

MONDAY, 7:00 a.m.

April 26, 1994

FINANCE COMMITTEE
MINUTES

HORSELESS CARRIAGE

NEWBERG, OREGON

The meeting was called to order by chair Donna McCain at 7:00 a.m.

ROLL CALL:

Present:	Donna McCain	Barbara Secor
	Bert Pennock	Alan Larking

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

MINUTES: The minutes of the March 28, 1994, meeting were presented. MOTION: Pennock\Secor moved to approve the minutes of the March 28, 1994 meeting with the typo correction in the last paragraph under monthly transactions. VOTE ON THE MOTION: Passed by those present.

NEW BUSINESS:

Community Brochure: City Manager Duane Cole began the discussion indicating that there are really two issues. The first issue deals with the Community Brochure. He explained that Pat Haight came to the City Council with the need for a community brochure. He and Ann Pesola discussed directing \$2000 to the Chamber Directory which has been used for industrial and staff recruitment. He indicated that the City gives the Chamber approximately \$24,000 of the \$40,000 in room tax revenue. This year, no monies were directed toward the directory. The Chamber put a committee together to discuss the brochure and they are about \$1,500 short in funding. Bert Pennock asked how much the Chamber made on its directory. Ann Pesola indicated that she did not have the authority to release how much the directory made. She went on to explain that the community brochure will be a folded brochure with brief descriptions of key events in the community and approximately 15 pictures. Mikki Snell has been chosen to put the contents and the pictures together. Donna Proctor asked if the City could make up its own brochure for City use. Duane Cole responded that we could use a community brochure in the library and other visitor information areas. For business recruitment, a separate brochure by the City would do. Barbara Secor asked the Chamber why it was coming to the City for money. If they are making money on other projects, why can't those funds be allotted to this project. Ann Pesola indicated that some projects make money, and some chamber projects do not. Profits from some projects cover the other deficits. The Chamber is projecting a shortfall for this year. She added that the City pays dues of \$565 and supports the Visitor Information Center, which is a separate issue that will be discussed by the budget committee on Tuesday evening. The brochure is a separate issue and was not discussed when developing the budget last year. Ann Pesola added that she has raised \$2,000 and may have more funds coming in to support the brochure.

MOTION: Bert Pennock/Alan Larking moved to postpone giving the Chamber \$1,500 at this time for a community brochure. VOTE ON THE MOTION: Passed by those present (Donna McCain abstained from voting).

Review of Fiscal Policies: Kathy Tri began by explaining that in the budget document, there contains a section that lists the City's fiscal policies. One of the specific policies related to these more general policies is the investment policy. The finance committee reviewed the investment policy a year ago, and it was then reviewed by the Oregon Short Term Fund Board which made several suggestions. Recently, the pool rate dropped which made the City pull some money

from the pool and invest it in other instruments. The result was that the staff pulled out the investment policy and started to really use it. As a result of these activities, Diane Padilla has rewritten the policy using the existing policy as a guide and several other jurisdiction's policies. Kathy will then, if the finance committee approves the policy, forward it on to the Oregon Short Term Fund Board for another review and also to the council for City approval. She indicated that the primary objectives in having a written investment policy is to insure safety, liquidity, and preservation of capital. The other change in this policy is that it leaves out the Hospital with the assumption that as of July 1, the Hospital will no longer need to be included in this policy. The policy discusses diversification of investment instruments, diversification by institution and diversification by maturity. Bert Pennock asked about the current investments that the City has made and what kind of instruments and length of time. Diane Padilla responded that most of them have been in governmental securities such as Fnm's and other treasury instruments.

Next, Kathy Tri reviewed the beginning of the fiscal policies included in the budget. She indicated that the objectives of having these policies set forth are to enhance the City Council's policy making ability to provide accurate information, to assist in the sound management of the City by providing accurate and timely information to help guide important decisions of the council and budget committee, to distribute municipal services fairly, to provide and maintain essential public facilities, utilities and infrastructure, and to protect and enhance the City's credit rating. The committee discussed how they wanted to review these policies and it was decided that it will review one section at a time over the next several meetings.

state
Kathy Tri began by reviewing the revenue policy section. The policies in this section that the City will have a diversified and stable revenue system. There was some discussion regarding other revenue sources such as a business license and a title search fee. The policy also says that one time revenues will be used for one time expenditures and Kathy Tri indicated that the City has tried to do this with State revenue sharing revenues and related expenses. All revenue forecasts shall be conservative. Regular reports comparing actual to budget will be presented to the finance committee and she indicated that is done monthly. All City funds shall be safely invested in accordance with the adopted investment policy which the committee just reviewed. The City will provide for an equitable sharing of the costs and services by charging the direct beneficiaries fees which will recover all or portion of the cost to provide the services. She indicated that the City tries to do that particularly with water and sewer fees. Finally, the City will consider overlapping tax burdens created by multiple taxing districts on the City property owners. Kathy Tri indicated that the City has been very conscious of this, as illustrated by the recent tax base proposal in which the City calculated its share of the \$10 limit so as not to use any of the other jurisdictions' portion of the \$10 and also consideration of the effect on property owners. The finance committee had no further recommendations on revenue policies. The next meeting, the committee will consider operating policies and the capital improvement policies.

Monthly Report: Kathy Tri discussed the March monthly report indicating that 75% of the fiscal year has passed. She pointed out that on the general fund expenses the committee will notice a substantial drop in expenses for the month of March. This drop is caused by the transfer request of the police department related to the 911 and purchase of 800 mhz radios. She also pointed out that in the graphs related to the water and sewer funds how consistent expenses and revenues are to prior years.

Accounts Payable: The committee reviewed the accounts payable for March. Questions revolved around the payments to the River Valley Gardens for plants at the legal department, Chehalem Animal Clinic, the Shutter Bug for a camera for police department, drafting supplies for the engineers, the street lighting bill for PGE, payment to the Yamhill County District Attorney for forfeiture counsel (district attorney), payments for the weatherization at the library, repairs of the microwave at the sewer plant, and the generator at the sewer plant, chemicals

for the composter, damage to a bicycle, the vent saw bar and chain for the new fire truck, refrigerator purchase from Dennis Manning which was for the City Hall coffee room, payment to Dick Brown for water main construction which was a reimbursement for expenses in a development in which he paid for installing the water main, banners for the downtown area, payment to Creative Imagery for the taping of the City Council meetings, the expenses for the middle management retreat refreshments from Darby's, lease payments to Young and Pawelski for 719 East First, purchases of Gateway computers for the police department, which the committee had previously approved, and wastewater analysis costs for Coffey Laboratories. The mayor also reiterated her concern about the purchasing all auto supplies from Newberg Auto Parts instead of Macken Auto Supply. Duane Cole indicated that he has discussed this matter with the community development director and they will be making some adjustments.

Adjournment: Bert Pennock moved to adjourn at 8:30 a.m.