

City of Newberg

Budget Committee Meeting Minutes

April 29, 2025

Call to Order

The meeting was called to order at 6:00 PM.

Roll Call

Rachel Thomas conducted a roll call.

Members present were Ned Knight, Alex Nichols, Theodore Ebor, Austin Cracraft, Raquel Peregrino De Brito, Judy Brown, Mayor Bill Rosacker, Councilor Jeri Turgesen, Councilor Elise Yarnell-Hollamon, Councilor McBride, and Councilor Wheatley. Elias Semenyuk and Councilor Peggy Kilburg were noted as absent. Councilor Derek Carmon arrived at 6:47 PM.

Pledge of Allegiance

The Pledge of Allegiance was recited.

Public Comments

Rachel Thomas confirmed that no public comments were received.

Committee Business

The Committee voted on a Chair and Vice Chair to preside over the Budget Committee.

Elise Yarnell-Hollamon nominated Raquel Peregrino de Brito as Chair, this was seconded by Jeri Turgesen.

Mayor Rosacker-Yes

Elise Yarnell-Hollamon-Yes

Jeri Turgesen-Yes

Derek Carmon-Absent

Mike McBride-Yes

Peggy Kilburg-Absent

Robyn Wheatley -Yes

Raquel Peregrino de Brito-Yes

Judy Brown -Yes

Theodore Ebor-Yes

Ned Knight-Yes

Eilas Semenyuk-Absent

Alex Nichols-Yes

The vote passed unanimously.

Elise Yarnell-Hollamon nominated Judy Brown as Vice-Chair, Robyn Wheatley seconded the motion.

Mayor Rosacker-Yes

Elise Yarnell-Hollamon-Yes

Jeri Turgesen-Yes

Derek Carmon-Absent

Mike McBride-Yes

Peggy Kilburg-Absent

Robyn Wheatley -Yes

Racquel Peregrino de Brito-Yes

Judy Brown -Yes

Theodore Eborá-Yes

Ned Knight-Yes

Eilas Semenyuk-Absent

Alex Nichols-Yes

The vote passed unanimously.

New Business

Reports and Presentations Proposed Biennial Budget Document

General Fund (Fund 01), Administrative Services Fund (Fund 31), Public Safety Funds (Funds 03, 13, 16)

Kady Strode, the city's finance director, presented an overview of the general fund resources. She highlighted key changes in various revenue sources:

Property taxes were budgeted with a 3% increase allowed by charter plus 3% for growth each year, based on historical trends.

Franchise fees were adjusted based on actual revenue received, with some showing significant increases due to rate hikes by utilities like PGE. A general 7% increase was applied to most franchise fees.

Business licenses were moved from Fund 14 to the general fund following a recent council decision to sunset Fund 14.

Local marijuana taxes were expected to see a slight increase over the next two years.

Community development fees were projected to remain fairly stable with a slight increase, as planning and permits were expected to level off.

State shared revenues, particularly liquor taxes, were projected to decline based on state estimates. Only marijuana tax revenue from the state was expected to increase.

The Dundee police contract fees would increase annually per the existing agreement.

Reimbursements were adjusted to align with typical amounts received from sources like the state and DOJ for court and subpoena revenue.

School district SRO funding was based on the newly signed contract.

Planning and subdivision revenue was substantially increased based on current year's actuals, though projected lower than the current year's high of \$250,000-\$270,000.

Court fines were adjusted upward based on current receipts plus a slight projected increase.

Traffic school revenue was expected to increase significantly with the addition of red-light cameras and increased citations.

Red light camera revenue was budgeted at \$250,000 annually, with implementation expected in summer 2025.

Opioid settlement revenue was reduced by half for future years based on declining receipts.

The sale of asset line included the anticipated Butler property sale.

Transient lodging tax (TLT) revenue was projected with a 4% annual increase, though growth was tapering off.

Kady Strode then discussed changes in expenditures:

A large increase in transfers to debt service was budgeted to pay off the communication tower debt as part of the debt reduction plan.

Reserves remained similar to the previous year, except the sinking fund was eliminated as those funds moved to debt service for paying off debt.

Committee members asked several questions:

There was discussion about the significant amount (\$58 million) held in the Local Government Investment Pool (LGIP) earning interest.

The purpose and timeline of the red-light cameras were explained, with the primary goal being improved safety rather than revenue generation. The cameras were approved for one intersection by ODOT, though the city had requested multiple locations.

Questions were raised about the planning revenues and expenditures being in the general fund rather than a separate planning fund. It was explained that planning staff and revenues are part of the general fund, while the separate building fund covers building permit fees and related staff.

The city manager, department heads, and finance director then presented detailed budget information for various city departments:

General Government:

- Slight increases were made to dues and meetings line items.
- The community support line increased to fund council goals like downtown beautification.
- Professional services increased to allow for potential council retreats or contracts related to new initiatives.

Municipal Court:

- No major changes, other than previously approved increases for travel/training and court prosecution expenses, were carried forward.

Police:

- One additional officer position was added for succession planning.
- Capital outlay increased by \$15,000 primarily for rising vehicle costs.
- E-ticketing software was added at \$27,500 annually.
- The National Night Out budget increased from \$3,000 to \$5,500 due to growing attendance.

Dispatch & Communications:

- Two dispatcher positions will shift from Fund 16 to the general fund in FY27 as part of the debt reduction plan.
- Maintenance agreement costs increased due to contractual obligations.

Library:

- Slight increases were made to materials budgets across various categories to keep up with rising circulation.
- Travel and training increased to allow more staff to attend conferences.

Planning:

- A senior engineer position was moved from utilities to the planning division.
- Travel and training increased for staff pursuing professional certifications.
- Professional services decreased significantly as less consultant work is needed for urban growth boundary planning.

Administrative Services (Fund 31):

- Insurance costs are projected to increase 4% rather than the budgeted 7%.
- An IT capital savings plan was outlined for future equipment replacements.

City Manager:

- Travel and training increased slightly to allow for conference attendance.
- 40% of the city manager's time is now allocated to managing capital projects.

Human Resources:

- Significant increases in wages and benefits to transition from an interim to permanent HR manager.
- A second HR generalist position is budgeted for year 2.
- \$70,000 is budgeted for potential recruitment expenses.
- New supervisory training sessions are planned.
- A classification and compensation study is budgeted for FY26-27 at \$60,000-\$70,000.

City Recorder:

- The digital archivist/grant writer position is moving to this department.
- Increases for travel/training and professional services to support certifications and document scanning.

Community Engagement:

- Slight increases to support the interim PIO's tuition for a master's degree.

Finance:

- Increased travel and training to send more staff to conferences.
- Maintenance agreement costs increased 5% annually for financial software.

IT:

- Recruitment is underway for a permanent IT manager.
- Large increase in maintenance agreements, including a new cloud-based dispatch system.

Legal:

- Minor increases for office supplies and equipment replacement.

The committee also reviewed budgets for several special revenue funds:

Fund 3 - Civil Forfeitures:

- No major activity is anticipated.

Fund 13 - 911 Tax:

- 9% increase in state revenue projected for FY25-26, 5% for FY26-27.
- Funds 3 dispatcher positions.

Fund 16 - Public Safety:

- Public safety and communication officer fees tied to 2.8% CPI increase.
- Communication officer fee anticipated to be eliminated in second year of biennium.

The meeting concluded with an overview of topics to be covered in the next budget meeting on May 6, including public works funds and additional departments.

Adjournment

The meeting was adjourned at 8:04 PM

Attested By:



Raquel Peregrino de Brito, Chair



Kady Strode, Staff Liaison