

MONDAY, 7:00 a.m.

June 27, 1994

FINANCE COMMITTEE
MINUTES

J's RESTAURANT

NEWBERG, OREGON

The meeting was called to order by chair acting chair Don Wright at 7:05 a.m.

ROLL CALL:

Present:	Barbara Secor	Don Wright
	Alan Larking	Bert Pennock

Others Present:	Duane Cole, City Manager
	Kathy Tri, Finance Director
	Diane Padilla, Asst. Fin. Dir.

NEW BUSINESS:

Report On Insurance Proposals: Duane Cole reported that the City asked for bids on both its Worker's Compensation and Property\Casualty\Liability Insurance. The City received three quotes for Worker's Compensation-Liberty Northwest, SAIF, and CCIS. He has decided to continue with the CCIS primarily because of cost. After Kathy Tri and he analyzed the proposals it was apparent that the services from the three companies were comparable and the bids came in fairly close to each other. Some of the quotes depend on the City's loss history and after all the deductions, credits, and so forth were taken on the proposals, CCIS still cost the least. Through the City's active Safety Program, the City has had an excellent loss record for the past three years and this has resulted in stable premiums for worker's compensation.

With regard to Property\Casualty\Liability Insurance, CCIS also has a program in which approximately 140 cities are members. However Northland Chubb Insurance premiums continue to be lower than CCIS. The estimated premium for 1994-95 is \$105,000 even with the fire. There continues to be a question if the City should add sewer backup insurance and earthquake coverage. The City has had an excellent relationship with the local agent and Mr. Cole recommended that the City continue with Northland Insurance. He also indicated that next year we will probably not bid out worker's compensation so that we can maintain a three year commitment; however, we will look at the market for Property\Casualty\Liability Insurance. There were no questions from the committee.

Discussion on Tax Base Proposal: Duane Cole began by stating that he will prepare a survey to send out a City Newsletter asking citizens about the proposed tax base. One of the comments he has received so far is to add a section that says "Do Nothing". He also indicated that perhaps more explanation is needed in each of the different proposals. Ordinance Legislative Committee suggested adding an explanation on the property tax system. He added that the Budget Committee discussion was a struggle on whether the City should go back to the voters in November. Bert Pennock stated that the Fire Department is a key to the proposals; however, if we overdue fire, we may lose opportunities for the rest of the City. Barbara Secor asked why do people spend the night at the fire department. She indicated that citizens will be asking about how many fire fighters are really needed. Duane Cole indicated that we need to provide education in the community to better explain services and how we operate. Don Wright added that the City Council is evenly divided over going back to the voters or not. That is one reason why he added the serial levy idea. He felt that we should elaborate the survey but probably won't get much response and it also goes around the budget committee decision. Duane Cole added that the City

Council has the final decision no matter what. Possibly the City could do a phone survey. Don Wright added that we need representative input. Alan Larking suggested a exit poll. Duane indicated that the City could probably do one in November. Don Wright suggested a booth at the Old Fashioned Festival. Duane indicated that there was no space available; however, the Smurfit booth may be available, and he will talk to Jerry Frentress at Smurfit about it.

Update on Ambulance Transfer: Kathy Tri talked about the transfer of the ambulance service from the Hospital to the City Fire Department. She indicated that the staff has had numerous meetings with the ambulance staff and there are several committees set up for reviewing things such as compensation, facilities, and operations. Most of the major issues relating to compensation have been settled as well as some of the operating procedures. Facilities will take longer to come p with a plan. Duane Cole indicated that the transfer of retirement benefits has been a sticky point. At this point, the hospital's retirement plan will be frozen and the employees will come to the City's retirement plan on July 1, 1994.

Monthly Report: Kathy Tri reviewed the May monthly report. Don Wright asked why the staff sold an investment early. He was concerned about loss of interest. Diane Padilla responded that there was no penalty in selling the investment early. There was a slight loss of interest but it will be more than made up by the increased interest earnings that the new instrument will yield.

Monthly Transactions: Questions were asked regarding towing, Newberg Body, Spring Conferences for the court clerk, travel for a police officer for training, payment to New Horizons for a police secretary, and ad in the Oregonian.

Adjournment: The committee adjourned at 7:55 a.m.