
- Affordable and workforce housing
- Urban Renewal Plan and Authority
- Sustainability program in collaboration with community

Setting Values (MVV)

- Mission: The City of Newberg serves its residents, promotes safety, and maintains a healthy community
- Vision: In 2040, Newberg is a gem of the Willamette Valley – mirroring the surrounding bucolic landscapes, its cultivated relationships, flourishing culture, thoughtfully enhanced sense of place, strong local economy, and collaborative leadership nourish our thriving community.

STRIVE – organizational value program

- Service
- Teamwork
- Responsibility
- Inclusion
- Value
- Excellence

Evaluating “adds”

CRITERIA:

- Meets Council Goals
- Is Mandated
- Funding is identified
- Creates Efficiencies/Cost savings
- Limits Legal Exposure
- Does not put additional strain on Internal Services
- Future Cost Avoidance

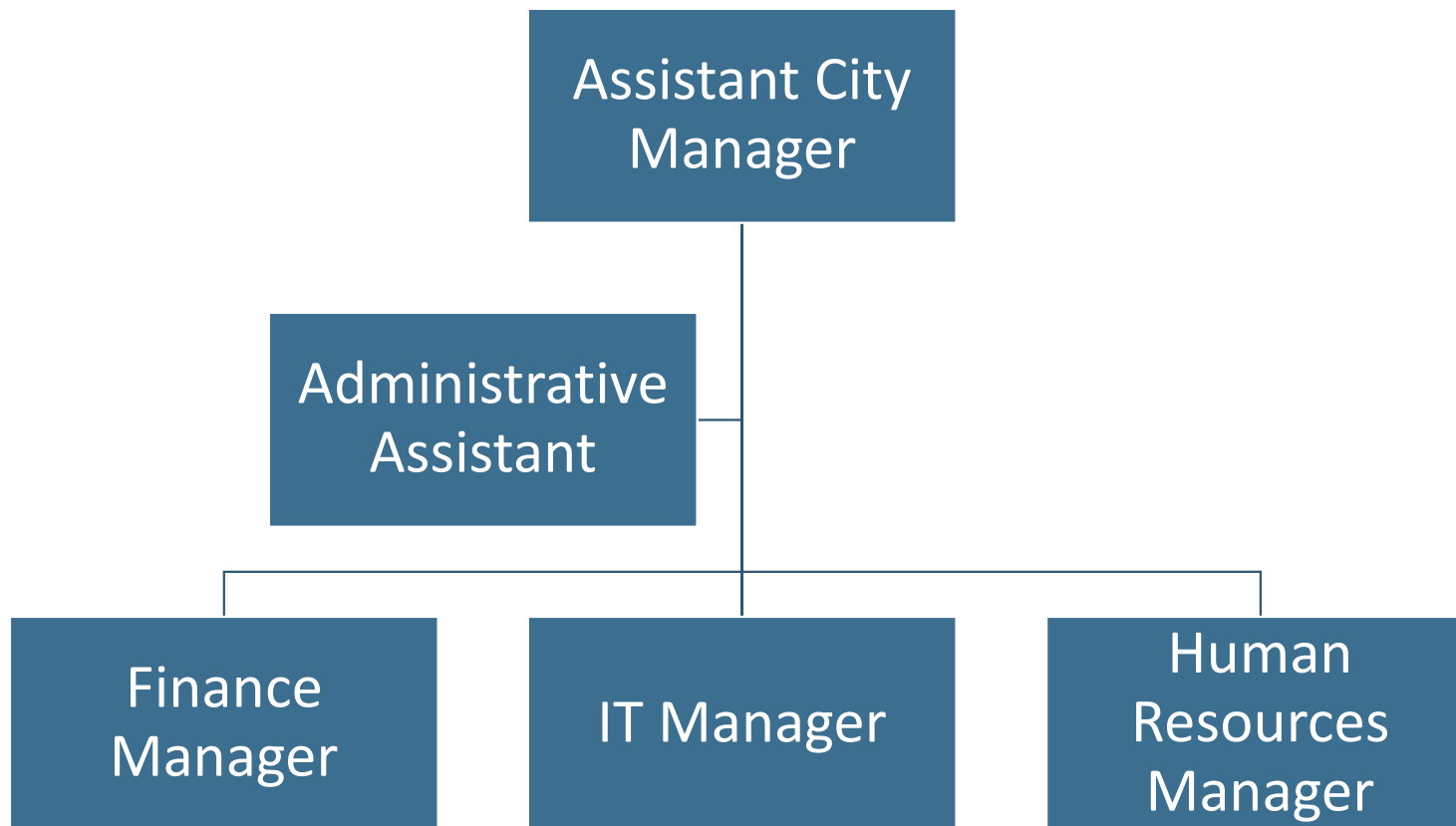
Add Packages – Considerations

- Information Systems and data storage
- Urban Renewal and planning
- Equipment needs
- Staff positions
- Staff capacity to complete the work

Balancing the budget

- Get internal “house in order”
 - Service, structure, processes and tools
- Structural deficit within General Fund
 - Situation where ongoing costs outstrip available resources
- Address City Council Goals
- Address a NewBERG Community Vision Goals
- Catch up on deferred maintenance or replacement

Organizational Restructuring – Central Services



Anticipated Work Program

- Urban Renewal Program completion (City Council priority)
- Realignment of internal/central services (City Council priority)
- Asset management program
- Diversity, equity and inclusion implementation (Council priority)
- Address housing work program (City Council priority)
- Improve or create processes and procedures
- Address community impacts to COVID-19
- Work with community sustainability group (City Council priority)

American Rescue Plan (ARP)

- Funds are not budgeted due to uncertainty
- \$1.9 trillion; \$350 billion for state and local government
- **\$4.87m for Newberg** (received in equal parts over two FY)
 - First tranche expected early June 2021
- Seeking allowed expenditure details
- Staff will provide recommendations to Council and facilitate discussion on applying funds
- Staff will review competitive programs to meet community needs

Questions?

Thank you for your willingness to serve on the Budget Committee!

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**City of Newberg
Budget Committee
April 20, 2021**

Meeting held electronically due to COVID-19 pandemic

Meeting called to order at 6:30 p.m.

Committee Members Present: Solomon Allen, Timothy Carpenter, Beth Koschmann, Molly Olson, Greg Meenahan, Brad Sitton, Lozelle Mathai, Mayor Rick Rogers, Councilors: Bryce Coefield, Julia Martinez Plancarte, Denise Bacon, Stephanie Findley, Mike McBride, and Elise Yarnell Hollamon.

Staff Present: Merina & Co Consultant Rob Moody, City Manager Dan Weinheimer, City Recorder Sue Ryan, Assistant City Manager Kezia Wanner, Interim Police Chief Jeff Kosmicki, Library Director Will Worthey, Community Development Director Doug Rux, and Interim Finance Director Dan Keuler.

CONSENT AGENDA:

Action: To approve minutes from 2020 meetings: April 21, 29, 30 and May 5
Motion: Member Findley
Second: Member Allen
Vote: 14 Yes 0 No

NEW BUSINESS:

1. Budget Message

City Manager Weinheimer presented the budget message (Exhibit A). He discussed the priorities for the year, how the budget was different from previous years, COVID-19, addressing the structural deficit, reorganization, and notable program and staff changes.

2. Presentation of Funds

Rob Moody, Merina & Co., introduced the General Fund.

GENERAL FUND:

Revenue: Mr. Moody said the estimate for General Fund revenues was relatively flat, only a couple hundred thousand dollars increase. They had been conservative in the estimates. They had allowed for the 3% increase in property taxes. However, they did not know what the impact of COVID-19 would be on people paying their property taxes. They had anticipated some growth in the franchise fees. There was a transfer into the General Fund from the Vehicle Equipment Replacement Fund as this fund was being eliminated. The money would be set aside as Contingency for those future expenditures.

General Government: CM Weinheimer said this was the budget for the Mayor and City Council. There was no significant change to this budget. There was one item, Professional Services, that was not used this year and would be rolled over into next year's budget. For Transit Services, it showed increasing to \$20,000 but he thought with COVID-19, it would remain at \$18,000.

Municipal Court: Assistant City Manager Wanner said the proposed budget was a decrease of nearly 4% from the current budget. The change was due to decrease in court costs due to less supplies and equipment needed for the courtroom. They would be convening a community court; the first would be held on May 25 and would take place monthly. The program would allow for non-criminal resolution to criminal problems. The citations for calendar year 2020 were half of that for calendar year 2019. It looked like citations for 2021 would be similar to that of 2020.

There was discussion on the cost for community court, Planning and Subdivision Fee revenues, and decrease in health and life insurance based on people's election of coverage.

Police: Interim Police Chief Kosmicki said they were not requesting increasing the number of police officers from the current 33. He discussed all of the services the Police Department provided. They had been able to retain all employees for the last three years. In 2019, Newberg and Dundee were listed as the safest cities in Oregon. Traffic revenue was down due to COVID-19 and giving more warnings than citations. They planned to replace the records management system and computer-aided dispatch software. He had secured two satellite offices. The City of Dundee had approved the police services contract which would be an increase in revenue. He then discussed the new programs being proposed including de-escalation training and peer support. He was also setting aside funds for a grant for body cameras.

There was a discussion on the funding for the body cameras, lease vs. buy, alternatives if the grant was not successful, getting feedback from citizens, and number of sworn officers based on Newberg's population.

Police Communications (Dispatch): Interim Police Chief Kosmicki recognized the good job Records and Evidence did. He explained the duties of Communications staff and the funding sources for the department. The significant change was moving to a digital 800 MHz radio system which was a federal mandate. They were also adding a system which would link medical, fire, and police computers virtually.

There was discussion on the capital outlay lines, continuous overtime, why the city had a 9-1-1 center, how it was rare, and the benefits, total cost for the department and savings if 9-1-1 was contracted out, internal charge for admin support, and mental health resources.

Library: Library Director Worthey said there were many retirements this year and they had to develop core competency skills for the new employees. The Supplies and Equipment line item was projected to come in higher than what was projected. This was a result of CARES funding for equipment purchases including laptops and RIFD equipment. In many line items there was a slight upward adjustment to consider the rising cost of materials and supplies. Overall, the budget projection was conservative. He was hoping when better times returned that there could be expansion of services, particularly in the Latinx area. He discussed the increased cost to be inside the CCRLS network.

There was a discussion on FTE decreases, services levels, leaking conditions in the building and cost for repairs, adding a Spanish speaking Senior Librarian, and budget reflecting the needs of the community.

Planning: Community Development Director Rux explained the duties of the Planning Department. Most of the budget was status quo. Personnel Services reflected a full year for the new Housing Planner position. The Admin Assistant had been moved fully to the General Fund. There had been a lot more electronic payments for permit fees due to COVID-19 which was reflected in the proposed budget. He was planning to apply for grants for a Housing Production Strategy and Urban Growth Boundary expansion. Professional Services had been increased for the UGB expansion work. Internal Charges had also increased for legal services to address any challenges to the UGB work. If they were unsuccessful at getting the grants, then the projects would not move forward.

There was discussion on bank fees for credit card charges, recruitment for the Housing Planner, and legal expenses.

Non-Departmental: Mr. Moody said this was the fund for debt service, contingency, and interfund transfers. The City had no outstanding debt relative to the General Fund. The current budget made the last transfer from the General Fund to the Water Fund to help pay off the software purchase and there would be no transfer in 2021-22. There was \$372,000 in debt service related to the Communications upgrade. The \$42,000 transfer to Economic Development was to plug the hole between what was raised through the business license fee and cost of running that program with one FTE. What was left in the General Fund was put in Contingency which would have to come back to Council before it could be accessed. There was also a transfer in from the discontinued Vehicle Equipment Replacement Fund.

FUND 31:

Revenue: Mr. Moody gave an overview of the internal services included in this fund. The interfund administrative charges were based on a number of allocations depending on the costs being distributed. The amount had gone up due to the transfer in of a

portion of the Vehicle Equipment Replacement Fund. The money would be put in Contingency for capital outlay expenditures in the future.

There was discussion on reimbursing legal expenditures.

City Manager's Office: CM Weinheimer said last year this budget had been reduced and he came in under budget. For the proposed budget, he had reinstated the Professional Services amount back to \$30,000. He hoped to use it for professional development for Department Heads. His salary had not changed.

NEXT STEPS:

The next meeting would be held on April 27th at 6:30 p.m.

Meeting recessed at 8:30 p.m.

Sue Ryan, City Recorder

ATTEST:

Molly Olson, Chair

Budget Message

FY2021-22

April 20, 2021



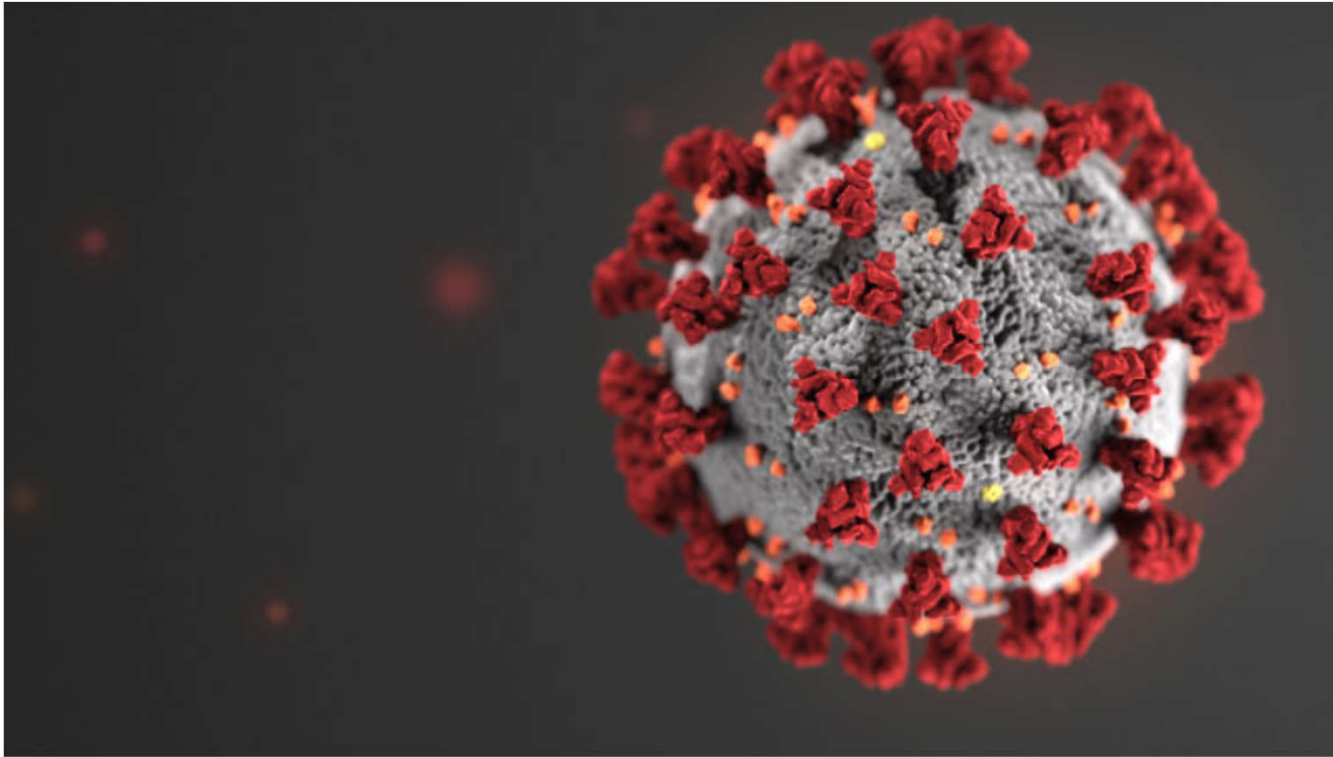
Priorities

- Community COVID-19 recovery
- Funding City Council and Community Vision goals
- Focus on achievable work that meets short and long-term needs
- Restructuring City operations

My Budget Looks Different...

- Goals – a clearer financial picture externally and an easier implementation internally
- Actions:
 - Eliminated redundant or extraneous detail
 - Combined data on personnel allocations with salary schedule
 - Eliminated information about obsolete funds
 - Ceased unnecessary interfund transfers
 - Added supporting information and educational material on City website

Coronavirus Disease 2019 (COVID-19)



Structural Deficit

Some ideas we are considering to address the structural deficit in the future include:

- Increasing the Public Safety Fee that was adopted in 2009. That fee on equivalent dwelling units was initially established to fund three police officers but was not adopted with an escalator to keep up with ongoing costs. The fee now only covers two officers. A modest fee increase could relieve the General Fund of some salary costs.
- Reducing staffing in some of the funded departments – this could be done through leaving positions unfilled after retirements and freezing vacant positions to create a minimal impact.
- Considering dedicated fees for other services currently included in the General Fund.
- Reducing services or service levels in the departments funded with General Fund monies

Reorganization

- Goals
 - Plan and prepare to meet our needs
 - Increase efficiency of internal systems (less paper and more useful data)
 - Coordination of effort = financial efficiency
 - Focus on ongoing structural issues
- Coordinate finance, information technology and human resources
- Partnership model between support service departments and customer-facing departments
- Clarify and change some roles, responsibilities and focus

Notable program or staff changes

- Add bilingual community engagement specialist
- Add Human Resources Manager
- Economic Health Manager lead COVID-19 business response
- Seek grant for Body Worn Cameras in NDPD
- Complete preparation for ongoing Urban Renewal Authority
- Continue transitioning City Attorney role
- Evaluate options for financial software
- Complete Citywide asset inventory and asset management plan
- Many, many Capital Improvement Projects (CIP)

This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.

**City of Newberg
Budget Committee
April 27, 2021**

Meeting held electronically due to COVID-19 pandemic

Meeting called to order at 6:30 p.m.

Committee Members Present: Solomon Allen, Timothy Carpenter, Molly Olson, Greg Meenahan, Brad Sitton, Councilors: Julia Martinez Plancarte, Denise Bacon, Stephanie Findley, Mike McBride, and Elise Yarnell Hollamon. Mayor Rick Rogers entered the meeting at 8:06 p.m.

Absent: Lozelle Mathai, Beth Koschmann, and Bryce Coefield

Staff Present: Merina & Co Consultant Rob Moody, City Manager Dan Weinheimer, City Recorder Sue Ryan, Assistant City Manager Kezia Wanner, Information Technology Director Dave Brooks, Interim Police Chief Jeff Kosmicki, Public Works Director Russ Thomas, Community Development Director Doug Rux, and City Engineer Kaaren Hofmann

PUBLIC COMMENTS:

Sarah Grider, Newberg resident, said in January 2021 the Newberg Emergency Shelter was expanded to become a 365 night per year low barrier shelter. She asked for \$2,500 from the City to assist with background checks.

City Recorder Ryan read aloud a letter from Taste Newberg into the record (Exhibit A). They questioned diverting TLT funds from tourism marketing to the Visitors Center. They requested investing TLT funds where they were likely to generate return on investment, such as in marketing the City.

STATE REVENUE SHARING PUBLIC HEARING:

BCM Chair Olson opened the public hearing and read the hearing statement. She asked if any member had conflicts of interest to declare or needed to abstain from voting on this matter. There were none.

Rob Moody, Merina & Co Consultant, presented the staff report. He explained this formal process was required by the state to allow for public input into the use of state shared revenues in order to receive those funds from the state. He summarized what state shared

revenues were and how much would be allocated to the City as well as the restrictions on the use of the funds.

There was no public comment.

BCM Chair Olson closed the public hearing.

Action: To forward the State Revenue Shared Funds recommendation as outlined in the presentation to the City Council for adoption.
Motion: Member McBride
Second: Member Martinez Plancarte
Vote: 10 Yes 0 No 4 Absent [Mathai, Koschmann, Rogers, Coefield]

CONTINUED BUSINESS:

1. Presentation of Funds

GENERAL FUND

FUND 31:

Human Resources: Assistant City Manager Wanner was proposing a new Human Resources Manager position, making it 2.0 FTE in the department. There would be a 39% increase in the budget due to increased Personnel Services for the new position and Professional Services for HR software. She discussed the duties of this department and increased workload due to COVID-19 and employee recruitments. In the coming year they planned to launch a new employee performance evaluation software module.

There was discussion on the new software.

City Recorder: CM Weinheimer explained the duties of the City Recorder. There was only 1 FTE, but they would be using some hours from the part time court clerk as well. There was an increase in Professional Services for transcription, publishing code, records management system licensing, shredding, agenda management software, and legislative redistricting from the census update.

There was discussion regarding the cost for the redistricting and the analysis and process that would need to be done for the redistricting.

Community Engagement: CM Weinheimer discussed the duties of Community Engagement. There was 1 FTE in this department, and they were requesting to add 1 more FTE. They hoped to hire someone who was bilingual to help with relationship building with the Latinx community. Personnel Services would be increased for this new position. He explained what would be included in Professional Services.

There was discussion on the process for the new Library logo and reduction in the Slate Communications contract as the current employee would take on more of those duties.

Finance and Utility Billing: Mr. Moody said the focus for this budget was improving customer service. The budget reflected a process for implementing a number of the

recommendations that were made as a result of the Finance Department analysis and review that was recently completed. Improving the financial software needs for each department was the first step and improving access to financial information. Personnel Services reflected the restructuring of the Finance Department. There would be a Finance Manager instead of a Finance Director that would report to the Assistant City Manager. The Municipal Court that was currently under the Finance Director would report to the Assistant City Manager. His contract in Professional Services would be completed in June and it would not carry over into the next fiscal year. Utility Billing would be consistent with the current fiscal year. He thanked the Finance Department for their work, especially since they were currently understaffed.

Information Technology: ACM Wanner said there were 6 FTEs in this department. However, next fiscal year the group would be led by a new IT Manager and the current IT Director would be taking over as the Public Safety Technology Services Manager. This budget would be decreased by 9% in the next fiscal year. This change reflected moving the IT Manager to the Police Department budget and showed a commensurate increase in the Personnel Services budget in Police. Another budget change was the increase of \$36,000 in capital outlay technology replacement costs. An asset replacement strategic plan would be done and with COVID-19 there had been need to provide employees with robust remote working technologies and to provide the public with virtual access to the City's programs. Technology upgrades would be required to continue this virtual environment for the foreseeable future.

There was discussion on employees continuing remote work and equipment replacement and budget risk.

City Attorney's Office: CM Weinheimer said the City was now contracting City Attorney service instead of an in-house attorney. The Legal Services Department still existed with a paralegal, prosecutor, and code compliance officer. The budget increases were for code enforcement training and educational development, nuisance abatement and control, use of the contract attorney, and code revisions. For now, this department was reporting to him. He was working on improving code compliance processes.

There was discussion on who legal staff would report to long term and decreasing the cost for the City Attorney contract in future years.

Fleet and Facilities: Public Works Director Thomas said the Fleet budget would be the same as previous years. He discussed the services provided by Fleet. They had 2 FTEs and no new employees were being proposed. He also explained the accomplishments of the department to reduce the age of the fleet. He then discussed the services provided by the Facilities Department. For the next fiscal year, they planned to replace two of the HVAC systems at City Hall and do lighting upgrades. He explained the projects that had been done this year and how they were trying to address the leaking windows at the Library. The Facilities budget would be the same as previous years. He then discussed the expenses that were directly COVID-19 related.

Fund 3:

Civil Forfeiture: Interim Police Chief Kosmicki said this budget accounted for occasional receipt of criminal assets. The assets were separately tracked and used to support law enforcement activities.

Fund 13:

911 Fund: Interim Police Chief Kosmicki said this was a cell phone tax of \$1.25 which started being collected on January 1, 2021. The money would be used for the 911 system throughout the state. This fund would pay for two of Newberg's dispatchers.

Fund 16:

Public Safety Fund: Interim Police Chief Kosmicki said the Public Safety Fee of \$3 per month was established in 2009. The Fee could only be used for the Police Department. The Fee was not keeping up with the cost of the officers that it was intended to support.

Mr. Moody said there was a recommendation to increase the Fee for 2021-22 to get back to supporting three officers.

Interim Police Chief Kosmicki said the Communications Fee started in 2014 as a \$2 fee but had an inflation elevator. The purpose was to fund two 911 dispatchers.

Fund 08:

Building Inspection Fund: Community Development Director Rux said this fund addressed all the reviews for new development. They also performed these services for Dundee, Dayton, and Lafayette under a contract that had been in place since 2009. The fund was status quo, with a slight decrease due to the slowing down of development. One change in Personnel Services was the contract Building Inspector had been moved to Professional Services. There was also a new Plans Examiner and an increase in bank fees due to additional digital transactions from COVID-19. Third party services were budgeted for every year to be used if the department was overwhelmed with applications or if staff was out for an extended period. The contract plumbing inspector had been moved to Professional Services as well. He had also budgeted for DEI training for staff. There were 4.05 FTEs in the Building Department. He discussed the retrofit work on existing school facilities that would need to be done for the School District.

Fund 14:

Economic Development Revolving Loan Fund: CDD Rux said this fund had three different elements, Economic Development Fund, Affordable Housing Trust Fund, and Construction Excise Tax. He would be applying for a grant for repairs to manufactured homes. There would be a full year of Construction Excise Tax revenue in 2021-22. The Economic Health Manager would be moved into this fund and the business license portion would be moved out of this fund to the General Fund. Business licenses and home occupation licenses were increasing in cost. He explained the expenditures for the Economic Development Fund and Affordable Housing Trust Fund. The Construction Excise Tax was implemented January 2, 2021. The Housing Planner position would be partially paid from the tax and the rest would come from the General Fund. There were also special payments for economic development loans and programs, and there was a small contingency for each element as well.

There was discussion on business license fees going towards the salary and benefits of the Economic Health Manager and the duties of the manager that tied back to businesses.

Fund 19:

Transient Lodging Tax Fund: CDD Rux said with the COVID-19 lockdowns, overnight stays at hotels were affected. They were projecting the same revenue for 2021-22 as they had projected for 2020-21. He was working on a contract with the Chamber for the Visitors Center. It had previously been \$75,000 but was being reduced to \$30,000. The allocation to Taste Newberg would be increased to \$186,000. There was \$30,000 from a grant program that had been awarded, but the applicant did not move forward, and the award had been terminated. The Council would need to decide what to do with that money. There was also a small contingency in this fund.

There was discussion on the Visitor Center contract and what could be done with the grant money.

Fund 02:

Streets Fund: Public Works Director Thomas explained what was included in the Public Works funds. There would be no significant increases in FY 2021-22 budgets other than for projects. He then reviewed the Street Fund purpose, funding, and projects.

There was discussion on the increased cost of raw supplies and why it was a good time to do several capital projects when the costs were so volatile. This would be answered at the next meeting.

NEXT STEPS:

The next meeting would be held on April 29th at 6:30 p.m.

Meeting recessed at 8:34 p.m.

Sue Ryan, City Recorder

ATTEST:

Molly Olson, Chair

This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.

**City of Newberg
Budget Committee
April 29, 2021**

Meeting held electronically due to COVID-19 pandemic

Meeting called to order at 6:30 p.m.

Committee Members Present: Solomon Allen, Timothy Carpenter, Molly Olson, Greg Meenahan, Brad Sitton, Lozelle Mathai, Beth Koschmann, Mayor Rick Rogers, Councilors: Julia Martinez Plancarte, Denise Bacon, Stephanie Findley, Mike McBride, Bryce Coefield and Elise Yarnell Hollamon.

Staff Present: Merina & Co Consultant Rob Moody, City Manager Dan Weinheimer, City Recorder Sue Ryan, Public Works Director Russ Thomas, City Engineer Kaaren Hofmann, Interim Police Chief Jeff Kosmicki, and Library Director Will Worthey.

CONTINUED BUSINESS:

1. Presentation of Funds

GENERAL FUND:

Fund 02 - Streets Fund

City Engineer Hofmann addressed the question about the cost of raw supplies and moving forward with the capital projects. She agreed the costs had gone up significantly due to COVID-19, but there were predictions that these numbers would even out over the next several months. If the projects came in over budget, they could wait and re-bid later to get more favorable prices.

Fund 18 - Streets Capital Fund

City Engineer Hofmann presented the street capital projects which included sidewalks around Scott Leavitt Park, Safe Routes to School, Elliott Road, College Street bike lane and sidewalk, Crestview Drive, and pavement preservation—moving forward with crack and slurry on North Street, 6th Street, Willamette Street, and Franklin.

Fund 06 – Wastewater Fund

Public Works Director Thomas reviewed the projects and programs in the Wastewater Fund. There was a rate increase in January 2021 and January 2022. There would be

an increase in buildings and grounds maintenance due to needed facility repairs, replacements, and maintenance.

Fund 07 – Water Fund

Public Works Director Thomas reviewed the services and programs in the Water Fund.

There was discussion on extending the use of the recycled water program.

Fund 17 – Stormwater Fund

Public Works Director Thomas explained the services and programs in the Stormwater Fund.

Fund 04 – Proprietary Capital Project Fund

City Engineer Hofmann described the Wastewater Capital Projects, Water Capital Projects, and Stormwater Capital Projects.

There was discussion on the Hess Creek pipeline and projects that might be in the Urban Renewal District.

Funds 42, 43, 46, 47 – System Development Charges (SDC) Fund

City Engineer Hofmann said these funds could only be used on capital projects to increase capacity. The fund covered 9-48% of the projects proposed in the five-year plan.

There was discussion on projects SDCs could be used for and possibly setting up a separate fund for extending the recycled water pipes.

Fund 09 – Debt Service Fund

Mr. Moody said this fund reflected the scheduled debt payments on the City's outstanding debt. The funding for the debt service was a combination of transfers in from other departments.

There was discussion on the ten-year debt for the Communications upgrade.

Fund 21 – Government Capital Projects Fund

Interim Police Chief Kosmicki said this fund provided resources for the Public Safety Communications upgrade and seismic retrofit of the Public Safety Building. The payments for the Communications upgrade were \$372,000 per year for ten years. A grant was used for the seismic retrofit. Both of these projects had been completed.

Fund 22 – Library Gift, Memorial & Grant Fund

Library Director Worthey said for the current year the Library received \$34,000 from six sources. The funds were used for reading programs, Spanish and teen programming, supplies for Art Club, Childcare Connection program, materials for Library of Things, and capital outlay for a new reference desk. The outlook was good as he anticipated \$37,600 for next fiscal year. It would be spent on the same types of projects as this year.

There was discussion on the Library Foundation and Library response during COVID-19.

Fund 32 – Vehicle, Equipment Replacement Fund

Mr. Moody said when this fund was established, it was intended to be a capital projects fund. However, it started being used to set aside money for other materials. Rather than continue the practice of transferring money to this fund from the General Fund for these expenditures, it was being moved back to the General Fund. He explained the differences in the budget that reflected this change.

There was discussion on leasing vs. buying City vehicles.

Committee deliberation:

Mr. Moody said he did not know that the City was levying less than the permanent tax rate and he had a corrected number for Committee approval. Currently the property tax rate was \$2.65 per \$1,000 and for 2021-22 the property tax rate would be \$2.73 per \$1,000.

The Committee discussed outstanding items that needed to be addressed including the \$30,000 grant that was not used, body cameras, and funding requests from the emergency shelter on College and Homeward Bound Pets.

CM Weinheimer said for the body cameras, it would take six months to implement the program. He thought the funding requests would come out of the Community Support line item within the City Council's budget. The \$30,000 grant money had to be used for tourism activities.

BCM Yarnell Hollamon thought the \$30,000 should be allocated to the Visitor's Center.

BCM Rogers thought it could be used for another grant. CM Weinheimer said it would be a lift for staff to have to do a grant process unless it was just a few agencies that could apply.

Chair Olson said this item would come back to the next meeting for further discussion.

BCM Coefield suggested finding funding for a new bilingual senior librarian for the Library.

BCM McBride thought they should fund the body cameras, either through the grant or contingency. Because the budget was so tight, he suggested a hiring freeze across the board for any additional new positions, but replacing current positions if staff left, and whatever extra money they had should be used to replace old equipment.

There was discussion on the hiring freeze and support for the Latinx librarian.

BCM Findley asked why they had a Library Foundation line item but not one for the Police Foundation. BCM Bacon said the Police Foundation originally wanted to have a memorandum of understanding with the City where they reported to the City but it was never signed. They functioned totally separate from the City.

BCM Rogers thought an MOU should be looked at again.

BCM Allen thought they should fund the new senior librarian position instead of the body cameras if the grant did not come through.

BCM Martinez Plancarte thought the librarian position was key for the Latinx community and supported that suggestion.

BCM Yarnell Hollamon suggested adding more money for the Police Department for mental health services either with YHCO or another organization that delivered those services. Chief Kosmicki said there was currently no specific line item for mental health, it was included in operational costs.

BCM Meenahan asked about the structural deficit. CM Weinheimer said they had included cuts in the budget to mitigate a year's worth of the deficit. He thought addressing the deficit and creating policies would be part of the work of the quarterly Budget Committee meetings.

BCM McBride suggested not increasing the business license fee, especially since businesses were still struggling due to COVID-19. BCM Allen suggested changing the fee from a flat fee to be based on business size.

NEXT STEPS:

The next meeting would be held on May 4th at 6:30 p.m.

Meeting recessed at 8:31 p.m.

Sue Ryan, City Recorder

ATTEST:

Molly Olson, Chair

This document is supplemented by agenda packet materials, meeting materials distributed and electronic audio / video recordings of the meeting and may be reviewed upon request to the City Recorder.

**City of Newberg
Budget Committee
May 4, 2021**

Meeting held electronically due to COVID-19 pandemic

Meeting called to order at 6:30 p.m.

Committee Members Present: Solomon Allen, Timothy Carpenter, Molly Olson, Greg Meenahan, Brad Sitton, Beth Koschmann. Councilors: Julia Martinez Plancarte, Denise Bacon, Stephanie Findley, Elise Yarnell Hollamon, Bryce Coefield, Mike McBride, and Mayor Rick Rogers.

Absent: Lozelle Mathai

Staff Present: Merina & Co Consultant Rob Moody, City Manager Dan Weinheimer, Assistant City Manager Kezia Wanner, and City Recorder Sue Ryan.

Continued Business: - Deliberation of FY 2021-22 Budget

Salary Increases Page 1

City Manager Weinheimer said there not salary increases currently in the budget except for the Police Association. There would be increases with the AFSCME contract negotiations and to non-represented staff. He was not sure yet how much of an increase it would be, but he thought it would be \$100,000 to \$350,000. These unknown expenses would come out of contingency.

There was discussion regarding the total that would be taken out of contingency.

Property Tax Rate Page 10

Chair Olson said there was a recommendation for a 3% increase in the property tax rate to keep up with the increase cost of services.

Action: To recommend to the City Council an increase in the property tax rate of the allowed 3% to a rate of \$2.7319 per \$1,000 of assessed value.

Motion: Member Allen
Second: Member Koschmann

Discussion on how renters contributed to City services and what services property taxes paid for.

Vote: 12 Yes 0 No 2 Absent [Carpenter, Mathai]

Corrections as amendment to proposed budget – Page 4

Rob Moody, Merina & Co consultant, said the corrections to the General Fund included personnel services, cost estimates, property tax rate, and materials and services. The net amount of all the corrections was a \$67,000 increase in contingency. The Administrative Services fund had a net \$12,000 reduction in contingency for personnel services adjustments, the 911 fund had a \$1,500 decrease in contingency for the contract with Dundee, the Economic Development fund had an increase of \$34,000 in contingency due to grant funds, the Street fund had a decrease of \$178,000 in contingency due to an error, Wastewater had a reduction of \$60,000, Water had a reduction of \$60,000, and Stormwater had a reduction of \$22,000 due to corrections in estimates and allocations, and the Proprietary Capital Projects fund had a reduction of \$300,000 for errors in cost estimates and funding sources. Staff asked for acceptance of these corrections.

There was confirmation that the body cameras were taken out of the capital outlay in the Police Department budget in the General Fund.

BCM Allen asked about the City's target for contingency. Mr. Moody said best practices for operating fund targets were 15-22% of budgeted expenditures, and Newberg was within those ranges after these adjustments. There was enough in contingency to cover the results of the labor negotiations.

BCM Sitton asked about the ongoing expenses of storage costs per year for the body cameras. CM Weinheimer said they were looking at a five-year contract and they were anticipating it as an ongoing cost.

BCM Koschmann thought the ongoing cost should be a community discussion. Mr. Moody said there would be a public process when this expenditure came before Council for approval.

Action: To accept the corrections presented by staff as an amendment to the Proposed Budget for FY 2021-22.

Motion: Member Findley

Second: Member Coefield

Vote: 13 Yes 0 No 1 Absent [Mathai]

Body-Worn Cameras – Page 12

Action: To recommend that the FY 2021-22 Proposed Budget be amended to increase capital outlay in the Police Department – Patrol Division by \$85,000 to fund the purchase of body-worn cameras, and fund the purchase through a reduction of General Fund contingency pending an application for available grants.

Motion: Member McBride

Second: Member Martinez Plancarte

BCM Allen thought this money could be spent on other community needs, such as the new librarian position. He suggested if the grants did not work out, to come back with the request next year.

BCM Rogers did not think the cameras should be included in the budget and if they were successful with the grant to bring it back in a supplemental budget.

BCM Sitton thought \$85,000 was a small price to pay when a video could prevent a multi-million dollar law suit. Most police agencies had body cameras.

BCM Findley said this was a high priority and should be pursued even if it wasn't included in the budget.

There was discussion on amending the motion to say "provided the money can be gotten from grants or ARP funding."

Mr. Moody said they had to identify a source for this expenditure. They needed to either put a revenue line item in the budget for a grant or reduce contingency.

There was more discussion on how to include this expenditure in the budget.

Amendment to the Motion: To recommend that the FY 2021-22 Proposed Budget be amended to provide for a capital outlay in the Police Department – Patrol Division by \$85,000 to fund the purchase of body-worn cameras through an application for available grants.

Motion: Member McBride
Second: Member Martinez Plancarte

Vote: 13 Yes 0 No 1 Absent [Mathai]

Transient Lodging Tax – Page 1

CM Weinheimer summarized the options for the \$60,000 in this line item. The sources for the funding were \$30,000 for the Visitor Center contract and \$30,000 from a grant that was rescinded.

BCM Rogers said Parks and Recreation was working on funding for trails and he thought it might be an option for the funding. He asked if the grant program would be worth the effort.

CM Weinheimer said it was a question of the longevity and size of the grant.

BCM McBride thought they should let the Chamber or Taste of Newberg handle tourism grants and keep the City out of it. He liked the option of using the money for trails.

BCM Yarnell Hollamon was in favor of options #1 and #3 and that tourism strategy/policy on TLT needed to be a future discussion of the City Council. BCM Rogers agreed.

BCM Koschmann thought if they did not like the options, they should wait to spend it later.

BCM Bacon was in favor of options #1 and #3 and for Council to have discussions in the future about saving money for a larger project.

BCM Cofield agreed. There needed to be a larger strategic conversation about TLT.

Action: Option #1. Fund the Chamber visitor center contract as recommended for one year \$30,000 – in budget
~~Option #2. Create a City run Tourism Innovation Grant Fund to support businesses and non-profits in funding programs to expand the city's experiences and tourism programming (\$60,000)~~
Option #3. Fund Taste Newberg (\$30,000) - involve allocation of those funds

Motion: Member Coefield
Second: Member Rogers
Vote: 12 Yes 1 No [Koschmann] 1 Absent [Mathai]

Community Support Funds

Chair Olson said this was a decision of City Council, but the Budget Committee could forward a recommendation on the use of these funds.

BCM Allen supported funding the request for the emergency shelter.

Chair Olson suggested partnering with the shelter to do the background checks for the shelter instead of giving them funds.

Senior Librarian – Page 9

ACM Wanner said this position would provide Spanish language outreach and support. The salary would be approximately \$85,000 and with benefits would be \$115,000. The Budget Committee needed to decide whether or not to fund the position out of contingency.

Action: To amend the proposed budget for FY 2021-22 to add a Senior Librarian position in the Newberg Library at a cost of approximately \$115,000 to be funded through a reduction of General Fund contingency.

Motion: Member Coefield
Second: Member Allen

BCM Rogers was concerned about the structural deficit and adding this position. He suggested this position could replace the proposed new Community Engagement position.

BCM Martinez Plancarte wanted to make sure they did not put too much on one position as it would be difficult to do both City outreach and Library duties.

Mr. Moody said adding the position would reduce contingency and would be an annual impact to the General Fund. It would increase the structural deficit in the General Fund.

BCM Meenahan thought the structural deficit was a separate discussion.

Vote: 12 Yes 1 No [McBride] 1 Absent [Mathai]

Hiring Freeze – Page 11

BCM McBride thought the hiring freeze should be for any new employees and the funds could be used to replace aging computers or software.

CM Weinheimer said the three new positions were Senior Librarian, Community Engagement Specialist, and Human Resources Manager.

BCM Koschmann was concerned about the structural deficit and ongoing costs in the future.

Chair Olson noted that staff had made reductions in the budget to reduce the structural deficit by a third.

Action: That the City not hire the two newly created positions in FY 2021-22, the Community Engagement Specialist and Human Resources Manager, and remove the personnel services expenditures for those positions and reallocate the money to unfunded technology or other needs.

Motion: Member McBride
Second: Member Sitton

Amendment to the Motion: That the City not hire the new Community Engagement Specialist position and remove the personnel services expenditures for that position.

Motion: Member McBride
Second: Member Sitton

BCM Rogers said outreach was a Council goal and he thought this position was important.

BCM Yarnell-Hollamon thought it was important to fund priorities. She was not comfortable removing the position.

BCM Martinez Plancarte said this position had been requested by the community and had come up in DEI Task Force discussions.

Vote: 2 Yes [McBride, Sitton] 11 No 1 Absent [Mathai]

There was discussion on the need for the Human Resources Manager position. There was no motion to remove this position.

Business License Fee – Page 6

CM Weinheimer said these funds would remain in Economic Development.

- Action: ~~To amend the Proposed Budget for FY 2021-22 to recommend an increase in the general business license fee from \$50/year to \$75/year and the home business fee from \$25/year to \$37.50/year in the Economic Development Fund.~~
To remove this proposal from the budget.
- Motion: Member Rogers
Second: Member McBride
- Discussion: Poor timing of the increase due to COVID-19.
- Vote: 8 Yes [Allen, Meenahan, Koschmann, Rogers, Bacon, Coefield, Martinez Plancarte, McBride] 5 No [Carpenter, Olson, Sitton, Findley, Yarnell Hollamon] 1 Absent [Mathai]

Public Safety Fee – Page 7

Mr. Moody noted the budget as proposed already anticipated this increase. The motion recommended the Council take the actions needed to establish the increase. It was to cover three police officer positions.

- Action: To recommend City Council increase the Public Safety Fee as an amendment to the FY2021-22 proposed budget.
- Motion: Member Rogers
Second: Member Bacon
- Discussion: To get input from the community and the process for the increase.
- Vote: 13 Yes 0 No 1 Absent [Mathai]

Mental Health Crisis Response – Page 8

BCM Yarnell-Hollamon suggested tabling this item for future discussion by the City Council.

Approval of Budget:

- Action: To recommend approval of the proposed budget as amended.
- Motion: Member Rogers
Second: Member Allen
- Vote: 13 Yes 0 No 1 Absent [Mathai]

The Committee would continue to meet on a quarterly basis.

Meeting adjourned at 8:43 p.m.

Sue Ryan, City Recorder

ATTEST:

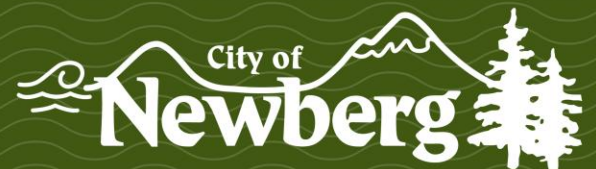
Molly Olson, Chair

DRAFT

American Rescue Plan Act (ARPA) Funds

Budget Committee Meeting

August 31, 2021

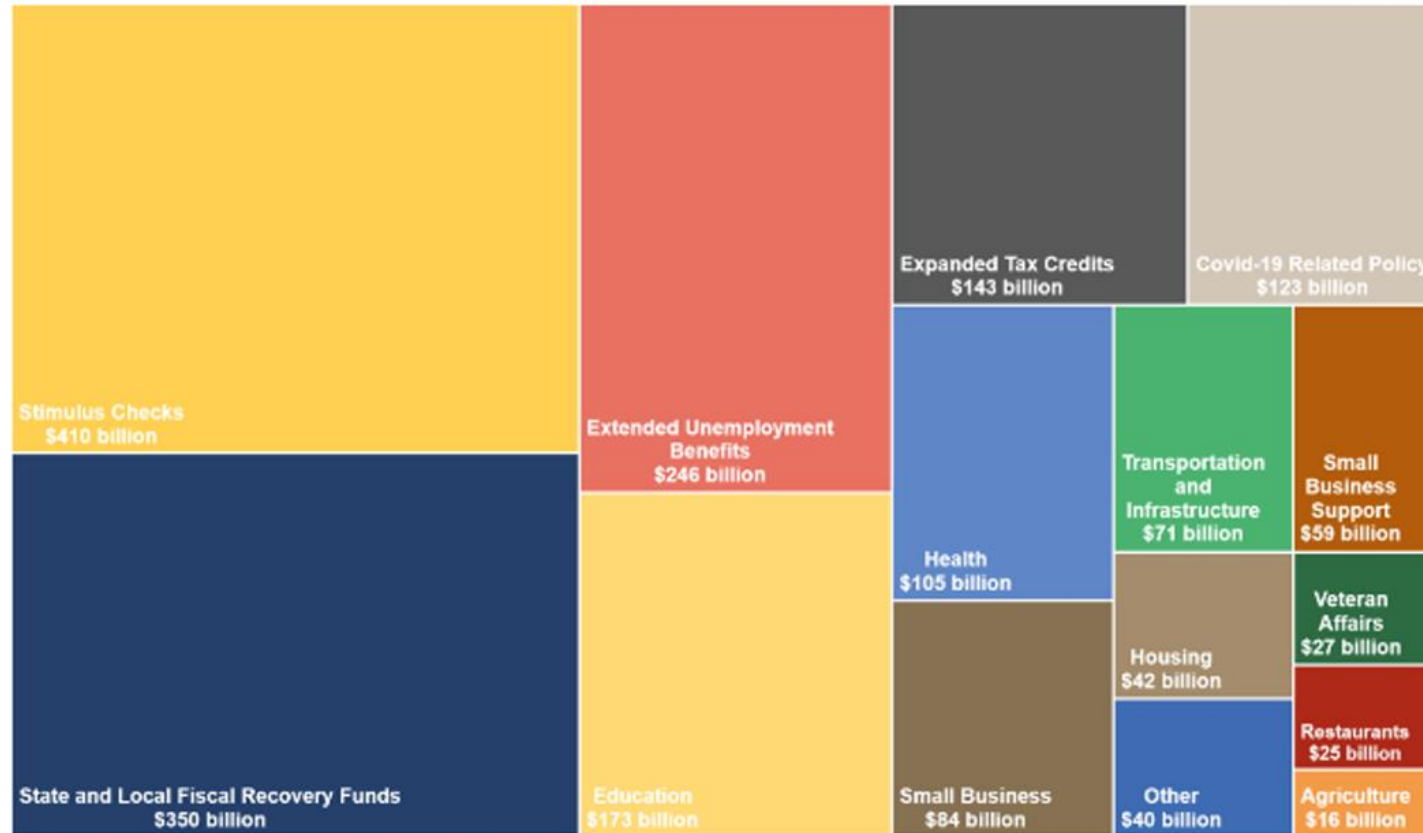


Agenda/Goals

- Background on ARPA
 - Newberg allocation State and Local Fiscal Recovery Funds (SLFRF)
 - Eligible activities funded by SLFRF
 - Other ARPA Programs
- Consider COVID impacts
- Get feedback on principles for evaluating investments
- Get feedback on community engagement
- Review the road map for the ARPA discussions

American Recue Plan Act

\$1.9 trillion American Rescue Plan Act



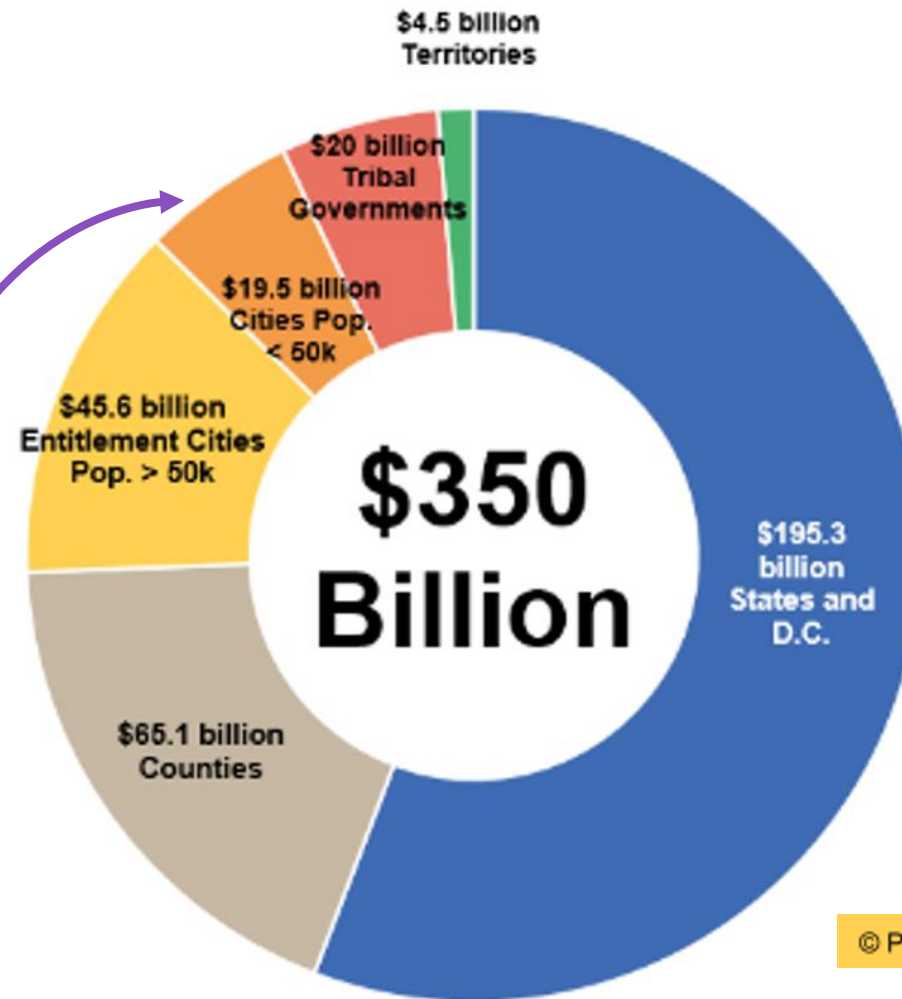
Funding pathways

Direct aid to local, territorial, and Tribal governments	Direct aid to individuals, businesses, organizations	State passthrough (formula and discretionary)
<p>Aid to local government</p> <p>Emergency rental assistance</p> <p>Homelessness assistance</p>	<p>Stimulus checks</p> <p>Unemployment insurance</p> <p>Child tax credit</p> <p>Earned income tax credit</p> <p>Paycheck Protection Program</p> <p>Housing vouchers and emergency rental assistance</p> <p>Community health centers</p> <p>Transit agencies</p>	<p>Aid to state government</p> <p>K12 education</p> <p>Capital projects</p> <p>Childcare</p> <p>State small business credit initiative (SSBCI)</p> <p>Rent, homeowner, and homelessness assistance</p> <p>Mental health and substance abuse</p>

State and Local Fiscal Recovery Funds (SLFRF)

Newberg's direct allocation is part of the \$350B SLFRF funding component of the overall ARPA package.

Our jurisdiction type defines some process and reporting requirements.



Good Problems to Have

Opportunity	Challenge
Significant near-term payments to provide immediate relief	Pressure to spend too much too soon
Funding through December 2024 (4-5 fiscal years)	Tension between urgent and long-term needs; risk of dependence on funding that will eventually end
Funding for multiple purposes through different programs, some flexible, some provided directly to businesses and the public	Complex decision-making required about what to invest where and how to maximize use of varying funding streams
Resources provided for business recovery and economic investment	Local economies may be shifting due to work-from-home flexibility and other post-pandemic change
Federal goals and some new programs with a strong emphasis on equity	Need to build consensus and create clarity around local equity goals and metrics
Dedicated support provided for cities, counties, schools, states, transit, higher education, and other public agencies	Program designs may overlap inefficiently and will be difficult to align for maximum impact
Potential for follow-up infrastructure legislation	Invest now or wait?

Estimated funding to Newberg and region

Funds must be obligated by December 31, 2024, and expended by December 31, 2026

- **SLFRF** (State and Local Fiscal Recovery Funds) – split over two allocations
 - Newberg \$5,302,454.11
 - McMinnville \$7.7m
 - Yamhill County \$20.7m
- **ESSER** (Elementary and Secondary School Emergency Relief Funds)
 - Newberg School District \$5.3m

Estimated funding to Newberg and region

Allocation from Oregon Department of Transportation

- \$360,000
 - Unallocated at this time but intended for “transportation” project/s

Allocation from Legislature (Rep. Post)

- \$400,000
 - Dedicated to building ADA ramps along critical routes

Federal small business assistance

- Restaurant Revitalization Fund Grants - \$25.0B
- Shuttered Venue Grants - \$16.125B
- Paycheck Protection Program - \$7.25B
- Economic Injury Disaster Loan - \$15.0B
- Airport Concessions - \$800M

Federal aid to families/households

- Child Tax Credit Expansion
- EITC Expansion
- Child Care & Dependent Tax Credit Expansion
- Increased ACA Subsidies
- Nutrition Assistance

Through states

- Homeowner Assistance Fund (HAF)
 - \$9.96B total *\$90.9M to Oregon*
- Emergency Rental Assistance Program (ERA2)
 - \$21.5B total *\$204M to counties under 200,000*

Other ARPA Programs

- Museum and Library Services Oregon - \$3M
 - Competitive grants anticipated
- HASSP (Homelessness Assistance and Supportive Services Program)
 - \$5B through HOME Investment Partnership Program
 - \$32.9M for non-entitlement communities in Oregon
- Americorps \$640M
- Americorps-VISTA \$80M
- Family Violence and Prevention Services \$248M
- Public Health Workforce \$7.66B
- Community Health Centers (CHCs) and Community Care \$7.6B
- Substance Abuse Prevention and Treatment Block Grants (SABG) \$1.5B
- Community Mental Health Services Block Grants (MHBG) \$1.5B
- Commodity Credit Corporation for farmer price stabilization \$800M

Eligible SLFRF Uses

- Section 603(c)(1) of the American Rescue Plan Act
- Four categories of eligible uses:
 1. To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
 2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
 3. For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
 4. To make necessary investments in water, sewer, or broadband infrastructure.



Ineligible SLFRF Expenses

- Contributions to pension funds
- Compliance rules clarify that to the extent staffing costs are eligible expenses, the pension costs associated with that labor is allowable
- Contributions to rainy day funds, financial reserves, legal settlements
- Outstanding debt payments
- Offset tax cuts
- General infrastructure spending outside of broadband, water and sewer
- Rules clarify that governmental services provided by lost revenue dollars can be allocated to other infrastructure outlays
- Matching funds unless allowed by the federal program



COVID Impacts

COVID Impacts

- Who was impacted?
 - Disparate impact
- What sectors impacted?
 - Negative economic impacts
 - Travel, Tourism, and Hospitality
 - More...
- Where are other resources or partnerships available?
- Where can an investment create lasting impact?

Areas of COVID Impact

- Individuals/families
- Businesses
- Non-profits
- City operations
- More...

Impacts to Individuals/families

- Loss of jobs
- Loss of income
- Housing disruption
- Long-term health impacts
- Service disruption
- Loss of opportunity

Impacts to Businesses

- Uncertainty
- Loss of business
- Mandated closure or restrictions
- Employee separation
- Training/retraining staff
- Recruitment
- COVID supplies
- Challenges accessing relief

Impacts to Non-Profits

- Some have increased caseloads (significantly)
- Excluded 501(c)6's from stimulus
- Recruitment challenges
- Mandated closures and service disruption
- COVID material costs

Impacts to the City

- Equipment, staff time and material costs *
- Ongoing service interruptions
- Costs to remote work

Budget Committee Discussion

Proposed Project Concepts

- Once in a lifetime – Make intentional investments
 - Address immediate impacts and needs
 - Look to the future – spend towards lasting community impact
 - Fund transformative investments
 - Endow Newberg in perpetuity if possible
 - ARPA funded more than just SLFRF – let's get more!
-
- What are we missing?

Proposed Project Review Principles

- One-time funds – One-time projects (consider ongoing resources)
- Programs require staff (and documentation)
- Make Newberg more resilient to future disruptions
- Consider equity in investments
- Fund efficiencies and improvements guided by COVID
- Leverage, partner and more to extend project reach

- What are we missing?

Proposed Community Engagement

- Seek public input
- Share decision-making criteria
- Solicit ideas from affected sectors
- Record each allocation
- Transparency – post projects on website and report in budget

-
- What are we missing?
 - Who should be included in engagement?

Immediate actions requested

- Hire:
 - Project Support – hire a program/project administrator
 - Grant support – hire a grant writer to help net more money
- Begin public engagement
 - Survey?
 - Engage sectors?
- Other suggestions?

ARPA Timing

- Funds must be obligated by December 31, 2024, and expended by December 31, 2026
- Budget Committee
 - Determine principles and goals – September 2021
- Public outreach
 - Solicit feedback – beginning September 2021
- Projects
 - Solicit ideas that meet principles – TBD