

MONDAY, 7:00 a.m.

August 29, 1994

FINANCE COMMITTEE
MINUTES

J's RESTAURANT

NEWBERG, OREGON

The meeting was called to order by chair Donna McCain at 7:05 a.m.

ROLL CALL:

Present:	Donna McCain	Alan Larking
	Barbara Secor	Bert Pennock

Others Present:	Duane Cole, City Manager
	Terry Mahr, City Attorney
	Bob Tardiff, Police Chief
	Kathy Tri, Finance Director
	Diane Padilla, Asst. Fin. Dir.

MINUTES: Minutes of the May 31, June 27, and July 25 meetings were presented.
MOTION: Secor\Pennock moved to approve minutes of the May 31, June 27, and July 25 meetings. **VOTE ON THE MOTION:** Passed by those present.

NEW BUSINESS:

Ballot Measure 8: Duane Cole introduced the topic of Ballot Measure 8 which is the November initiative on Public Employee Retirement Systems. He indicated that there are two policy questions here: Should the Council take action on Ballot Measure 8 before it passes; and what should the effect of Ballot Measure 8 be on employees. He presented some background on the City's retirement plans and indicated that the City has taken steps to limit its retirement costs. The City has guaranteed benefits to current employees until they leave or retire. Ballot Measure 8 means that all employees must take a pay cut of 6% on January 1, 1995. Even the sponsors of the ballot measure state that the target for the PERS measure is the State, but it is very clear in the language of the measure that it will affect every local government. This is a morale problem for employees. He added that most of cities and other local governments are discussing similar action for its employees. Last week the Ordinance\Legislative Committee discussed possible actions and indicated that the City should wait until after the election to take action.

Alan Larking asked what the July 1 salary increases were. Duane Cole indicated that general employees received a 3.3% increase, Police union employees received a 3% increase, and Fire union employees received between 3 and 3.3%. Alan Larking indicated that in the PERS paper, the average salary for public employees is higher than the average salary for the employees of two companies he has worked for. Duane Cole added that it must be taken into account that the City hires highly skilled and educated employees particularly in the areas of Police and Water and Waste Water Treatment for example. PERS is a rich retirement plan. However, there are ways to change PERS through the legislative process that has the opportunity for discussion and debate and evaluation of the effect of changes, not through the initiative process.

The consensus of the committee was to wait until after the November election. It was felt that possibly this would be a mute issue if the ballot measure fails.

Investment Policy: Diane Padilla reviewed the history with the investment policy. She indicated that a revised draft had been sent to the Short Term Fund Board and they responded with a number of suggestions which have been incorporated into the policy included in the agenda. Diane Padilla then reviewed

each of the changes.

MOTION: Secor\Larking moved to accept the investment policy as revised. VOTE ON THE MOTION: Passed by those present.

Budget Resolution: Kathy Tri indicated that in the fall of 1993 the City let a contract to paint one of the clarifiers at the Waste Water Treatment Plant. Because the contract needed to have dry weather, the project was not started until late spring, and actually not completed until the end of June. In the budget process this project should have been carried over to the 1994-95 fiscal year for payment, but was missed. The resolution transfers money from the Sewer Replacement Reserve account to pay for the painting project. There is sufficient money in the fund in the cash carry over to cover this project.

MOTION: Secor\Larking moved to recommend the budget resolution #2 for Council adoption. VOTE ON THE MOTION: Passed by those present.

Police Radio System: Kathy Tri provided background on the 800 MHz radio system that the Police department is requesting to purchase. It was indicated that this system was included in the 1994-95 budget. Since then the Police department has done a lot more work in investigating an 800 MHz system and the City has obtained financing proposals from three vendors. The resolution attached to the packet approves a lease-purchase agreement with U.S. National Bank of Oregon. This item will be on the September Council agenda. Barbara Secor indicated that since this was included in the budget and had previously been discussed by the Budget Committee, that there should be no question in moving forward with it.

MOTION: Secor\Larking moved to approve the purchase of the 800 MHz radio system using lease-purchase financing through U.S. National Bank. VOTE ON THE MOTION: Passed by those present.

Kathy Tri indicated that both the financing for the police radios and the carry over funds in the Public Lands fund will require supplemental budgets. The Public Lands Fund is being used to help finance the Fire Departments' Ten Year Strategic Plan. The balance of the Public Lands Fund can be used for projects later proposed by the City Manager and approved by the Finance Committee and Council. Donna McCain asked what the Public Lands Fund had been used for. Kathy Tri indicated that it had been used to purchase the property on Third Street and for architectural studies of City Hall facilities.

Municipal Court Update: Terry Mahr provided background about the Municipal Court. He indicated that during the budget process he would give quarterly reports on the Municipal Court. This report is a preparation for that quarterly report which will be presented in October. He is also working with the Ordinance \Legislative Committee on general policies related to the Municipal Court; the Finance Committee is more concerned with the financial stability of the court. He indicated that while the focus of the court is not revenue, it is important for the Finance Committee to understand the revenue structure of how the court system works. In the financial report the committee will notice that there is a difference between what is actually collected and what is receipted by the City. This is because there are numerous assessments attached to court fines which must be transferred to either the State or the County. He pointed out that July 1994 revenues were below July 1993 revenues. He indicated that the bail schedule went up in January 1994 and they were surprised to see that actual revenues were down. He added that the Judge has the option on how much to charge for bail. Mr. Mahr also indicated that Mr. Mills has been working on the backlog as well as doing intake work. Terry will now do intake work and Mr. Mills will focus on the backlog of cases. There followed some discussion about the bail schedule and how the judge determines what each person should pay. Terry Mahr indicated that it is not unusual for judges to adjust the bail schedule to various circumstances. The only power over the judge is his annual review by the

City Council. There followed a discussion about to handle arrears and the various methods the court has been using and has available to it. Barbara Secor and Donna McCain indicated that a monthly billing might be more effective and after so many months to turn the uncollected bill over to a collection agency. Terry Mahr indicated that they will continue to look at various options and will report back in October.

Robert Tardiff joined the committee. Bert Pennock asked a question regarding a CAD system that appears to be in the future. Robert Tardiff stated that the CAD system is not included in the current purchase and is currently being developed by the City of Salem. Purchase of a CAD system is at least a year away. The MDT Terminals will have access to the RAIN system, will be able to provide criminal history, messages and reduce cellular phone bills. He added that the Salem Fire Department is working on an MDT system for fire. The MDT system will reduce radio traffic by about 50% which will help the dispatchers substantially.

Monthly Report: Kathy Tri presented the monthly report for July. She pointed out that Building and Planning activity continues to be strong; that the City sent out water bills last week and there have been a tremendous number of phone calls which the staff is working on and tracking. This month bills were higher than usual due to the 100 degree weather in July. She indicated that the staff is doing a lot of meter rereads just to ensure that the meters were read properly for our customers. She discussed the Council's budget which is over the 8% target due to certain payments that come due in July and general project payments for Old Fashioned Festival and the Chamber. She added that some dues and payments have been withheld in accordance with the Finance committees wishes until a later date. There was some discussion about Capital Projects and investments.

Accounts Payable: Questions were asked regarding the ambulance sale to the Newberg Hospital, the mobile trailer (this is a traffic counter piece of equipment that is partially financed through a \$2500 grant), confidential funds and payroll draws.

Adjournment: The committee moved to adjourn at 8:10 a.m.