

MONDAY, 7:00 a.m.

FEBRUARY 28, 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	Don Wright
	Bert Pennock	Alan Larking
	Barbara Secor	

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

MINUTES: The minutes of the November 29, 1993, December 13, 1993, and January 21, 1994 meetings were presented. MOTION: Wright\Secor moved to approve the minutes with a correction in Bert Pennock's name. VOTE ON THE MOTION: Passed by those present.

NEW BUSINESS:

Budget Changes: Kathy Tri explained that on the March 7, Council Agenda, there will be a Resolution adopting supplemental budget #1 for the fiscal year 1993-94. She indicated that under certain circumstances State law requires that the budget may be amended but must be done so through a supplemental budget process. Council is required to hold a public hearing which has been noticed in the local paper prior to approval of the budget changes. This supplemental budget recognizes and approves a loan from the Oregon Department of Energy Small Scale Energy Loan Program in the amount of \$22,000. The proceeds of the loan are to be used at the library for heating system upgrades, insulation in the attic of the Carnegie area, and insulation of compact fluorescent fixtures. The loan will be paid back from energy savings. The money is being recognized and appropriated in the Capital Project Fund. MOTION: Larking/Wright moved to recommended the resolution adopting the supplemental budget for the fiscal year 1993-94 to the Council. VOTE ON THE MOTION: 4 ayes, 1 abstained (Pennock).

The second resolution included in the packet was also explained by Kathy Tri. The resolution is recognizing insurance proceeds from the City Hall fire. She indicated that the City has submitted a claim to the insurance company to recover our costs for replacing damaged equipment. To date, we have submitted a claim of \$99,422.02. This does not include expenses paid to Cooper Construction which has been responsible for cleanup and repair of the facility. To date, the City has received a check for the amount of \$35,550 for the geographic information system. Committee members expressed concern about recognizing the money before the City has received it. Kathy Tri indicated that the proceeds really should be recognized before they are spent. Bert Pennock asked for a list of the claim. Kathy will provide that at the next meeting. Kathy Tri also discussed the conversation she had with Monte Coleman, the City's insurance broker. He indicated that there were some concerns about some of the claims, especially regarding some computer purchases. But he felt that he would be able to convince Chubb to recover that cost.

Retirement Plan Changes: Kathy Tri explained that over the last several years, the City has been trying to make changes to its retirement plans in order to control costs. In the review, the actuaries discovered that the plan documents and the personnel rules are not in conjunction with each other. She explained that the resolution before the Finance Committee brings the crediting one half of unused sick leave toward employees retirement benefits into conjunction with

the retirement plan. The plan has been administered in conformance with the personnel rules. She added that PERS requires an actual resolution stating that the City credits a portion of unused sick leave towards the retirement benefit. The other change included in the resolution deals with the timing of retirement. The current plans are stated in such a way that the only time an employee should retire is June 30. The amendment allows employees to retire at anytime during the year, and not be penalized for that. **MOTION:** Secor\Wright moved to recommend Council approval for the resolution amending the City's General and Police\Fireman Retirement Plans and PERS Contract. **VOTE ON THE MOTION:** Passed by those present.

Management Letter from Grant Thornton: Kathy Tri indicated that as part of the audit process, she requested a management letter from the City's auditors, Grant Thornton. There were primarily two areas that the auditors discussed in their report. The first area dealt with fixed assets. She indicated that the city has come a long way in managing its fixed assets, and the auditors recognized that. They also made several recommendations and she indicated that the staff was following through on those recommendations. The second recommendation dealt with the City's accounting system. She indicated that the staff has some frustration with the system. She indicated the staff will begin to analyze the different modulars in the system: parts that we like, what we would like to have changed, and enhancements. There was some discussion on the vendors who support our computer system--Robert Soppe and Springbrook Software. Mrs. Tri explained that Soppe supports the City with its hardware and software installations that are not related to the accounting system and Springbrook deals only with the accounting system. Soppe also helps support other cities that use Springbrook Software and has a good working relationship with Springbrook. The final point in the letter dealt with the GFOA certificate of achievement which the City did receive in its first year of applying.

INFORMATION ITEMS:

Monthly Report: Kathy Tri presented the monthly report.

Monthly Transactions: Kathy Tri reviewed a couple of transactions that were discussed at the last meeting. In particular, the payment to Pasquale's which was for reimbursement of plumbing expenses due to a main sewer back-up, and the purchase of tie tacks which was for the City longevity pins. Mayor Proctor asked about the City purchasing auto supply products from Macken's Auto Products and Kathy Tri will contact the Community Development Director to review that with him. Items she will get back to the committee on regard furniture purchases at Dent's, Unigroup and Keith Brown's Bargain Shed. **MOTION:** Secor\Wright moved to approve accounts payable transactions for January. **VOTE ON THE MOTION:** Passed by those present.

Adjournment: The committee adjourned at 8:00 a.m.