

May 17, 2010
6:10 P.M.
Newport, Oregon

CALL TO ORDER

Co-Chair Smith called the May 17, 2010, meeting of the City of Newport Budget Committee, to order at 6:10 P.M.

ROLL CALL

Committee members in attendance were Norman, Patrick, Bertuleit, Wilde, Allen, Smith, Bain, Huster, Obteshka, Webster, McConnell, and Forinash. Brusselback was excused.

Staff in attendance was City Manager Voetberg, City Recorder Hawker, City Attorney McCarthy, Executive Assistant Atkinson, Library Director Smith, Community Development Director Tokos, Fire Chief Crook, Parks and Recreation Director Protiva, Public Works Director Ritzman, Airport Director Cossey, Police Chief Miranda, and Interim Finance Director Brown.

OPENING COMMENTS FROM CO-CHAIRS

Smith noted that the public hearing is still open, and added that public comment would occur preceding each fund discussion.

URBAN RENEWAL AGENCY BUDGET

Smith reported that Joyce Gaffin had sent a letter regarding funding for the South Beach Ravine and Foredunes Project. He noted that each Budget Committee member received a copy of it. Tokos reviewed the South Beach projects and financing. He noted that the urban renewal plan sets the framework. Bertuleit asked about funding for the South Beach Ravine and Foredunes Project, and Voetberg noted that it is a contingency amount, rather than unappropriated. Allen asked whether urban renewal projects, taken off the list, would be funded next year. Allen asked whether a roundabout is more costly than a four-way stop. Tokos noted that a roundabout is considerably more expensive, but more effective as a traffic controller. Tokos reported that various options had been explored with the stakeholders. Allen noted that aesthetics are not as important as infrastructure. Bain stated that effectiveness is an important issue, and an inappropriate decision for the Budget Committee to make. Wilde asked whether there is a drawing of the roundabout. Forinash asked about SE Ferry Slip Road improvements, and how connectivity plays into this budget. Tokos noted that interim improvements may be a temporary solution. Allen suggested including language noting that the bonding ability is met, and no special levy is being imposed. Forinash asked whether it would be possible

to use \$25,000 in URA monies for minor street improvements and beautification in South Beach.

COMMUNITY DEVELOPMENT

Tokos explained the department's functions. Webster asked whether the GIS skills translate to public works. Tokos reported that the basic information is almost finished and will be available to anyone. Kilbride expressed concern regarding the difference between the 2007/08 and 2010/11 budgets, noting that in 2007/08, the Community Development Department budget was \$236,000, and it is \$379,000 in the proposed budget. Tokos explained that there are many new projects facing the department, including periodic review, economic development, the transportation system plan update, and the local wetland inventory. Forinash asked when the Armory might be moved closer to the airport. It was noted that this move is part of a long-range plan, and likely would not occur for at least ten years. Patrick asked whether the positions of planner/code administrator and the community services officer could be combined. It was noted that these positions have different responsibilities.

ADMINISTRATION

Webster asked about the addition of a half-time IT person. Voetberg noted that this position will serve as a back-up for the IT administrator, and that the position description will contain enough overlap for functionality. Webster asked about the materials and supplies line item on page 140, and it was noted that this is for license renewals, support, server lease payment and PC leases, that are cyclical expenses. Patrick asked whether the city has looked at whether there would be a cost savings in contracting the IT work. Huster suggested checking into open source software. Bertuleit asked about paying city bills with a credit card, and it was noted that the city must acquire adequate software for this function. Allen asked about the personal services decrease, and it was noted that the human resources coordinator position was scheduled at .625, rather than full-time. Voetberg also noted that he was taking a wage freeze. Smith cautioned about giving parts of salaries back. Webster asked about non-departmental contractual services, and it was noted that the city will be receiving retroactive Georgia-Pacific fees. Allen asked about contractual services in the city attorney's budget, and it was noted that this is for outside counsel as the city will be negotiating with all three bargaining units next year. McCarthy noted that she is very careful about using outside counsel, and only uses outside counsel in specialty matters. A discussion ensued regarding the location of funds for outside counsel in previous budgets.

OTHER FUNDS

The Building Inspection Fund was discussed, and particularly transfers to other funds. Allen asked why the transfer to the General Fund has increased so dramatically over the last five years. Tokos noted that the city must offer building inspections regardless of the activity.

The Public Parking Fund was discussed, and Voetberg asked that \$5,000 be moved from contingency to contractual services for the Nye Beach Parking District.

The Agate Beach Closure Fund was discussed, and Ritzman explained that this money may be released at a later date if it is determined that there is no risk to the environment from the former landfill.

The Debt Service Fund was discussed, and Brown reported that the city is in the process of refinancing wastewater treatment plant bonds and that when that is accomplished, \$1,000,000 will be freed up.

PUBLIC COMMENT

Mike Eastman, president of the local AFSCME chapter, had distributed a letter outlining the union's position regarding the budget.

COMMITTEE COMMENTS

Bertuleit suggested that if the airport and parks and recreation departments exceed projected revenue, that the excess revenue be used for necessary items in the departments.

Allen noted that the transient room tax update received earlier showed the tax collection down 13%. It was mentioned that the proposed budget contains increased revenues, and Voetberg noted that he remains confident that the proposed revenues will be met. Voetberg reported that as of the time of the current report, two hotels had not submitted room taxes. He added that a payment of \$20,000 had come in earlier this afternoon, and that the outstanding account is \$7,000. Kilbride urged caution, noting that projections for this year are still down.

CLOSE PUBLIC HEARING

Hearing no further comment, Smith closed the public hearing at 7:27 P.M.

BUDGET APPROVALS

Urban Renewal Agency Budget

MOTION was made by Allen, seconded by Bain, to approve the May 5, 2010 version of the 2010-11 fiscal year budget, with no special levy, and further moved that we levy 100% of the tax increment for the South Beach Urban Renewal District and not to exceed \$600,000 tax increment for the North Side Urban Renewal District. The motion carried unanimously in a voice vote.

City of Newport Budget

MOTION was made by Allen, seconded by Bain, to approve the 2010-2011 fiscal year budget as submitted on April 21, 2010.

The Main Motion was amended by the MOTION by Allen, seconded by Webster, to replace in its entirety, effective April 28, 2010, the proposed budget submitted at the first budget meeting of April 21, 2010, with the revised proposed budget submitted at the second budget meeting of April 28, 2010, representing changes to wages throughout the budget, changes to several Police Department line items, a change in the IT Department's material and services, and a transfer from the Building Inspection Fund to the General Fund. Kilbride reported that he had been concerned about the addition of the deputy public works director position in the Public Works Department, but that he has been convinced that by restructuring Public Works employees that the project manager is a reasonable position, and he will vote in favor of this motion despite his earlier trepidations. Obtshka stated that he would also support the motion. The motion carried in a voice vote with Kilbride and Norman voting no.

The Main Motion was further amended by the MOTION by Allen, seconded by Bain, that the budget submitted on April 28, 2010 be amended by eliminating the proposed five percent wastewater fee increase and reducing the wastewater revenue line item by \$128,000. The motion carried unanimously in a voice vote.

The Main Motion was further amended by the MOTION by McConnell, seconded by Bain, that the budget submitted on April 28, 2010, be amended by reducing the personal services (wages) line item within the Public Works Building Maintenance budget by \$1,100, the Public Works Administration budget by \$800, the Public Works Engineering budget by \$2,200, the Street Fund by \$4,400, the Water Fund by \$7,900, and the Wastewater Fund by \$5,100. Voting aye on this motion were Bain, McConnell, Webster, Kilbride, Smith, and Norman. Voting no on this motion were Bertuleit, Patrick, Allen, Wilde, Obtshka, and Huster. Forinash abstained. The vote was a tie and the motion failed.

The Main Motion was further amended by the MOTION by Allen, seconded by Bertuleit, that the budget submitted April 28, 2010, be amended by reducing the personal services (wages) line item within the city attorney's budget by \$7,500. The motion carried in a voice vote with Bain, Norman, and Smith voting no.

The Main Motion was further amended by the MOTION by Allen, seconded by Forinash, that the budget submitted April 28, 2010, be amended by increasing the Nye Beach Parking District Public Parking Fund contractual services line item by \$5,000, for a total of \$10,000, and decreasing the contingency line item by \$5,000 for a total of \$0. The motion carried unanimously in a voice vote.

Allen noted that further amendments can be made at this time. McConnell recommended funding for development of a larger volunteer fire department, and maintenance of existing volunteers. Voetberg noted that the volunteers are the backbone of the Fire Department. A discussion ensued regarding what the funding, if approved, would be used for. The Main Motion was further amended by the MOTION by

McConnell, seconded by Bain, to add \$10,000 to the Fire Department budget from the General Fund contingency. The motion carried in a voice vote with Kilbride voting no. It was noted that a plan needs to be developed for use of the funding.

Patrick asked whether there is a half-time employee at the airport, and Voetberg noted that there is funding for this position. Patrick stated that she would like to see someone in the lobby of the FBO, next to the SeaPort counter.

MOTION was made by Kilbride that the current employee wages be frozen at the 2009-2010 budgeted level for the 2010-2011 budget year. The motion died for lack of a second.

MOTION was made by Allen, seconded by Bain, to approve the City of Newport 2010-2011 fiscal year budget submitted on April 21, 2010, which through amendment #1 was replaced in its entirety with a revised budget submitted on April 28, 2010, and through amendments #2, #4, #5, and #6, the revised budget submitted on April 28, 2010, was further amended. The motion carried in a voice vote with Kilbride voting no.

MOTION was made by Allen, seconded by Bain, to declare a permanent tax rate of 5.5938 property tax valuation, and estimating a required property tax levy for Water Bonded Debt of \$350,992; and Wastewater Treatment Plant Bonded Debt of \$788,424; and Water Treatment Bonded Debt of \$331,275. The motion carried unanimously in a voice vote.

Smith and Allen thanked the Budget Committee for its work.

ADJOURNMENT

Having no further business, the meeting adjourned at 8:05 P.M.

Robert Smith

David N. Allen