

May 23, 2011
6:00 P.M.
Newport, Oregon

DRAFT

CALL TO ORDER

Chair Smith called the May 23, 2011, meeting of the City of Newport and Newport Urban Renewal Agency Budget Committees, to order at 6:00 P.M.

ROLL CALL

Those in attendance were Don Huster, Oly Olson, Richard Beemer, Chuck Forinash, Jeff Bertuleit, Robert Smith, Mark McConnell, Fred Springsteen, Lon Brusselback, Janet Webster, Sandy Roumagoux, and Dac Wilde. David Allen and Dean Sawyer were excused.

Staff included Jim Voetberg, City Manager, Peggy Hawker, City Recorder/Special Projects Director, Derrick Tokos, Community Development Director, Lee Ritzman, Public Works Director, Ted Smith, Library Director, Toby Cole, Acting Fire Chief, Jim Protiva, Parks and Recreation Director, and David Marshall, Finance Director.

PUBLIC COMMENT

Allison Robertson, a board member of the Lincoln County Land Trust, appeared before the Budget Committee and requested an allocation of funds so that the city can become a member of the Lincoln County Land Trust. She responded to Committee questions. Tokos reported that the Planning Commission is working on a housing needs and buildable lands study in which Council is likely to see recommendations relative to the study and city obligations. He noted that one of the recommendations may be to create a housing fund. Smith noted that a housing fund could be created containing approximately \$5,000 to \$10,000.

APPROVAL OF MINUTES FROM APRIL 21, 2010, APRIL 28, 2010, MAY 5, 2010 AND MAY 17, 2010 BUDGET COMMITTEE MEETINGS

MOTION was made by Webster, seconded by Beemer, to approve the minutes from the Budget Committee meetings of April 21, 2010, April 28, 2010, May 5, 2010, and May 17, 2010, with the changes suggested by David Allen. The motion carried unanimously in a voice vote.

PUBLIC PARKING FUND

A discussion ensued regarding the Public Parking Fund. Tokos reported that the Nye Beach Parking District has requested \$13,600, and the City Center Parking District has requested \$3,500, for various projects. It was noted that the Nye Beach projects included sidewalk lighting on NW 3rd and NW 6th Streets, and the City Center project

included the slurry seal and striping of the parking lot at 9th and Hurbert Streets. Webster noted that she would like funds to be available if the Bayfront Parking District is formed. Tokos noted that this is a policy issue for the City Council. McConnell stated that he would like to see a total of the monies in the parking fund, and how it has been accumulated. Wendy Engler discussed the proposed Nye Beach Parking District projects with the committee. Forinash noted that last year's budget included improvements to the Abbey Street parking lot, and the Bayfront Association was told that it would be able to use a pro rata share of monies for that project. He requested that staff provide a better idea of the percentages and the revised budget of the Abbey Street parking lot. Ritzman noted that there are two estimates, one is \$325,000 and the other is \$500,000. Engler asked whether there is money for sidewalks in another fund. McConnell suggested that \$175,000 should stay in this fund.

FUND REVIEWS

Streets Fund - Marshall distributed "Volume 2" of the budget document. He asked that committee members insert the newly distributed information ahead of the similarly numbered pages. He reported that seven funds contain the majority of activity. He noted that the primary source of funds for the Streets Division is from local, state, and federal gasoline taxes. He added that materials and supplies have been reduced by 11% in the proposed budget. Smith asked about the status of this year's goals. Ritzman reported that some were overly optimistic. He stated that he would like to complete the street overlay. Forinash asked about the cost of a curb cut, and Ritzman reported that cost is approximately \$1,000. Webster asked where the revenue from the local gasoline tax is shown in the budget, and Marshall indicated that it had been moved to the Capital Fund. A discussion ensued regarding the General Fund contingency of \$900,000.

Water Fund - Ritzman reported that both water plants will be operating for a part of the year. Brusselback asked whether the FTE's would change, and Ritzman reported that there will be no change to the FTE's. Springsteen asked how delinquent water accounts are collected. Voetberg reported that the water fund includes a three percent increase in rates. Smith asked when the increases will stop. Webster asked for a definition of SCADA, and Ritzman explained.

Wastewater Fund - Ritzman reported that the lines from Agate Beach into town require upsizing. Smith asked how Newport's fees compare with similarly sized cities, and Ritzman reported that Newport's fees are average or below average. Bertuleit asked whether the budget contains sufficient funding to complete smoke testing, and Ritzman reported that it did have sufficient funding. Forinash asked whether the infiltration and inflow issues are improving, and it was noted that there is improvement.

Parks and Recreation Fund - Protiva reviewed last year's goals. Brusselback asked whether there are plans to change the FTE levels, and Protiva reported that there are no plans to change the FTE levels. Springsteen asked whether there is a membership trend, and Protiva reported that the membership is trending upward. Springsteen asked how many members can adequately be served with the existing staff. Protiva reported that many activities do not require staff. Olson asked whether the

department has a volunteer program, and Protiva reported that it does have a volunteer program, but it is not robust. Protiva reported that the goal is to increase volunteers in the park system. McConnell asked whether pool upgrades had been budgeted, and Voetberg reported that \$35,000 has been budgeted for roof repair at the pool. Protiva reported that the department is working on several special event fundraising opportunities.

Airport Fund - Cossey reviewed the operation at the airport noting that the goal is to keep the airport in good enough shape to please the FAA. McConnell asked about the decrease in materials and services, and Cossey reported that this is related to the completion of the ConnectOregon II and the USDOT grants. Brusselback asked whether Cossey had any idea of major upcoming expenses. Cossey reported that maintenance needs include pavement resurfacing and striping; employee level is thin; and hangars and infrastructure are needed. He noted that fuel costs are offsetting. A discussion ensued regarding the FBO, and it was noted that FBO's are typically independently owned. Cossey noted that monies have been budgeted to repair, not replace, the FBO roof. Marshall reported that he waived the contingency requirement in this fund and will need City Council action.

Room Tax Fund - Ann Eriksen, an artist in Nye Beach, suggested an artistic treatment of the Visual Arts Center. It was suggested that she present her idea to the Public Art Committee. Marshall reviewed the fund revenues and explained the transfers to other funds. He noted that the budget contains an appropriation of 2/3 million dollars that could be used to fund facilities. He added that the recommendation is to save 1/3 of a million dollars for next year. Marshall reported that the beginning fund balance may be in excess of what is budgeted. McConnell asked whether the contributions to the Chamber of Commerce and the Oregon Coast Council for the Arts were flat, and asked to see details next week when the discussion continues.

ADJOURNMENT

At 8:28 P.M., the meeting was continued until May 31, 2011, at 6:00 P.M.