MINUTES FOR THE NEWBERG FINANCE COMMITTEE

July 31, 2001
Newberg Public Safety Building

Members Present: Rebecca Ratcliffe Bob Larson

Staff Present: Kathy Tri, Finance Director
Debbie Smith Wagar, Assistant Finance Director
Duane Cole, City Manager

There was no quorum and no actions were taken.

The meeting came to order at 7:07 p.m.. Kathy Tri announced that Debbie Smith-Wagar has resigned and a search has begun for her replacment.

NEW BUSINESS:

Update on Retirement Plan Changes: Kathy Tri brought the committee up to date on several points. The City will be contracting with Everette Moreland from Hershner, Hunter in Eugene. Mr. Moreland works with many non-PERS public plans. She hopes to have the contract finalized within the next couple of weeks.

Kathy Tri indicated that she met with representatives of Principal Financial Group. They recommend new investment options which will allow more diversification of the plans' portfolio.

Kathy Tri reported that Principal Financial Group will be demutalizing sometime in the next year. This means that the retirement plans will own over 45,000 shares of Principal stock. Rebecca Ratcliffe asked if there were any rules about how much Principal stock the plans could own. Ms. Tri will research this question.

Update on PGE Franchise Review: Kathy Tri indicated that the City has been working with about 25 other cities which franchise with PGE. She indicated that the group hired DMG Maximus, Houston Office. The City's review of PGE addresses showed 170 in-city addresses not on PGE's list and 112 addresses on PGE's list not in the city. The final review of this information is being done by PGE and will be part of the final report by DMG. Any reconciliation must be paid to the City within 15 days of the final report. Duane Cole asked if DMG had any connections with Enron. Kathy Tri will ask.

GASB 34: Kathy Tri stated that new accounting rules go into effect next fiscal year. Staff will begin to work on these changes this fall. Future meetings of the committee will included more information and policy papers.

Quarterly Report: The staff presented the fourth quarter report. Kathy Tri highlighted the

General Fund, Street Fund, EMS Fund and utility funds. She reported that the City spent over $4.5 million on capital projects (and it did not include any major buildings as in past years) and she reviewed the funds available to finance these projects.

Rebecca Ratcliffe noted the increase in building permits. She asked if there was a change in our projected growth rate and how it would impact what the city projected, particularly the timing of capital projects. She also asked about the status of economic development loans. Staff indicated that only one loan was delinquent.

Staff brought the committee up to date on the consideration of a library district. Bob Larson serves on the Library Task Force. Kathy Tri explained the two options being considered: one district including the City and a "donut hole" district in which the district would contract with the City for library services, similar to the current fire district/city relationship.

ADJOURNMENT: The committee adjourned at 8:00 p.m.

The next meeting was set at October 23, 2001.
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