

City of Newberg Budget Committee Meeting Minutes April 22, 2025

Call to Order

The meeting was called to order at 6:00 PM by Chair Raquel Peregrino De Brito.

Roll Call

City Recorder Rachel Thomas conducted the roll call. Present were Ned Knight, Alex Nichols, Theodore Ehora, Austin Cracraft, Raquel Peregrino de Brito, Judy Brown, Mayor Rosacker, Councilor Turgesen, Councilor Carmon, Councilor Kilburg, Councilor Yarnell-Holloman, Councilor McBride, and Councilor Wheatley. Elias Semenyuk was noted as absent.

Pledge of Allegiance

Public Comments

Rachel Thomas reported that no public comments were received for this meeting.

New Business

City Update, Financial Forecast and Biennial Budget Overview

Finance Director Kady Strode presented the financial forecast and biennial budget overview. She began by discussing recent developments in Newberg, including the completion of the city hall flood repairs, which cost approximately \$1.2 million with insurance covering about \$700,000. The city paid about half a million dollars out of pocket for the flood damage. They mentioned the possibility of FEMA reimbursements for potentially redoing the roof and windows.

Kady Strode then discussed the urban renewal agency's first project on River Street, the ongoing debt reduction plan, and the relaunch of the red-light camera project. They also noted that ARPA funds have been fully spent, and Transportation Utility Fee (TUF) road repairs are ongoing, with Mountain View being the next project starting in May.

The presentation then covered position vacancies and FTE changes. Notable vacancies included three utility tech positions in public works and a dispatch position. FTE changes for the upcoming biennium budget included the addition of one new entry-level police officer as part of succession planning.

Kady Strode outlined the city's spending priorities, which remained focused on preserving resources for a status quo budget, aligning spending with council goals, fixing and maintaining roads and sidewalks, and continuing the debt reduction plan. They provided an update on the debt reduction plan, mentioning that

the Butler property sale is still pending, and that red light camera revenue is expected to contribute to debt reduction.

The presentation then covered the new city council goals and how the budget addresses them. These goals included creating a high level of customer service, identifying industrial land and attracting employers, enhancing community safety, maintaining transparency with residents, implementing prudent fiscal policies, revitalizing downtown Newberg, and preserving the balance between tourism and town character.

Kady Strobe discussed upcoming issues to consider, with a significant focus on PERS (Public Employees Retirement System). They explained that PERS has a \$30 billion shortfall, which affects all public entities in Oregon. The city's portion of the unfunded actuarial liability is \$14 million, which has increased by \$2 million in the last two years. They also discussed the Newberg pension plan (NERPS), which has higher rates than PERS due to the decreasing number of employees in the plan.

The presentation then moved to the financial forecast for various funds, including the general fund, administrative services fund, street fund, wastewater fund, water fund, stormwater fund, building fund, 911 fund, and public safety fee fund. For each fund, Kady Strobe provided revenue assumptions, expense projections, and fund balance forecasts.

Finally, Kady Strobe explained the transition to a biennial budget, noting that the budget document will look different with two years combined in one column. They outlined the schedule for future budget meetings and emphasized that departments will be prepared to explain any changes in their budgets.

Throughout the presentation, there were several questions and discussions among the committee members. Topics included the potential risks to the debt reduction plan, the use of ARPA funds, and the challenges of forecasting given economic uncertainties. Will Worthey provided additional context on various topics, including the red-light camera project, staffing efficiencies, and facility repairs related to the city hall flood.

The meeting concluded with a reminder that the budget will be delivered to committee members' homes on April 25th, and that specific questions should be submitted a day before each budget meeting to ensure proper preparation for answers.

Adjournment

Budget Chair Raquel Peregrino de Brito adjourned the meeting at 7:21, thanking the presenters for their work.

Attested By:



Raquel Peregrino de Brito, Chair



Kady Strobe, Staff Liaison