

Tuesday, 7:00 a.m.

December 29, 1992

CITY OF NEWBERG
FINANCE COMMITTEE
MINUTES

J's Restaurant

Newberg, Oregon

Chair Eldon McIntosh called the meeting to order at 7:10 a.m.

ROLL CALL:

MEMBERS PRESENT: Eldon McIntosh
Scott Reinhardt
Donna McCain

OTHERS PRESENT: Elvern Hall, Mayor
Duane R. Cole, City Manager
Diane Padilla, Asst. Finance Director
Kathy Tri, Finance Director
Neil Erickson

MINUTES:

MOTION: Reinhardt/McCain moved to approve the minutes of the October 27, 1992 and November 24, 1992 meetings. Vote on the Motion: Carried unanimously by those present.

NEW BUSINESS:

Utility Bill Assistance

Kathy Tri explained that she met with Jerry Sunday, the new Executive Director of Newberg Human Resource Center (NHRC), to discuss a pilot program for utility bill assistance. She explained that she would like to set up a cooperative program with NHRC to help utility customers with budgetary situational problems. Mr. Sunday explained that they receive \$300 a month from Salvation Army to help with utility bills. This includes all utilities, (i.e. PGE, GTE, Northwest Natural Gas, and the City). She suggested that the City start with a \$500 pilot project to see how long those funds would last. She felt it was better for NHRC to screen customers for their needs, since the City is not a welfare agency. This program would also free up the Salvation Army money for other utilities. She also explained that the City would continue to look at doing a long range permanent program for low income seniors. However, this program would certainly help those with an immediate need.

Kathy Tri also explained that NHRC will provide detailed information about who will receives assistance and how much.

MOTION: Reinhardt/McCain moved to recommend starting a pilot program with Newberg Human Resource Center starting with \$500, in the future evaluation.
Vote on the motion: Carried unanimously by those present.

Annual Comprehensive Financial Report

Kathy Tri introduced Neil Erickson from Grant/Thorton. Mr. Erickson presented a draft copy of the 1992 Annual Comprehensive Financial Report. He indicated that there was an unqualified report, in other words the City will receive a clean opinion. Mr. Erickson then reviewed the contents of the report. He indicated the financial status, compliance through the single audit act, (i.e. how they test the City's financial records with regard to bonds, budget, and purchasing), and the City's internal control system. He then reviewed specific pages of the draft audit including the combining balance sheets and the enterprise funds.

MONTHLY REPORT:

Kathy Tri reviewed the Monthly Report. She pointed out that 41 percent of the fiscal year has past. She also highlighted that November is the month that the City receives its property tax payment. There were no comments on the Monthly Report.

Monthly Transactions:

Many of the members asked about monthly transactions which were responded to.

ADJOURNMENT:

MOTION: The Committee moved to adjourn at 8:15 a.m. Vote on the Motion:
Carried unanimously by those present.

Tuesday, 7:00 a.m.

January 25, 1993

CITY OF NEWBERG
FINANCE COMMITTEE
MINUTES

J's Restaurant

Newberg, Oregon

Chair Donna McCain called the meeting to order at 7:10 a.m.

ROLL CALL:

MEMBERS PRESENT: Dale Welcome
Bert Pennock
Donna McCain
Barbara Secor
Gary Hay (7:20)

OTHERS PRESENT: Donna Proctor, Mayor
Duane R. Cole, City Manager
Diane Padilla, Asst. Finance Director
Kathy Tri, Finance Director
Neil Erickson

MINUTES:

The minutes of the December 29, 1992 meeting were not available for approval at this time.

Donna McCain indicated that the Finance Committee meets publicly and is open to anyone to attend. She would like to allow presentations to be made with questions at the end of the presentation. She also indicated that Roberts Rules of Order will be followed as closely as possible.

NEW BUSINESS:

Annual Comprehensive Financial Report:

Kathy Tri handed out a list of City Funds and departmental account numbers. She explained that the annual budget and annual comprehensive financial report are organized by fund and fund group. She indicated that this is the key to the City's accounting system. She then reviewed the different fund types: general, special revenue, capital projects, debt service, enterprise and trust funds. She added that some funds are restricted in how they may be spent. As an example, the State Street Gas Tax Fund receives State gas revenues and is restricted by the State Constitution on how those funds may be spent. She also mentioned that the enterprise funds which are composed of the sewer funds, water funds and hospital funds reflect all income and expenses related to those enterprises. Expenses include daily operating expenses, debt service, depreciation contributions and capital.

She then introduced Neil Erickson from Grant/Thornton, the City's Auditor. Mr. Erickson reviewed the draft comprehensive annual financial statements. He indicated the final copy would be ready Wednesday and handed out at Monday night's Council meeting.

He reviewed the organization of the report. The first tables represent the most condensed summarization of the financial statement. The second section is supplemental information in which there is budget to actual comparisons and combining schedules. The third section provides a ten year statistical history of the City. The final section are the reports required by State and Federal statute.

He indicated that the City is receiving the highest opinion from the auditors, (i.e. the City has received a clean audit). He also indicated that the annual financial statement is a snapshot of the City as of June 30, 1992. The totals and fund balances represent what was available on that date. He then proceeded to review specific pages within the financial statement. The Committee asked Mr. Erickson various questions as he went through his review. Dale Welcome indicated that he was very pleased with the presentation and felt that the financial statements were easy to review.

MONTHLY REPORT:

Kathy Tri reviewed the Monthly Report. Gary Hay suggested that the monthly report include some graphical information on how the City is doing compared to previous years. Kathy Tri indicated that she will put that in future reports.

The Committee also requested that the monthly report include a reporting of overtime by department and if possible why overtime was necessary.

Monthly Transactions:

The Committee started to review accounts payable. Due to the time, the Committee felt they would rather review accounts payable transactions at a later meeting.

ADJOURNMENT:

MOTION: The Committee moved to adjourn at 8:30 a.m. Vote on the Motion: Carried unanimously by those present.

Tuesday, 7:00 a.m.

May 26, 1992

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

Members Present: Eldon McIntosh Scott Reinhardt
Marty McIntosh

Absent: Donna McCain

Others Present: Elvern Hall, Mayor
Duane R. Cole, City Manager
Katherine Tri, Finance Director
Diane Padilla, Asst. Finance Director

Merlin LaJoie, Newberg Garbage Service
Marvin Schneider, Newberg Garbage Service

The meeting was called to order at 7:10 a.m. by Chair Eldon McIntosh.

MINUTES:

MOTION: Reinhardt/M. McIntosh moved to approve the minutes of the April 28, 1992 meeting. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:

Garbage Rates:

Merlin LaJoie and Marvin Schneider were present with the proposal to increase garbage rates in order to comply with the new law which goes into effect on July 1, 1992 for mandatory curbside recycling. Kathy Tri indicated that there was a rate increase in February to cover expenses at the landfill. Newberg Garbage Service has come back now due to the new recycling mandate passed by the 1991 Legislature. Merlin LaJoie indicated that each household will have a separate container and that they have ordered new trucks especially to handle recycling collection.

Scott Reinhardt asked why they assumed a 60% participation. Merlin responded that it was based on a statewide average. Portland used 80% but it may be more like between 60% and 70%. He indicated that most people will put their recycled materials out about two and one-half times per month. In a year they will have a better indication of exactly how successful the program is.

Duane Cole asked if Dundee paid a different garbage rate. Merlin responded that yes Dundee does pay a different garbage rate primarily due to the difference in the franchise fee which is 2% in Dundee and 3% in Newberg.

Duane Cole indicated that he and Kathy Tri met with Newberg Garbage Service and reviewed their proposal. He said it is a very tight proposal. He believed the role of this committee was to review the proposal and to look at Newberg Garbage Service as a private business and can it make a profit and if so, what is reasonable. Merlin indicated that they use the industry standard of a fair rate of return of 11.5%.

Scott Reinhardt asked if they were competing in an open market, what kind of profit would they make. Duane Cole asked how elastic are the rates, since the City is receiving complaints about garbage, will these rates reduce the amount of garbage being collected. Merlin indicated that they have never said that recycling was free. While after each increase they tend to drop a few customers, they tend to come back. The quarterly bill increase will be \$9.00.

Scott Reinhardt again was concerned about the Dundee rate difference and asked what would be the rate if they break even for the first year or even the six months. Marty McIntosh agreed with Scott Reinhardt. He indicated that 11.5% is so uncertain, he would rather see a rough educated guess. Merlin indicated that it was hard to estimate costs and this gives them some flexibility.

Eldon McIntosh asked about those who recycle at the supermarket sites. Merlin indicated that all residential customers will receive the recycling box. The existing recycling sites in the City will remain and will probably be used by County residents. He indicated that Newberg was the only city in the State that went with a depot system and uses service clubs to help support that system. The depot system is billed into the general rate.

Scott Reinhardt asked about the rural customers. Merlin responded that the law is only required within the Urban Growth Boundary, though he assumed that the rural customers will continue to use the depot system. If they provide recycling to the County residents it would cost more than the City residents. Scott Reinhardt was concerned about City residents paying for the depot services as well as the curbside recycling. He was concerned that those outside residents are not required to be covered by the State law but they enjoy the benefits of recycling services without paying for it.

MOTION: M. McIntosh/E. McIntosh moved to recommend to the City Council approval of the new garbage rates effective July 1, 1992. Vote on the Motion: 2 Ayes, 1 Nay (Reinhardt).

Audit Contract:

Kathy Tri explained that the City has received eight responses to our request for audit proposals and interviewed the top three contenders. The City staff recommends the firm of Grant Thornton for the City's auditor. The hospital has selected Simons, Evans and Larson. The staff indicated that Grant Thornton was chosen for a number of reasons including their audit manager's knowledge of governmental accounting and audit practices, their experience in meeting the requirements of the Certificate of Excellence from GFOA and in meeting the reporting requirements for the Federal Single Audit Act. The staff was also very impressed with their in-charge accountant. The audit contract also happened to be the lowest bid of the three interviewed firms at a cost of \$15,720 per year with annual CPI increases.

Final Transfer Resolution:

Kathy Tri handed out the final transfer resolution. She indicated that they had

PAGE 3

FINANCE COMMITTEE MINUTES
MAY 26, 1992

carefully reviewed the April trial balance to detect any particular problems with departmental budgets staying within their legal limits. This resolution covers the few areas that were noticed. Committee members indicated no problem with the final transfers.

Discussion Items:

Debt Policies - Kathy Tri indicated that one of the recommendations from the City's financial advisor is to develop a written debt policy. She handed out a broad outline of what would be included in this policy. Committee members thought that it was excellent and look forward to seeing the future drafts. Kathy Tri indicated that the drafts would probably come in phases.

Information Items:

The monthly report and month end transactions were reviewed by the Committee with no questions.

Adjournment:

The committee adjourned at 8:00 a.m.

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Tuesday, 7:00 a.m.

April 28, 1992

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

Members Present:	Eldon McIntosh	Scott Reinhardt
	Marty McIntosh	Donna McCain

Others Present:	Elvern Hall, Mayor
	Duane R. Cole, City Manager
	Katherine Tri, Finance Director
	Diane Padilla, Asst. Finance Director

The meeting was called to order at 7:05 a.m. by Chair Eldon McIntosh.

MINUTES:

MOTION: Reinhardt/McCain moved to approve the minutes of the March 31, 1992 meeting.
Vote on the motion: Carried unanimously by those present.

Scott Reinhardt indicated to Duane Cole that he thought the Budget Message was way better than last years. He indicated that there was good departmental review, there was no dissention and came with good coherent group. Eldon McIntosh indicated that even though he was not able to attend the meeting, he did read the Budget Message and thought it was very well written.

NEW BUSINESS:

City Investment Policy:

Kathy Tri indicated that the City has reached its Local Government Investment Pool limit of \$10 million and that in order to increase the limit at the Pool, the Council must pass a resolution. She indicated that she would like the resolution to go to the first meeting in May.

MOTION: Reinhardt/McCain moved to approve the amendment to the City investment policy increasing the Local Government Investment Pool from \$10 million to \$20 million. Vote on the Motion: Carried unanimously by those present.

Water Leaks:

Kathy Tri presented a memo from John Thomas, Utility Manager regarding credits given to accounts with water leaks. Scott Reinhardt began by stating no credit should be given. However, we should give between 30 to 60 days notice of this charge. No credit should be given to water districts. Donna McCain felt a one month credit on water was ok, and we should request proof of repair. She and Scott Reinhardt discussed the principal of giving credit and good customer relations. Marty McIntosh felt we need to enhance personal responsibility. Eldon McIntosh agreed that the City needs some goodwill. Duane Cole indicated that the other utilities don't give credit, but felt one month was appropriate for a municipal utility.

PAGE 2

FINANCE COMMITTEE MINUTES
APRIL 28, 1992

After some discussion the committee agreed that the issue should be sent to Council with no recommendation from the Finance Committee

Monthly Report:

Kathy Tri reviewed the monthly reports.

Monthly Transactions:

Scott Reinhardt had one question regarding League of Oregon Cities payments. Staff responded that payments were for monthly health premium and retiree insurance.

Adjournment:

The committee adjourned at 8:00 a.m.

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Tuesday, 7:00 a.m.

March 31, 1992

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

Members Present: Eldon McIntosh Scott Reinhardt
Marty McIntosh

Others Present: Elvern Hall, Mayor
Duane R. Cole, City Manager
Katherine Tri, Finance Director
Diane Padilla, Asst. Finance Director

The meeting was called to order at 7:15 a.m. by Chair Eldon McIntosh.

MINUTES:

MOTION: Reinhardt/M. McIntosh moved to approve the minutes of the January 28, 1992 and February 25, 1992 meetings. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:1991-92 Supplemental Budget:

Kathy Tri reviewed items to be included in the 1991-92 Supplemental Budget. These items included recognizing DARE donations, CDBG carryover grant, engineering fees, fire inspection fee, federal gas tax refund, library bond refunding and a workers comp refund. It was decided that the engineering fees could be transferred to the Street Fund and not appropriated. Duane Cole also indicated that he would prefer not appropriating the fire inspection fees at this time. He would prefer waiting until further review of the fire inspection fee by the Legislative/Ordinance Committee. Other committee members expressed that since we did not have a firm program in place on how the Fire Department would spend this money, that the funds are actually offsetting existing service expenditures.

MOTION: Reinhardt/M. McIntosh moved to approve the revised 1991-92 Supplemental Budget. Vote on the Motion: Carried unanimously by those present.

Budget Resolution:

Kathy Tri reviewed a budget resolution. This resolution has three parts to it. The first paragraph recognizes a DARE grant of \$5,000 for the Police Department and the water bond refinancing. The second section transfers funds for the Police Department hepatitis shots and for a transmission jack which is necessary in order to improve safety conditions in the garage. The third item is an adjustment to the Water and Sewer funds, recognizing the fact that user fees will not be received as anticipated. Committee members felt that the adjustment to the Water and Sewer funds should be held off until June at which time the City will have a better idea of revenues received. Also by that time the Budget Committee will have reviewed the water and sewer budgets and these adjustments can be addressed in that forum.

Page 2

Finance Committee Minutes
January 28, 1992

MOTION: Reinhardt/M. McIntosh moved to approve the budget resolution to the City Council without the adjustment to the Water and Sewer funds. Vote on the Motion: Carried by those present:

Audit RFP Process:

Diane Padilla reviewed the RFP for audit services. The committee discussed the process in which the staff intends to go through in receiving the proposals. The committee suggested that on pages 4 and 5 of the draft, the dates by which to receive the audit and the single audit be changed from December 1 to November 1, with findings and recommendations to the City no later than November 15 in each incident. Staff also indicated that the Hospital has reviewed the RFP and the City has left open the option to award the Hospital and Hospital Foundation contracts separately. Scott Reinhardt asked if the pre-bid meeting should be mandatory or not. Kathy Tri responded that municipal audits are very regulated documents and the fact that our document is as complete as it is, should not pose any surprises for a new auditor. Diane Padilla indicated that the RFP will receive wide coverage. It is being mailed to the top twenty-five CPA firms in the Portland area, Newberg CPA firms and CPA firms which are members of OMFOA. It will also be included in the Daily Journal of Commerce and the Oregonian. There will be a five member audit committee to review the proposals. Committee members will include Kathy Tri, Diane Padilla, Spike Sumner from the Hospital, and two outside Finance Directors.

Monthly Report:

There were no questions about the January and February monthly reports.

Monthly Transactions:

There were no questions about the monthly transactions.

Adjournment:

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

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Tuesday, 7:00 a.m.

February 25, 1992

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

Members Present:	Eldon McIntosh	Scott Reinhardt
	Donna McCain	Martin McIntosh

Others Present:	Elvern Hall, Mayor
	Duane R. Cole, City Manager
	Katherine Tri, Finance Director
	Diane Padilla, Asst. Finance Director

The meeting was called to order at 7:05 a.m. by Chair Eldon McIntosh.

NEW BUSINESS:

Mayor Hall announced that he has been appointed to the Economic Development Committee of the National League of Cities and has been appointed to its Steering Committee. He has also been appointed to the Small Cities Council and its Steering Committee. Both of these committee appointments will require additional trips and he is requesting that staff be sure that there are sufficient funds in Council's budget to cover those trips in the next fiscal year. He also reminded staff that Roger Gano is on the Policy Committee of Transportation and would be going to the National League meeting in New Orleans in November, for sure. Marty McIntosh expressed an interest in becoming more involved in either the League of Oregon Cities or National League of Cities committees.

Building Inspection Additional Staffing:

Kathy Tri reviewed the request for additional staffing for Building Inspection. Through December, the department has received 75% of its revenues. The volume is such that the plans examinations are falling behind schedule. The addition of a temporary, part-time plans examiner/inspector would greatly help the staff keep up with the building volume that is going on in the community. The staff is requesting \$6,000 be transferred to its budget to cover this cost. The staff is also requesting an additional \$2,000 to cover additional clerical time of the building's secretary. The committee recommended approval by the City Council of the transfer of \$6,000 to the Building Department and \$2,000 to the Planning Department to cover these additional staff expenses.

Review of Audit Comments:

Kathy Tri reviewed the audit letters from Moss Adams. She expressed that the audit is finished and will be delivered to the auditors for final review today. She also reviewed some management comments the auditors had for the City. The committee discussed the RFP process for next year's audit.

Update on ITRON Conversion:

Kathy Tri gave an update on the conversion to ITRON. She explained that not only did the City convert to an automated meter reading system, but also to a new

Finance Committee Minutes
February 25, 1992

billing system and a new account numbering system for utility billing. This is has put tremendous pressure on the Utility Clerk, however, the bugs are slowly getting worked out of both systems, and the City anticipates to mail bills by Friday, February 28, 1992. She also explained that the bills will be inserted into envelopes with a stuffer explaining the system changes. She anticipates that over the next few months, the billing process will smooth out and there will be a savings of time from the conversion and better management. She also indicated that the conversion to the new payroll system has gone quite well. Some additional programming has been necessary, but the Pauline Maben, Accounting Clerk initially feels that she will be able to save a full day in preparing payroll.

Monthly Report:

There was no monthly report this month due to the shortness of the weeks and the fact that the Accounting Clerk took some vacation.

Monthly Transactions:

There were no questions on the monthly transactions. However, Kathy Tri explained that a large number of the monthly transactions were bail refunds. She is concerned about bail refunds that are less than \$10.00. The committee members indicated that we should talk to the Judge to see if we could get him to not refund such small amounts.

Scott Reinhardt asked the staff to look at another place for meetings of both this committee and the Ordinance/Legislative Committee. At this morning's meeting, another meeting was going on at the next table. The noise made it very difficult to conduct business. Kathy Tri indicated that she would talk with Terry Mahr about finding another place or talk to J's about not scheduling two meetings and sitting them next to each other.

Adjournment:

The committee moved to adjourn at 7:50 a.m.

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Tuesday, 7:00 a.m.

January 28, 1992

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

Members Present: Eldon McIntosh Scott Reinhardt
Donna McCain

Others Present: Elvern Hall, Mayor
Duane R. Cole, City Manager
Katherine Tri, Finance Director
Diane Padilla, Asst. Finance Director

The meeting was called to order at 7:05 a.m. by Chair Eldon McIntosh.

MINUTES:

Minutes from the December 31, 1991 meeting were reviewed.

MOTION: Reinhardt/McCain moved to approve the minutes of the December 31, 1991 meeting. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:

Garbage Rate Proposal:

Merlin LaJoie and Marvin Schneider from Newberg Garbage Service were present at the meeting to discuss their proposal to increase garbage rates effective February 1, 1992. The rate increase involved two issues. The first one was an increase in disposal costs at the landfill of \$.35 per ton and the second one is the expense of free service to City facilities. The total rate increase amounts to \$.60 per can for residential customers. The committee discussed the proposed rate increase and future recycling requirements with the representatives for Newberg Garbage Service. They also agreed to recommend to the City Council the adoption of the new rates.

Intergovernmental Agreement to Purchase Computer Hardware:

Duane Cole presented a proposal which authorizes the City Manager to enter into an agreement with CCRLS to purchase computer hardware. Staff proposes allocating funds the City receives from non-resident reimbursement and lost book claims from CCRLS to purchase the last port allocated to the City by CCRLS. It will take approximately three years to pay for this capital equipment which is estimated to cost \$10,964. The equipment is in high demand and if the City does not elect to take advantage of this offer by CCRLS, other communities will step in and use the last port available to us. The committee recommended that the Council approve the intergovernmental agreement.

Transfer Resolution:

Kathy Tri presented a transfer resolution for the committee's approval. The resolution transfers funds in the General Fund, the Street Fund, Civil Forfeiture Fund, Sewer and Water Funds. The transfer in the Civil Forfeiture Fund is for the

Page 2

Finance Committee Minutes
January 28, 1992

Police Department to purchase a second police car this fiscal year. One of the transfers in the General Fund is to the Finance Department to cover additional audit expenses. A second transfer is for travel and book reimbursement for the City Attorney for hospital related meetings and books. The balance of the transfer is to cover final costs for the decommissioning of the underground gasoline storage tanks. The committee recommended that the City Council approve the transfer resolution at its next meeting.

Monthly Report:

Kathy Tri presented the monthly report.

Monthly Transactions:

The committee reviewed the monthly transactions.

Adjournment:

The committee moved to adjourn at 8:05 a.m.

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