

CANBY CITY COUNCIL  
Special Meeting  
December 3, 1979

Mayor Robert E. Rapp presiding. Councilmembers present: Beryl Brown, Beauford Knight, Richard Nichols, William Pulver and Robert Westcott. Absent: Councilman Swayze.

Also present: Administrator H.A. Wyman, City Attorney Wade P. Bettis, City Planner Stephan Lashbrook, Public Works Supervisor Bud Atwood, Secretary Virginia Graham. Budget Committee members: Matt Knoblauch, Al Cibula, Earl Oliver and Nancy Kopelk. Planning Commission members: Gary Sowles, John Edgerton, Fred Kahut, Norris Hart and Catherine Davis. Also, Canby Herald Editor Jeff Durham, Dianna Schmid of the Oregonian, David Bury and Dick Morse.

Mayor Rapp called the Special Meeting to order at 7:30 p.m., followed by the flag salute and roll call of Councilmembers.

Mayor Rapp asked for any business to come before the council at this time. There being none Mayor Rapp recessed the special meeting at 7:32 p.m., to go into a budget meeting and workshop.

Mayor Rapp reconvened special meeting at 9:21 p.m.

Mr. Wyman read a letter addressed to Mr. Bettis from R.K. Rorabeck of the Bank of California referring to property at 180 and 196 N.W. First, Canby. The bank proposes a contract sale of the property at \$90,000, a cash down payment of \$10,000 with the remaining \$80,000 balance at 12% per annum until paid. The initial five years of contract won't permit prepayment. Discussion followed as to interest rates and payments. Councilman Westcott moved that we accept this offer and to instruct the City Attorney to draw up the necessary papers. This would be for a ten year amortization paid monthly at 12% APR on the unpaid balance. A question was brought up as to where the money would be coming from. Mayor said the idea was to come up with the down payment and then budget for this in each year's budget. The council will take recommendations from the city staff and work from there on the money. Mr. Bettis was instructed to check with the bank on monthly payments.

The next item was the retirement system. The question of increasing our percentage from 1.35% to 1.51%. This was to be done to upgrade the uniform employees to state standards. Mayor Rapp felt that the council should increase all employees and not just the uniformed employees. Councilman Nichols moved in reference to the letter from Roger Reif on City of Canby Group Retirement Policy G-9548 to approve alternate 2 as recommended by the City Attorney, to change benefit accrual rate from 1.35% to 1.51% for all employees, with the letter from Roger Reif of December 3, 1979 to be attached to the minutes as part of this motion. Seconded by Councilman Pulver and approved 5-0.

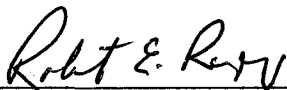
The audit was brought up next needing council approval. Councilman Westcott moved that we accept the Audit Report of the fiscal year ending June 30, 1979, as presented by Kent & Snow. Councilman Nichols seconded, passed 5-0.

Mr. Wyman brought up next the need to officially accept the dates for elections, as the county would need to know for ordering their supplies. Mr. Wyman's recommendation was for the Budget, March 25th and for the tax base change May 20th, and the November date for the election of Mayor and councilmen. Discussion followed on an additional election date in June in case the budget is not approved on the first date. Mayor Rapp suggested having four dates instead of three; March, May, June, and November. Councilwoman Brown moved that we notify the county that we will be anticipating elections on the March date, the May date, the June date and

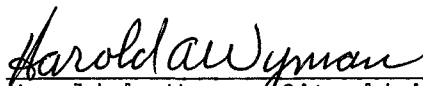
the November date. Seconded by Councilman Nichols and a third by Councilman Knight. Motion was approved 5-0.

Mayor Rapp brought up a letter from Fred Egger of the Canby Utility Board that came over late Friday and did not make it into the agenda packets. Mayor Rapp suggested that as the council did not have a chance to go over this letter we could either go over it tonight or table the letter until Wednesday night's meeting. The letter is in regards to 1 acre of hillside property bordering on the Martin Clark river bottom land. After a short discussion it was decided to table this matter until Wednesday night to give the council a chance to study it.

Mayor Rapp asked for any further business to come before the council and then adjourned the meeting at 9:44 p.m.



Robert E. Rapp, Mayor



Harold A. Wyman, City Administrator

Re: City of Canby  
Group Retirement Policy G-9548

Wade:

As per your request, I have reviewed the letters and information submitted by the Pacific Mutual Life Insurance Company which handles the City's group retirement plan. Two questions must be addressed and they are as follows:

1. What alternatives should be adopted to bring the City's retirement plan for uniform personnel so that it will be "equal to or better than" the benefits the employees could be receiving from the Oregon Public Employee Retirement System (PERS) under Chapter 237 of the Oregon Revised Statutes?

2. Should these changes apply only to the police and fire employees or to all employees of the City?

To begin with, before these questions are addressed, some background information is advisable. The City's retirement plan for uniform personnel is now required, by Oregon law, "to be equal to or better than" the benefits of PERS. Uniform personnel are treated differently under the group retirement plan than the non-uniform employees. I am advised by Larry Craven, Regional Manager of Pacific Mutual Life Insurance Company, that the over-all differences between the uniform and non-uniform personnel is "minimal". The main difference in the retirement plan is that uniform personnel are required to retire at age 55, (Requirement of PERS.) while non-uniform personnel are not.

QUESTION 1: The annual benefit accrual rate (BAR) for police officers and firemen is currently 1.35. There is no "magic" in this figure. It is simply the factor that is multiplied times the monthly earnings times the employment longevity to arrive at the retirement benefits of the employee. Two alternatives are suggested:

*Alternative One*

(a) Amend the plan to allow uniform members to be eligible for an early retirement benefit at age 50. The benefit would be reduced 7.2% per year from age 50-55, with full accrued benefits payable at age 55.

(b) Amend the plan to change the benefit accrual rate from 1.35 percent to 1.46 percent.

*Alternative Two*

(A) *Change the benefit accrual rate from 1.35 percent to 1.51 percent*

Regardless of which alternative is chosen, the cost to the City will be approximately \$2,200.00 per year. I recommend the second alternative because I do not believe many uniformed City employees desire or can afford to retire at age 50. I believe the second alternative would best suit the future plans of the majority of the uniformed employees.

QUESTION 2: I have no recommendation. I was advised by Mr. Craven that if the City chose that these changes apply to all employees, the cost to the City government would be as a "ball park figure" double, i.e. \$4,400 per year. Mr. Craven said that there were so many variables, such as the current rate of pay, longevity, future pay increases, etc. that he could not make a better estimate. It is my opinion that the City Council as the governing body of the City responsible for the budgeting of income and expenses shall use its own judgment in determining whether the City should or could afford to increase the retirement benefits of non-uniform personnel. I do strongly recommend; however, that if the City chose to increase the retirement benefit to non-uniform personnel, that they do not lower the retirement age. The cost to the City for the contributions to lower the retirement age would be prohibitive.

In summary, one of the two alternatives for the uniform personnel is required by law. I recommend the second alternative. No changes are required by law for the non-uniform personnel. The City may make an additional contribution if it so desires.

Rog.