

TUESDAY, 7:00 p.m.

November 28, 1995

FINANCE COMMITTEE  
MINUTES

NEWBERG PUBLIC LIBRARY

NEWBERG, OREGON

The meeting was called to order by Mayor Donna Proctor 7:00 p.m.

ROLL CALL:

Present:                    Alan Larking                    Barbara Secor  
                             Bert Pennock                    Alan Halstead

Others Present:            Kathy Tri, Finance Director  
                             Duane Cole, City Manager  
                             Donna Proctor, Mayor  
                             Neil Erickson, Grant Thornton

**MINUTES:** The minutes of the October 30, 1995 meeting were reviewed. **MOTION:** To approve the minutes of the October 30, 1995 meeting. **VOTE ON THE MOTION:** Passed by those present.

**ACTION ITEMS:**

Review of the 1994-95 Financial Report: Kathy Tri introduced Neil Erickson, the City's auditor from Grant Thornton. Mr. Erickson reviewed the 1994-95 financial report with the committee. He reviewed the transmittal letter from Kathy Tri and Diane Padilla, reviewing the fiscal year, he then reviewed the auditor's letter, stating that they had no major concerns. He reviewed the combined statements for the City, highlighting various changes in assets, liabilities and equity, and reviewed various notes. Alan Halstead asked if there were special management comments, as there had been in prior years. Mr. Erickson responded that all financial type items have been taken care of, which is one reason why the City has been able to receive the CAFR award. He indicated that the auditors looked at efficiencies, practicality, and manpower. In looking at the City's accounting system, the City should consider looking at where the system should be in three to five years. However, he anticipates that this would cost between a \$15-20,000 to study. The committee thanked Mr. Erickson for his time in coming to present the report to them.

Policy Regarding Building and Development Fee Waiver for Non-Profits: Kathy Tri introduced the background on putting together a building and development fee waiver for non-profit organizations who build low income homes in the City of Newberg. The issue began with Habitat for Humanity's request, and since then has been developed into a basic policy for Council consideration. The specific criteria to be granted a waiver would include that only up to two single family or duplex units would receive a waiver per fiscal year. The waiver would be for system development charges only. The actual reduction in the cost to the homeowner must be guaranteed. The home owner must be low income. The waivers would be granted on a first-come first-serve basis within a fiscal year and would be included in the budget. Barbara Secor was concerned on how the waiver would be filed as a condition on the property. She concerned that we might hurt the lending program. Duane Cole indicated that he would have the City Attorney review what sorts of papers would be required so that if the property is sold

within five years, and if the same conditions were not met, the fees would be paid. Barbara Secor indicated that we also need to make sure that the lien automatically dissolves in five years.

Update on Fire Fee: Kathy Tri reported that the City Council reviewed the Fire Fee at its November meeting and had some concerns about the amount of fee and the length of time the fee would be in effect. There was some interest in a time limit on the fee. After the council meeting, Kathy Tri went back to review the cash flow needs for the fire equipment. Chief Sherman also reviewed the information. Their analysis reviewed that in order to buy the necessary equipment that is needed in the next few years, the fire fee would need to be set at \$1.50 and would last up to eight years. The committee generally accepted this recommendation to go back to Council.

Review of Debt Policy Draft: Kathy Tri presented a Debt Management Policy for the committee's review. The policy covered some general policies regarding credit quality, definition of debt, and types of debt authorized. The policy includes information on who is the debt manager and how consultants would be selected. She indicated that the City generally sells debt on a competitive basis and would continue to do so unless it became obvious that a negotiate sale was the wiser way to go. A negotiate sale would only be done with approval by the City Manager. In addition, the debt policy covers authorized debt structures, debt limitations, communication and disclosure. **MOTION:** Barbara Secor/Alan Larking moved to recommend Council approval of the Debt Management Policy.

Monthly Report: Kathy Tri indicated that the monthly report has a slightly different look now. It includes departmental goals and monthly activities meeting those goals. The balance of the information in the report is in the same format as prior reports. She pointed out that in the general fund, the difference between revenues and expenditures was \$916,000.00. This is a key figure to keep in mind for required cash reserve requirements. The City has been maintaining a \$500,000.00 unappropriated fund balance but will need to increase that if it is to meet cash flow needs.

Next Meeting: Bert Pennock indicated that a different night of the week would be better to meet. The committee agreed to meet on Monday evening in City Hall. Kathy Tri will make sure that everyone gets the correct notice for the next meeting.

Adjournment: The committee moved to adjourn.