

TUESDAY 7:00 P.M.

July 25, 1995

FINANCE COMMITTEE
MINUTES

NEWBERG PUBLIC LIBRARY

NEWBERG, OREGON

The meeting was called to order by chair Don Wright at 7:00 p.m.

ROLL CALL:

Present:	Don Wright	Alan Larking
	Barbara Secor	Bert Pennock
	Alan Halstead	

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

MINUTES: The minutes were deferred till the end of the meeting.

NEW BUSINESS:

Amendments to City Retirement Plan: Kathy Tri indicated that since Ballot Measure 8 was passed and the City changed its policy by deducting the employee contributions from employee pay in December, that both the City general employee and Police and Fire retirement plans needed to be amended to comply with that policy and Ballot Measure 8. In addition, the retirement plans need to clarify the language maintaining IRS compliance with section 414(h). The amendment essentially states that effective January 1, 1995, or as required by State Law, the employer shall not make the required participant contributions for employees. There were questions asked about the language with regard to the IRS Code section 414(h). Staff indicated that this was typical language that was used with both the Oregon PERS and the City's actuary, Milliman & Robertson, and recommended by the Oregon Attorney General. Kathy Tri indicated that the resolution includes two amendments, one is to the general employee plan and an identical one to the Police and Firemen plan. She also indicated that the general plan has 36 employees and the Police and Fire plan has 11 employees, while the City now has 42 employees in PERS. She added as a note that the City has been notified by PERS that the employer rate has decreased from 12% to 9.58% as of July 1. She indicated that this was a surprise to both PERS staff and to City staff. Duane indicated that this rate is in addition to the 6% provided by the employee.

MOTION: Alan Halstead/Alan Larking moved to recommend Council adoption of the resolution amending the City's general employee retirement plan and Police and Fire retirement plan. **VOTE ON THE MOTION:** Passed by those present.

Membership in CIS: Kathy Tri indicated that the City carries worker's compensation insurance through the City/County Insurance Service Trust. Periodically, the Trust requests that the City adopt a resolution entering into a contract with CIS and becoming a member of the Trust for a three year period. The resolution is essentially the wording provided by the Trust for the City to adopt. Duane Cole indicated that while the resolution indicates membership is for a three year period, we are allowed to give a six month notice to withdraw, and we have done that in the past. **MOTION:** Bert Pennock/Barbara Secor moved to

continue membership in CCIS and recommend Council adoption of the resolution.
VOTE ON THE MOTION: Passed by those present.

Fire Station/Ambulance Building Financing: Kathy Tri explained that the remodeling of the Fire Station has begun and the City will be obtaining additional financing from US Bank. She indicated that the 1995 Legislature passed a new financing instrument that the City will be using, which is slightly different from a regular lease/purchase agreement. The City is seeking through US Bank \$195,000.00. Donna Proctor asked about the money provided by the Hospital. Kathy Tri added that the City has \$80,000.00 from the Hospital for the remodeling. However, the remodeling was more extensive than originally anticipated and additional financing is needed. The bids for the building addition came to \$262,000.00. Kathy Tri also added that the attached documents were draft and some of the wording is being changed. For example, the word 'equipment' is used in the resolution, and it is obvious that it is not equipment, but building improvements. She added that the financing will be for a ten year period with an average payment of \$26,400.00.

Committee members asked about the impact of this on the ambulance fund. She indicated that she has worked very closely with the Fire Chief and that they will make this payment every year. The funds may come from the ambulance fund, and if not available, they would have to come from other funds within the City budget. **MOTION:** Bert Pennock/Alan Larking moved to recommend Council approval of the financing agreement for the Fire Station/Ambulance remodeling. VOTE ON THE MOTION: Passed by those present.

Monthly Report: Kathy Tri presented the monthly report. She indicated that the June monthly report is for unaudited numbers. However, payroll expenses are included so it does present a fairly good picture of how the City will come out in its operating funds. She started with the General Fund and indicated that all departments were below the 100% expenditure level except for the Fire department, which is about 99.9%. She added that all the departments were very close, but kept within their target ranges. The next fund she reviewed was the Emergency/Medical Services fund. She indicated that the graph didn't show a real picture of what was going on in the fund because the graph was based on budgeted numbers. However, when actual receipts are compared to what the staff estimated to be received and spent, the City did very well. For example, on user fees, the City estimated to receive \$390,000.00 while actually receiving \$415,000.00, resulting in an additional \$25,000.00. Also FireMed memberships were \$3,000.00 above estimates, interest was \$2,000.00 above estimates and expenditures were \$6,000 below estimates, resulting in a positive cash flow of between \$30,000.00 and \$35,000.00, which will be added and needed in the following year to pay debt service. The Council will be receiving a more detailed report from the Fire Chief and maybe a slightly different look at the picture, but the indication is that the service is doing well. This is good news for the City.

Bert Pennock asked if the average bill was really \$20 for water. Kathy added that the combined bill for water and sewer was \$56 for last month, and yes, water consumption is up.

MINUTES: Minutes of the May 30, 1995 meeting were reviewed. The minutes were accepted unanimously.

Monthly Transactions: Kathy Tri received requests for additional information on monthly transactions from Donna Proctor and Don Wright. She reviewed Don Wright's request. It was requested that Terry Mahr submit his receipts more frequently than once a year. Staff will talk to him.

Don Wright asked that Terry Mahr continue to present quarterly reports on the court to the committee. He also indicated that the Council needs to talk about the National League of Cities conference.

Adjournment: Bert Pennock moved to adjourn at 7:35 p.m. Passed.