

May 7, 2014
6:00 P.M.
Newport, Oregon

CALL TO ORDER

Chair Webster called the May 7, 2014 meeting of the City of Newport and Newport Urban Renewal Agency Budget Committee to order at 6 P.M.

ROLL CALL

Committee members in attendance were Sandra Roumagoux, Laura Swanson, Ralph Busby, Dean Sawyer, Mark Saelens, Richard Beemer, David Allen, Fred Springsteen, Patricia Patrick-Joling, Janet Webster, Don Huster, Don Davis, and Chuck Forinash. Robert Smith arrived at 6:45 P.M.

Staff in attendance was City Manager Nebel, Interim Finance Director Gazewood, Assistant Finance Director Brown, Fire Chief Paige, Assistant Fire Chief Murphy, Public Works Director Gross, Police Chief Miranda, Parks and Recreation Director Protiva, and Community Development Director Tokos.

CONTINUED PUBLIC HEARING ON THE 2014/2015 PROPOSED BUDGETS FOR THE CITY OF NEWPORT AND THE NEWPORT URBAN RENEWAL AGENCY

It was noted that this is the continued public hearing on the 2014/2015 proposed budgets for the City of Newport and the Urban Renewal Agency.

REVIEW OF PROPOSED CAPITAL OUTLAY EXPENDITURES

Nebel continued with the budget presentation with Capital Outlay-Equipment Attachment "A" going through departmental equipment requests and proposed. He responded to questions about the Coast Park restroom and the Performing Arts Center boilers, noting that the funds were not available in the budget this year for these items.

Nebel reviewed Schedule D - Capital Projects and explained that this year, staff will be budgeting by project, which means that if additional funding is needed for a project, it will require Council approval prior to spending the funds.

Forinash asked about the plans for sidewalks in 2015, Gross explained the plan was to correct and infill sidewalks on 9th Street. Davis asked about seismic tank fittings for water tanks throughout the city. Gross explained that there would not be funding for this for the next three to five years.

Nebel stated that he would be keeping a list of items and concerns that the Budget Committee has which are not budgeted for fiscal year 2014/2015, but which the Committee would like to see in the next few years.

REVIEW OF FUND BALANCE POLICY

Nebel explained the draft policy regarding Fund Balances, Contingencies, and Reserves; Attachment B. He reviewed the definitions and differences between unappropriated ending fund balance, contingencies and reserves, along with the proposed levels by type of fund. Allen asked whether the General Fund contingency percentage should be higher and the unappropriated ending fund balance percentage should be lower. Nebel noted that this is open for discussion. Davis asked why the policy is needed. Nebel explained that both the City Council and the Budget Committee requested a policy, and that Standard and Poors looks at whether the city has a policy when it assigns a rating for city borrowing.

RECONCILIATION OF THE APRIL 30, 2014 HIT AND WISH LIST

Webster explained the Committee would reviewing each of the items on the Hit and Wish List, and if any member would like to discuss any item, discussion would occur. She noted that if a member would like to add or subtract an item in the budget, that a motion and second would be required.

1 - 3: Fees in Lieu of Franchise Fees paid by the Water and Sewer Funds to the General Fund. Busby stated that the Infrastructure Task Force had wanted funds to go toward infrastructure, and therefore would like to eliminate the Fees in Lieu of Franchise Fees beginning with Fiscal Year 2014/2015. Allen asked how the elimination of these fees would impact the water and sewer rates, and Gazewood noted that there would be a one-time savings of approximately one percent.

MOTION was made by Busby, seconded by Patrick, to eliminate the Fees in Lieu of Franchise Fees paid by the Water and Sewer Funds to the General Fund. In a show of hands, five voted yes and eight voted no. The motion failed.

MOTION was made by Allen, seconded by Beemer, to reduce the Fees in Lieu of Franchise Fees paid by the Water and Sewer Funds to the General Fund over the next five to seven years starting in Fiscal Year 2015/2016. In a show of hands, ten voted yes, and four voted no. The motion carried.

4: Election Services, expense code 101-1010-6011 in the amount of \$5,000. MOTION was made by Busby, seconded by Forinash, to eliminate the Election Service line 101-1010-6011 in the amount of \$5,000 in fiscal year 2014/2015. In a show of hands, fourteen voted yes. The motion carried unanimously.

6: Information Technology, Add Part Time Position. There was no motion.

8: New Police Positions. There was no motion.

14 - 15: Add two firefighter positions. Swanson asked about hiring only one firefighter, and Paige stated that attachment 14 includes various options from hiring no firefighters to hiring two and one-half positions. He noted that Option C would be to hire a firefighter who would also work in emergency management.

MOTION was made by Patrick, seconded by Beemer, to move forward with Option C to hire one firefighter who would work half-time in emergency management. In a show of hands, five voted yes and nine voted no. The motion failed.

16 - Add Defibrillator in the amount of \$20,000. MOTION was made by Swanson to increase the budget by \$20,000 for the purchase of a defibrillator. The motion died for lack of a second.

23 - Add funding for a community beautification effort. Forinash stated he would like to see some additional funding in the budget for seasonal help to target the tourist areas. No motion was made.

25 - Sidewalks, Sharrows, and Bike Paths. Gross clarified that there is \$15,000 in the Capital Projects Fund for bike and sidewalk projects, and that there is an additional \$6,000 budgeted for 24 sharrows. No motion was made.

27-28 - Wages and Benefits for a New Planner Position in the General Fund. No motion was made.

30 - Why do we need a Parks System Master Plan? Davis asked why a Park Master Plan is needed. Tokos and Protiva explained that the present Parks Master Plan is more than 20 years old and needs to be updated. Beemer suggested focusing on infrastructure and eliminating this item this year.

MOTION was made by Beemer, seconded by Patrick, to eliminate the Parks Master Plan from the fiscal year 2014/2015 budget. In a show of hands, eleven voted yes, three voted no. The motion carried.

32 - Why are we charging salaries to the Urban Renewal Agency? No motion was made.

34 - Status of Local Transit Agreement for Funding. Nebel reported that the Lincoln County Transit District is preparing a report that may be available at the next meeting. Smith stated that the funds were budgeted in fiscal year 2013/2014 with the idea that a report would be made to the City Council and Budget Committee. Allen stated that if the transit district did not have the report by next week, it should be made available by the time the City Council considers adoption of the budget.

35 - Clarification of Northside Urban Renewal Restricted Fund. Nebel recommended that the proposed budget be modified to move the \$270,683 reserve fund to reserved contingency in the General Fund.

MOTION was made by Roumagoux, seconded by Swanson that the Restricted Northside Urban Renewal District funds in the amount of \$270,683 be moved from the reserve funds to contingency in the General Fund. In a show of hand fourteen voted yes. The motion carried unanimously.

50 - Reduce Airport Budget by \$100,000. Nebel reported that he is working on a report for the City Council regarding the Airport and its management. He recommended that no changes to be made until his report was complete. Busby stated he would like to make major changes prior to the completion of this report.

MOTION was made by Busby, seconded by Patrick, to reduce the Airport Fund by \$100,000 in the fiscal year 2014/2015 budget. In a show of hands, two voted yes, twelve voted no. The motion failed.

MOTION was made by Allen, seconded by Beemer, to reduce the amount transferred to the Airport Fund from the General Fund and Room Tax Fund over the next three to five years starting in fiscal year 2015/2016. In a show of hands, fourteen voted yes. The motion carried unanimously.

55 - Elimination or Reduction of the Housing Fund. Busby stated he felt the city should get out of the housing business. Webster supported the city's assisting with housing.

MOTION was made by Busby, seconded by Patrick, to eliminate the Housing Fund. In a show of hands, five voted yes, nine voted no. The motion failed.

MOTION was made by Busby, seconded by Patrick, to eliminate the transfer from the General Fund to the Housing Fund. In a show of hands, five voted yes, nine voted no. The motion failed.

58 - Increase the Lifeguard Salaries by a dollar per hour. Sawyer stated that the city is paying its lifeguards a dollar less than Lincoln City or Toledo are paying their lifeguards.

MOTION was made by Sawyer, seconded by Beemer, to increase the wages of the lifeguards by one dollar per hour. In a show of hands, one voted yes, thirteen voted no. The motion failed.

59 - Agate Beach Playground Equipment Replacement. No motion was made.

61- Purchase four police vehicles rather than three. No motion was made.

62 - Councilor Busby's Analysis of GL Codes. Busby stated that he had compared the fiscal year 2014/2015 budgeted amounts versus the estimated final amount for fiscal year 2013/2014 and believes that there is lots of room for adjustments to be made.

MOTION was made by Busby, seconded by Patrick, to have staff review certain GL numbers and remove the contingency from the budgeted amount. In a show of hands, two voted yes, twelve voted no. The motion failed.

63 - Seismic Dam Study. Davis stated that he does not believe that the city needs to conduct a seismic dam study. Gross reported that the city is in the middle of the study. No motion was made.

64 - Fill an Engineer's Position instead of an Engineer's Tech Position in the Engineering Department. No motion was made.

PUBLIC COMMENT

Marletta Noe thanked the Budget Committee for its hard work.

ADJOURNMENT

Having no further business, the meeting adjourned at 9:00 P.M.