

NEWBERG BUDGET COMMITTEE MINUTES
May 3, 2023

CALL MEETING TO ORDER

Chair Olson called the meeting to order at 6:00 p.m.

ROLL CALL

Members Present: Derek Carmon, Mike McBride, Robyn Wheatley, Molly Olson, Peggy Kilburg, Elise Yarnell Hollamon, Bill Rosacker, Steph St. Cyr, Theodore Ebor, Alex Nichols, Judy Brown, Greg Meenahan, Raquel Peregrino de Brito, Lozelle Mathai, and student Lily Bizeau

Staff Present: City Manager Will Worthey, Finance Director Kady Strode, Police Chief Jeff Kosmicki, Maintenance Supervisor Preston Langeliers, Library Director Korie Buerkle, Community Development Director Doug Rux, IT Manager Ian Rodriguez, City Recorder Sue Ryan

ELECTION OF OFFICERS

Action: To nominate Raquel Peregrino de Brito as Chair of the Budget Committee for 2023.

Motion: Wheatley

Second: Ebor

Vote: Yes 15 No 0 Abstain 0 Absent 0

Chair Peregrino de Brito assumed chairing the meeting.

Members Judy Brown, Greg Meenahan, and Vice-Chair Lozelle Mathai were nominated for Vice-Chair. Vice-Chair Lozelle Mathai declined the nomination.

Action: To nominate Judy Brown as the Vice-Chair of the Budget Committee for 2023.

Motion: Wheatley

Second: Rosacker

Vote: By a show of hands, the majority voted in favor of Judy Brown as Vice-Chair for 2023.

OVERVIEW OF BUDGET AND GENERAL CHANGES

City Manager Worthey read the Budget Message into the record. (Pages 4-5)

Finance Director Strode reviewed the Personnel Full-Time Equivalent (FTE) Summary information (Page 10) and addressed clarifying questions along with the following additional responses:

- The FTEs would be reviewed as the Committee went through each section of the budget.
- The numbers in the Budget Document were accurate.
- Finance and Municipal Court were in one department because Municipal Court normally takes in a lot of revenue, and it could not be shown under the Police Department for legal reasons.

GENERAL FUND

General Fund Summary

Finance Director Strode reviewed the General Fund summary. Topics discussed included increases in Personnel costs and General Fund revenues.

Key responses to Committee questions were as follows:

- Community Development revenue was increasing because permit costs were based on development project values. Although the construction of single-family homes was decreasing, higher-valued projects for institutional, commercial, and multi-family developments had increased.
- Money from the opioid suit had a very specific use attached to it.
- Money for the second School Resource Officer (SRO) did not get funded for the next fiscal year because that position had not been [inaudible 33:28].

Fund 1 (General Government)

City Manager Worthy reviewed Fund 1. Topics discussed included Personnel Services, Dues and Meetings, Professional Services, and Community Support. He addressed clarifying questions along with the following additional responses:

- The overall budget for Personnel Services increased because the Council's compensation was changed from a per-meeting model to a monthly stipend during the last fiscal year.
- The Community Support line item was to be used at the Council's discretion to support funding requests from community members, such as the Downtown Coalition and the Christmas Tree.
- Transit services had not asked for an increase this year.

Municipal Court

Finance Director Strode reviewed the Municipal Court budget, noting banking fees were increasing due to an increase in credit card payments. Other topics discussed included court-appointed attorney fees, court costs, and court improvements. Key responses to Committee questions were as follows:

- The budget for court-appointed attorney fees was based on previous spending and associated with jury trials, which were not normally held in Municipal Court.
- Other departments accepting money also incurred bank fees. The City was paying about \$200,000 per year in credit card fees just to accept that payment method.

Police

Police Chief Kosmicki reviewed the Police Department budget (Pages 22-25). Topics discussed included Maintenance Agreements, the LEFTA system, capital outlays and replacement, patrol expenses, the new chaplaincy program, contractual services, and Code compliance.

Finance Director Strode noted departments saving money for future expenditures would have a contingency fund with a beginning balance in future budgets. Discussion about replacement costs, depreciation expenses, and which lines should be used for savings in future budgets followed.

Finance Director Strode and Police Chief Kosmicki answered clarifying questions with more specific topics addressed as follows:

- Drone funding could come through a grant from the Austin Family Foundation and was not part of the budget request. They did get some that were compatible with the body cameras.
- The chaplain position was already approved and could be contracted as soon as the budget for it was passed. The position would be filled by a non-denominational chaplain.
- Mental health support for officers was part of the internal peer support program. Training was provided through Responder First. A clinician was also available, but he would never check to see if an officer had used those services.

Police Communications

Police Chief Kosmicki reviewed the Police Communications budget (Page 28). Topics discussed included Contractual Services and Equipment Repair and Maintenance.

Finance Director Strode clarified the budget for dispatch salaries was decreasing because the previous budget used middle points for vacant positions. The department was now fully staffed with a lot of entry-level dispatchers with lower salaries.

Chair Peregrino de Brito [1:22:09] noted line item 56000 for Equipment Repair and Maintenance had stayed the same. Police Chief Kosmicki replied it was supposed to show a \$4,000 increase for a total amount of \$10,000, not \$6,000, but he would work with Finance Director Strode to stay within the \$6,000 budget.

Police Chief Kosmicki clarified that the Mental Health Resource and Domestic Violence Response Teams were selected and trained by Responder First without any input or influence from the Administration.

Chair Peregrino de Brito advised that the Committee did not determine what went in the line items, as their job was to review and approve the budget as a whole. The Committee was not to determine how line items were resourced. The Committee debated its role in determining if a particular line item had enough resources.

Police Chief Kosmicki clarified the Internal Mental Health Support Team was not in the budget because the County contracted with and paid for Responder First services. Costs for the Domestic Violence Response Team were incorporated into the Patrol Division budget. Any training for support teams would be paid for from the Training line item.

Unidentified [1:30:43] clarified that the department had three levels of mental health support: peer support, defined as internal support for officers and staff; staff providing mental health support in the community who received certifications and training to enhance their job skills; and contractual service provided by the County. She asked if Chief Kosmicki felt he had adequate staffing within those three levels of mental health support and whether he would have additional officers with enhanced training internally or contracted outward-facing services. Chief Kosmicki replied he had adequate staffing, as all but three police officers had Crisis Intervention Training (CIT).

Chair Peregrino de Brito called for a recess at 7:35 p.m. and called the meeting back to order at 7:45 p.m.

Library

Library Director Buerkle reviewed the Library budget, noting most of the line items had minimal changes from the previous budget year (Page 30). The two major changes were for increases in fees for the Chemeketa Cooperative Regional Library Service (CCRLS) and in Capital Outlay for additional cameras outside of the library. She clarified that most of the Capital Outlay budget would be used to purchase new security cameras, with contingency funds for replacing them built into future budget years. The current cameras were seven years old and were still going strong. Additional cameras had recently been added through grant funding, bringing the total to 16 cameras.

Planning

Community Development Director Rux reviewed the Planning budget (Pages 32-33). Topics discussed included Printing and Advertising, Dues and Meetings, Supplies and Equipment, Bank Fees, Grant Funding, and Professional Services. He and Finance Director Strode answered clarifying questions and provided responses to specific questions as follows:

- Grants from the State covering the Housing Production Strategy and Multi-family Code Audit were received in the Miscellaneous Grants line item on the revenue side and expended from Miscellaneous Grants expenditures in the Planning Fund. Professional services were used to contract with consultants to help with bigger, longer-range projects as directed by Council.

- Administrative Salaries had increased because they included the Planning Manager's salary, and he was not here or budgeted for in the previous year.
- The actuals for Salaries and Wages were lower than budgeted because the department was understaffed for part of the year.
- Community engagement and outreach efforts, such as notices included in a utility bill, would come from the Printing and Advertising line item. Postage expenses would come out of the Fund 31 General Office line item.

Transfers and Reserves

Finance Director Strode reviewed the Transfers and Reserves, noting the transfer was for debt service related to the Public Safety communications upgrade. Topics discussed included contingency funds, the capital rollover, last year's Fund 32 closure, and the Sinking Fund.

ADMINISTRATIVE SERVICES FUND

Admin/Support Services Fund Resources (Fund 31)

Finance Director Strode reviewed revenues for Fund 31, an internal service fund for overhead expenses (Page 42). Topics discussed included the intergovernmental garage charges and lien search fees. Her key responses to Committee questions were as follows:

- Allocations were determined by a matrix, partly based on FTEs in each department, how much administrative time is spent supporting each department, and other factors.
- She did not know the percentage of the budget for administrative costs, but she could find out and report back.
- Each department had a line item for Internal Charges that paid into Fund 31.

City Manager

City Manager Worthy reviewed the budget for the City Manager's Department, noting the Equipment and Supplies increase was to purchase a large-capacity scanner with auto-feeding for large maps and plats, a powerful computer to go with it, and Omni Page, a software package that would allow them to do high-speed optical character recognition (OCR) (Page 43). The second increase was the return of the Clerical Salaries line item to provide the City Manager with an assistant. Other topics discussed included the Archives Building and limitations of physical storage space. He addressed clarifying questions and specific Committee questions as follows:

- The digital scanner was an essential piece to digitizing City records. The scanner was in the City Manager's budget because there was no other place to put it, but it would be accessible to all departments. Digital files would be stored in the Oregon Records Management System (ORMS) with no data storage limitations and a fee based on the number of users.
- The clerical assistant would assist the City Manager in a variety of tasks, including scanning, researching, and looking for and applying for grants.

City Recorder Ryan provided an update on digitizing City records.

City Manager Worthy noted costs for the scanner and related equipment would not necessarily need to be included in Capital Outlay instead of Equipment. It was not being capitalized in any real or theoretical sense, as it was being purchased as a tool to get the digitization project completed. At this time, there was no intention to replace it after its useful life.

Human Resources

Finance Director Strode reviewed the Human Resources (HR) budget, noting the biggest increase was for recruitment expenses because a recruitment firm had to be used to hire an HR Manager (Page 44). Other topics discussed included Travel and Training, recruiting software, and Professional Services. She confirmed the budgeted HR Manager's salary may be too low. If an increase was needed, it would come from contingency funds.

City Recorder

Finance Director Strode reviewed the City Recorder budget, noting Professional Services increased due to additional costs for ORMS licenses and transcription services (Page 45). Other topics discussed included Travel and Training, clerical salaries, and elections.

Community Engagement

Finance Director Strode reviewed the Community Engagement budget (Page 46). Topics discussed included an increase in FTE and related benefits and Professional Services.

Finance

Finance Director Strode reviewed the Finance Department budget (Pages 47-48). Topics discussed included Salaries, Maintenance Agreements, Capital Outlay, General Office Expenses, and utility billing.

Information Technology (IT)

IT Manager Rodriguez presented the IT budget, noting the difference in salaries was due to restructuring the administrative position (Page 50). IT also had a vacant position for a large portion of the previous year but was now fully staffed. Other topics discussed included Capital Outlay and Maintenance Agreements. In response to questions about having an adequate budget for security, he noted the budget included existing security products wrapped into the Maintenance Agreement line item. He believed the department had already spent the next fiscal year's budget via current agreements. If other software license purchases were necessary, they would transfer from other funds as needed to purchase the licenses.

City Attorney

Finance Director Strode reviewed the City Attorney budget, noting that with the exception of legal expenses, all of the materials and services line items were related to the City Prosecutor position (Page 51). Other topics discussed included the paralegal and code compliance positions.

Public Works Fleet

Maintenance Supervisor Langeliers reviewed the Public Works Fleet budget (Page 51). Topics discussed included FTEs, inflationary costs for contractors and operations, intergovernmental garage costs, fuel station refueling, and stock for vehicle and equipment parts and supplies.

Public Works Facilities

Maintenance Supervisor Langeliers reviewed the Public Works Facilities budget (Page 52). Topics discussed included Salaries and Wages, Contractual Services, Maintenance Agreements, HVAC issues with historic buildings, Building Repairs, and Janitorial Services. He confirmed that the costs for building repairs were based on a full assessment of each building and prioritizing what had to be done, what they would like to do, and their wishes. Staff was able to get pricing for some projects and for others, they had to use their best judgment from their construction experience.

Insurance

Finance Director Strode reviewed the Insurance budget, noting the increased premiums due to the City's legal issues (Page 53). Some issues were still outstanding, and premiums would continue to increase as litigation costs continue. Eventually, it will bottom out, but it takes an average of five years for recovery. The City has hired a broker to get better rates.

Transfers and Reserves

Finance Director Strode and Maintenance Supervisor Langeliers reviewed the Reserves budget, noting Public Works was programmatically saving for future equipment replacement. Topics discussed included the fleet garage equipment, HVAC replacements, no-fall protection on roofs, and other maintenance and repair issues.

Finance Director Strode noted the Capital Outlay line item had no budget because there was a significant surplus in the Contingency Fund. They were uncertain what they would spend in the current year, but wanted to make sure they were saving and reserving money for specific items. Funds could be moved from Contingency to Capital Outlay with a supplemental budget if needed.

PUBLIC COMMENTS

There were no public comments.

NEXT MEETINGS – MAY 10 & MAY 17

The next meetings were scheduled for May 10th and May 17th at 6:00 p.m. Questions about the budget should be sent in by noon on May 9th to give Staff time to prepare a response.

ADJOURNMENT

Chair Peregrino de Brito adjourned the meeting at 8:48 p.m.



Kady Strode, Finance Director

Attest:  _____

Raquel Peregrino de Brito, Budget Committee Chair