

February 22, 2011  
Noon  
Newport, Oregon

## CITY COUNCIL WORK SESSION

Councilors present: McConnell, Bertuleit, Beemer, Brusselback, Allen, Sawyer, and Roumagoux

Staff present: Voetberg, Hawker, McCarthy, Marshall, and Protiva.

Others in attendance: Greg Stanton, Walter Sherman, and Steve Schuster.

1. **Budget Committee Interviews.** Council interviewed the following applicants, and requested that they introduce themselves; give a brief bio; and tell Council why they want to be on the Budget Committee: Joan Stanton; Fred Springsteen; Jimmy Rodriguez; and Bill Bain.

Roumagoux asked Stanton what her vision is; how she sees the budget; and where she sees Newport going. Stanton noted that if one is involved in choosing a direction, one has input into what direction it takes. She noted that the city has many intellectual and exciting opportunities due to the diversity of its residents. Roumagoux asked Stanton how she feels about budget cuts, and Stanton replied that anyone is going to have to prioritize.

Springsteen noted that becoming a Budget Committee member is not a popularity contest, and that everything must be on the table to develop a viable plan.

Rodriguez noted that the position would include serious brainstorming, and he spoke to infrastructure improvements particularly at the airport.

Bain noted that an emphasis on the prioritization of expenses and the understanding of revenues will be important. He added that it is also important to consider reserves. Allen asked Bain what deference the City Council should give to the Budget Committee when the budget is presented to the City Council. Bain suggested that the relationship should be a partnership, although the City Council should be able to make changes to the budget to fulfill Council goals. He added that he does not think Council should get involved in micromanagement through the budget process.

Springsteen noted that the budget is a group of assumptions that must be weighed and prioritized along with numbers.

Allen asked in regard to the reference to micromanagement, whether it is important to ask questions for clarity and a well-informed decision. Rodriguez stated that an

analytical process needs to occur. Springsteen added that it is a macro climate with lots of things that go into it. Stanton noted that Budget Committee members need as much information as possible and need to know how money is being spent.

Sawyer asked whether the applicants would foresee the economy improving, and it was noted that priorities will always be needed.

McConnell noted that the City Council will be making an appointment tonight, and the first meeting is tomorrow at 6:00 P.M.

2. **Short report from Lakewood Hills neighborhood meeting.** Sawyer reported that meeting participants were concerned about Big Creek Road and the extra mile necessary to access the neighborhood via 36<sup>th</sup> Street. He added that the area residents would like to see Big Creek Road and 31<sup>st</sup> Street repaired. Beemer suggested that an ODOT patch could cost approximately \$50,000. McConnell asked whether the FEMA monies can be used to repair Big Creek Road. Voetberg noted that FEMA representatives will come to the city; listen to what the city would like to repair; and FEMA will let staff know what is FEMA-fundable. Allen noted that when 31<sup>st</sup> Street failed, there was a report generated by Chris Minor on legal issues involved, and another report from Lee Ritzman regarding potential fixes. Voetberg noted that the next step is to hear from FEMA. He added that he would not recommend an overlay of 31<sup>st</sup> Street because it would shift and ultimately crack.
3. **Review topics for future work sessions.**

City Manager/City Attorney Evaluations. Allen and Roumagoux volunteered to work on an evaluation process for the city manager and city attorney, and report at a work session in early April.

Goal setting session. It was agreed to hold a City Council goal setting session on April 8, 2011. Goals from departments and committees should be submitted, in writing, so that department heads do not need to attend the session. It was suggested that department heads develop a process for input from staff in their departments. It was also suggested that Council review and revamp short and long term goals.

NOAA opening. This is scheduled for the end of June.

Geological hazards ordinance. Voetberg reported that Tokos would like to update Council on this matter at a work session. It was agreed that this would be scheduled for April 4, 2011.

Financial policy. Voetberg reported that this matter should be addressed soon, particularly regarding the reserve policy. He noted that it will be beneficial during the budget preparation as negotiations progress; and that without a policy, it may appear that all monies are available for pay increases. It was agreed to discuss the matter at the March 7, 2011 work session.

Tourism Facility Funds. It was agreed to discuss this matter at the work session of April 18, 2011.

4. **Establish process for Business License/Room Tax Task Force and set date for first meeting.** McConnell suggested that a meeting be scheduled for March 8, 2011, from 5:30 - 7:00 P.M., for folks interested in this topic, and that attendees could recommend members to serve on the Task Force.
5. **Finish background review of pension plan, health insurance benefits, and reserve policy.** Marshall distributed two handouts; one regarding the recent history of major payroll expenses and supporting revenues; and one on the defined benefit program. He reported that benefits and pay squeeze out all other expenses. He noted that a question to be answered by Council is whether the defined benefit program has a future, and whether there should be a cap, soft freeze, hard freeze, or a continuation of the status quo. He reported that the unfunded liability will continue to increase. He added that he had contacted an actuarial, but the estimate for services was too high. McConnell recommended budgeting for an actuarial study. A discussion ensued regarding health care costs. Voetberg noted that the high deductible health plan could be used for smaller units, and that the greater issue is educating employees regarding this plan. Voetberg asked for direction to proceed with coming up with options for health care for non-represented employees.
6. Sawyer distributed information regarding the Valsetz project. Allen requested copies of various Rocky Creek documents.
7. It was agreed to continue review of the Council Rules at another work session.

Having no further business, the meeting adjourned at 1:44 P.M.