

Tuesday, 7:00 a.m.

December 31, 1991

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 November 26, 1991 meeting were reviewed.

MOTION: Reinhardt/McCain moved to approve the minutes of the November 26, 1991 meeting. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:

Deferred Compensation:

Kathy Tri explained that the City has two deferred compensation carriers, First Federal Savings and Loan Bank and International City Management Association. First Federal serves only as an investing institution and does not advise or administer the 457 plan. ICMA, on the other hand, does administer its plan and has two investment options. However, due to court rulings employees are restricted to only these two options offered by ICMA. Staff has been approached by several deferred compensation carriers to expand the number of carriers available to employees. The staff recommends adding Aetna to the list of 457 providers. The staff was very impressed with their product and service. Their service includes not only their 457 plan, but also retirement planning and they have six investment options and a good investment history. The committee is being asked to recommend to the Council the addition of Aetna Life and Insurance and Annuity Company as a third deferred compensation option.

MOTION: Reinhardt/McCain moved to approve resolution to add Aetna Life and Insurance and Annuity Company as a third deferred compensation carrier to the Council. Vote on the Motion: Carried unanimously by those present.

Status of the Audit:

Diane Padilla and Kathy Tri explained the status of the audit. They explained that the audit is behind schedule this year for a number of reasons. They also explained that Moss Adams had requested an increase in their contract to cover additional time that they have had to spend on the audit. Kathy Tri explained that Moss Adams exceeded their anticipated hours in a number of areas, including the internal service funds, single audit, fixed assets and preparation of the financial statements. Moss Adams is asking for an additional \$4,760. Mr. Cole indicated that this is the only

Finance Committee Minutes
December 31, 1991

City he has been at where staff has performed as much work as it does on the annual audit and that this time is being taken away from other accounting areas that need to be tended to. The staff felt that all the work Moss Adams has done has been within the original scope of the contract. It is unfortunate that they took as much time as they did to do their review. Scott Reinhardt recommended not amending the contract, but it could be reviewed later. However, he felt from what the staff had told him that all of the hours were within the original scope of the contract. In his business, if you underbid a contract you have to eat it. Diane Padilla explained that Moss Adams over spent their contract last year and she felt that the firm did not want to be in a deficit again this year. The other committee members agreed not to amend the contract at this time.

Monthly Report:

Kathy Tri presented the November monthly report. She explained that 42% of the fiscal year has passed. Through November, the General Fund had received 39% of its anticipated revenues and had spent 33% of anticipated expenses. She noted that three departments are over the 42% monthly target. These included the Council's budget which is primarily due to Dues, Meetings and Travel, and general projects expenses, Finance budget which is primarily due to the audit expenses which are paid for in the fall, and Social Services. The staff was questioned on whether Dundee had paid for their portion of the visioning expenses. Staff indicated that no they had not.

Kathy Tri also reviewed the status of the street, water and sewer funds. She highlighted that investments equaled \$9.7 million dollars and the City will be approaching next year the \$10 million dollar cap at the Pool. She also highlighted that pool earnings were at 5.95% for October, the lowest during this fiscal year and it will be anticipated that interest earnings will drop again due to the fact that the Fed dropped prime rate one percent the previous week.

Accounts Payable Transactions:

There were no questions on the accounts payable.

Adjournment:

The Committee moved to adjourn at 8:00 a.m.

\fcmin

Tuesday, 7:00 a.m.

November 26, 1991

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

Members Present: Eldon McIntosh Scott Reinhardt
Donna McCain 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 7:30 a.m. by Chair Eldon McIntosh.

MINUTES:

Minutes from the October 29, 1991 meeting were reviewed.

MOTION: McCain/Reinhardt moved to approve the minutes of the October 29, 1991 meeting. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:

Budget Resolution:

Kathy Tri reviewed the proposed budget resolution to be presented to the Council on December 2nd. The resolution recognizes a \$2,500 grant from LCDC and transfers money to cover the expenses in removing the gasoline tanks at the Public Works yard and Fire Station. Scott Reinhardt asked why the police department was not being charged for part of the cost for the removal of the tanks. Ms. Tri responded, due to the ease of accounting and the fact that the tanks were at the Fire Station. Eldon McIntosh asked if there was any resale value in the tanks, staff responded no.

MOTION: McCain/Reinhardt moved to recommend to the Council adoption of the resolution transferring and reappropriating funds in the Social Services Fund, the Street Fund, Sewer Fund, Water Fund and recognizing the appropriating Planning grant. Vote on the Motion: Carried unanimously by those present.

Vacation Accrual:

Duane Cole passed out a memorandum for Council approval on December 2nd establishing new vacation accrual policy. He explained that in August the Council passed a resolution changing the vacation accrual from an annual accrual to a monthly accrual. He stated that the current personnel rules prohibits employees from carrying over more than 80 hours of vacation accrual on January 1. Because of the change in the accrual policy, many employees have substantially more vacation on the books. His recommendation to the Council is that the maximum accrual be two times the annual vacation award. He explained that ten employees are currently over the proposed maximum. One employee has sixty hours and the other employees are mostly within twenty hours of their maximum. His recommendation gives employees until April 30, 1992 to use up the vacation hours over their accrual maximum. This is a one time

Finance Committee Minutes
November 26, 1991

only extension. Scott Reinhardt stated the it was hard for some employees to use their vacation time and if it were possible for employees to get paid for that additional vacation if they were unable to use it up by April 30th. Mr. Cole responded that this was unfair to other employees who have been able to make an effort to use their vacation up and it is really a management issue to require employees to take time off that is accrued. He also wondered if requiring these employees to take vacation would increase overtime hours for other employees. Mr. Cole responded that this is a management and service level question. The City needs to give time off to employees who have earned it. If we need to lower our service level to do it, then that is what the City needs to do.

MOTION: Reinhardt/McCain moved to recommend to the City Council approval of the resolution establishing a new vacation accrual policy. Vote on the Motion: Carried unanimously by those present.

County Coordination Meeting:

Duane Cole handed out a memorandum for Council action on December 2nd authorizing the City Manager to identify funds as a possible levy or tax base request during 1992 and to designate the City Manager as a person designated to receive notice and serve as the representative of the City in developing the plan. Mr. Cole's memorandum explained that Senate Bill 1185 requires the County to hold a County tax coordination meeting by the end of the calendar year. The meeting will be held on December 5th. He explained that he devised a formula for splitting the balance of the \$10.00 limit between the Park District and the City. At this point, the City is a \$1.23 under the \$10.00 cap. To the formula, he has split that \$1.23 so that the Park District gets \$.174 and the City gets \$1.0572. Since the County does not provide any services to Newberg outside their tax base, he saw no reason to increase the amount of the County's levy within the City. The legislation requires the City to put something on the table if we wish to go to the voters next year. It does not mean that the City will actually take a proposal to the voters next year. He explained that he talked to Don Clements from the Park District and he did not feel that the Park District would be asking for additional funds in 1992.

The Committee then discussed the transportation levy including the funds the City contributes towards the Chehalem Valley Senior Citizens and the use of the vacant property on Third Street. Mr. Cole explained that the Building Official will be inspecting the house on Third Street for compliance with building codes for office use. The Committee also discussed the building next to the Fire Station and indicated that it would be good for the City to obtain this property.

MOTION: Reinhardt/McCain recommended that the City Council authorize the City Manager to identify funds as a possible levy or tax base request during 1992 and to designate him as the person to receive notice and serve as the representative of the City in developing the tax coordination plan. Vote on the Motion: Carried unanimously by those present.

Page 3

Finance Committee Minutes
November 26, 1991

Monthly Report:

Kathy Tri handed out the monthly report and there were no questions.

Review of Monthly Transactions:

The Committee reviewed the monthly transactions and asked numerous questions which the staff responded to.

Adjournment:

The Committee moved to adjourn at 8:20 a.m.

\fcmin

Wednesday, 7:00 a.m.

October 29, 1991

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

Members Present: Eldon McIntosh
Donna McCain 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 7:05 a.m. by Chair Eldon McIntosh.

MINUTES:

Minutes from the October 2, 1991 meeting were reviewed.

MOTION: McCain/McIntosh moved to approve the minutes of the October 2, 1991 meeting. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:

Resolution Transferring Funds:

Duane Cole explained that the tree at the Library may be saved if we take care of it soon. The initial cost for treating the tree is \$1,000 and \$1,500 annually. Donna McCain suggested evaluating the costs of preserving the tree annually to see if it was worth saving. Eldon McIntosh suggested putting the tree on the Library Board agenda for the Library Friends or Foundation. Marty McIntosh would rather the money for additional books. Duane Cole suggested that we go ahead and transfer the funds now, one time and save the tree for this one year period then evaluate the expense in next year's proposed budget.

MOTION: M. McIntosh/McCain moved to approve the transfer of \$1,000 in the Central Service Fund for a one time payment to preserve the tree at the Library and that future expense to save the tree be reviewed by the Budget Committee. Vote on the Motion: Carried unanimously by those present.

Hospital Annual Audit:

Kathy Tri explained that a copy of the Hospital's annual audit was passed out. Marty McIntosh questioned the insurance carried by the Hospital. Duane Cole explained that the Hospital has been with Health Futures for quite some time, but staff will check on the exact type of insurance coverage that the Hospital carries.

Annual Retirement Report:

A summary of the annual retirement report for General Employees and Police and Fire Employees was included in the agenda. Kathy Tri reviewed the proposed contribution

Finance Committee Minutes
October 29, 1991

rates for the current year. Milliman and Robertson is recommending an additional increase in the General Employee contribution rate. Kathy Tri indicated that the staff has intended to roll up over several years, the contribution rate until it meets the requirements of Milliman and Robertson. She noted that one of the problems facing the retirement plan at this time is interest earnings. Flat or falling interest rates will have an effect on the plan and will cause the City contribution rate to increase. The Committee accepted the report on the retirement plan.

Review of the Monthly Transactions:

Eldon McIntosh asked about the expense on the radar gun. He questioned how many radar guns the City had. He also questioned the number of cellular phones. He felt that the Public Works Director should have a cellular phone. Duane Cole said that we would be reviewing the number of cellular phones within the City. The Committee questioned the designation of miscellaneous A, B, C, in the transactions. Diane Padilla indicated that if the vendor has not been set up in the software, the software assigns it an alpha code. It is difficult for searching a particular account and she intends to work with Springbrook on a better classification.

Monthly Report:

Kathy Tri reviewed the monthly report.

Other Business:

Duane Cole mentioned that Senate Bill 1155 requires a coordination meeting in the County prior to December 31, 1991. Duane discussed several issues that could be brought up at the coordination meeting. Duane indicated that he mentioned to the Chehalem Valley Senior Citizen Council that the \$18,000 the City gives to them for Senior Transportation will be an issue.

Adjournment:

The Committee moved to adjourn at 8:20 a.m.

\fcmin

Wednesday, 7:00 a.m.

October 2, 1991

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

Members Present: Scott Reinhardt Eldon McIntosh
 Donna McCain Marty McIntosh (7:10)

Others Present: Elvern Hall, Mayor
 Duane R. Cole, City Manager
 Katherine Tri, Finance Director
 Diane Padilla, Asst. Finance Director
 Terrence D. Mahr, City Attorney
 Bert Teitzel, Public Works Director
 John Thomas, Utility Manager

The meeting was called to order at 7:00 a.m.

MINUTES:

MOTION: Reinhardt/McCain moved to approve the minutes of the August 27, 1991 meeting. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:

Resolution Recognizing Grants:

Kathy Tri explained the purpose of the resolution recognizing two grants received by the City and reappropriating funds in the Police Department. The City has received a \$5,000 grant from GTE to be used to study infrastructure financing alternatives for the light industrial area adjacent to the Airport. The Planning Department will be administering this grant.

The second grant is for \$11,000 to be used to pay salaries on the selective traffic enforcement team. In addition, the Police Department is requesting that \$7,000 of existing budgeted salaries be transferred to Capital Outlay to purchase a new motorcycle. The older of the two existing motorcycles needs a new motor for a second time.

Scott Reinhardt asked for budget information regarding the subsidy provided to the traffic enforcement program. Kathy Tri indicated that the General Fund subsidizes the traffic enforcement program by about \$45,000. Scott Reinhardt indicated that he would prefer the grant reimburse the City and reduce the subsidy for that program.

MOTION: Reinhardt/McCain moved to approve the resolution recognizing two grants received by the City and to use RICO funds to purchase a new motorcycle. Vote on the Motion: Motion carried unanimously by those present.

Finance Committee Minutes
October 2, 1991

Duane Cole indicated that the staff will report back at mid-year on how the selective traffic enforcement program is going.

Purchase of Meter Reading Device: John Thomas, Utility Manager, reviewed the current process for reading meters. He indicated that the meter reading device is actually a mini-computer on to which data is down loaded. After the meters are read, the data is then up loaded to the network computer. It is estimated that the device will save the Utility Clerk approximately 40 hours per month or \$7,500. In addition, it's estimated that the meter reader will save 20% to 25% in reading meters due to efficiencies in the routing system. The staff is also exploring incorporating the door hanger system with the meter reading process. Mr. Thomas indicated that five to six companies were requested to submit bids and that the City received three bids. Two of those companies were requested to make presentations to the staff which included himself, Kathy Tri, Hal Turpen, Russ Thomas, and Judy Peterson. After a thorough evaluation Itron was selected.

MOTION: Reinhardt/McCain moved to approve the purchase of the meter reading device from Itron, Inc. of Spokane through their distributor OrCom Systems Inc. of Bend.
Vote on the Motion: Carried unanimously by those present.

Water Master Plan: Bert Teitzel presented the background on this agenda item. The last water master plan was completed in June of 1985. In 1986, the Safe Drinking Water Act was passed. The City now needs to know how much water we have and how much we can expect to get out of the current system; look at effective use of water, i.e., conservation; to test the well field and to make sure that all water rights are in order; need to evaluate the Water Treatment Plant and decide how the plant could be made more efficient, be expanded or do we need a new plant; to define surface water and how we will deal with it; and to evaluate the transmission and distribution system; and to develop a new model which will be in our new CADD computer system. The staff has worked with CH2M Hill for two months in negotiating a contract. Two tasks of the evaluation will come later; these include evaluation of the bridge across the Willamette River and other sources of water. The initial schedule is to complete the task in six months. Bert Teitzel indicated that we will also be evaluating the irrigation systems at George Fox College, schools and parks. He indicated that we can use less potable water on these fields. The committee discussed this possibility.

MOTION: Reinhardt/M. McIntosh moved to accept the agreement for professional services with CH2M Hill for updating the City's water master plan in the amount not to exceed \$140,500 for the primary task and \$24,000 for the secondary task. Vote on the Motion: Carried unanimously by those present.

DISCUSSION ITEMS:

Setting Water/Sewer Rates:

Duane Cole handed out to the Committee a memorandum which presents a process for changing water and sewer rates. He indicated that the process being established

Page 3

Finance Committee Minutes
October 2, 1991

is similar to the PUC process in setting rates for the other public utilities. Scott Reinhardt indicated that at least this will present a process to divert complaints about informing the public.

MOTION: Reinhardt/M. McIntosh moved to recommend that the Council approve an amendment to Ordinance No. 1040 and Ordinance No. 2150 for considering water and sewer rate changes. Vote on the Motion: Carried unanimously by those present.

INFORMATION ITEMS:

Review of the Monthly Report: Kathy Tri presented the monthly report. She indicated that 16% of the fiscal year has passed. She indicated that the City has only received 2% of the anticipated revenues and has spent 13% of anticipated expenditures in the General Fund. She indicated that the Finance and Library Departments were close to the 16% target. There were no unusual events that needed to be pointed out. Scott Reinhardt asked if the City could do even utility billing. Staff indicated that they would review this with the programmers to see if it were possible.

Adjournment:

MOTION: Reinhardt/McCain moved to adjourn at 7:55 a.m. Vote on the Motion: Carried unanimously by those present.

\fcmin

Tuesday, 7:00 a.m.

August 27, 1991

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

Members Present: Scott Reinhardt
 Donna McCain (7:50) Marty McIntosh

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

The meeting was called to order at 7:20 a.m. There was no quorum and no action was taken until the arrival of Councilor McCain.

Terry Mahr mentioned that a citizen had been in on Monday and was interested in filing a petition against the water and sewer rate increases. Mr. Mahr explained that the staff spent some time with him explaining the different parameters about the water rates. Mr. Cole also mentioned that staff will be working with him to explain an understanding of the water and sewer systems. He felt that perhaps a citizens group may be formed to review rate increases which will help defray any further disgruntlements.

The committee next discussed Dr. David Abbott's request regarding his pending water improvement assessment. Scott Reinhardt recalled that at the Council meeting, the Council requested staff to adjust the assessments on Dr. Abbott's properties. However, he expressed concern over making exceptions to the procedures which would set a future precedent. Terry Mahr indicated that Dr. Abbott had received a notice of the final assessment. However, he had moved since he had previously received correspondence from the City and had since notified the County. The normal procedure for someone failing to pay a pending lien is foreclosure. Mr. Mahr indicated that a notice was sent on July 5th and that Dr. Abbott indicated that he left for vacation on July 12th prior to the time he had received his notice. Scott Reinhardt felt the staff should ask the County when Dr. Abbott notified them of his address change. He felt that if we missed getting the notice to the correct address, Dr. Abbott should be required to pay the assessment on at least the one property he received notice for and be allowed to sign up for assessment payments on the property he did not receive notice for. Staff will check the certified receipts and change of address dates. The Committee felt that it was up to the City Manager to make the final decision on this matter.

The City Manager discussed the pending fair levy that is on the September Ballot. Scott Reinhardt asked if this violated the Ballot Measure 5 legislation. Kathy Tri explained that the Ballot Measure 5 legislation does not go into effect until the end of October. This legislation will require all future levies to be coordinated among taxing jurisdictions. However, because this ballot measure is prior to implementation of those statutes, the County was not required to

Finance Committee Minutes
August 27, 1991

coordinate this levy with the other taxing jurisdictions. Duane Cole indicated that he felt this is a pretense to the County Sheriff levy which comes up next Spring.

Donna McCain arrived at 7:50 a.m.

The meeting was called to order at 7:50 a.m.

Donna McCain indicated that she supports the fair and the fairgrounds and indicated that they recently received lottery money. She feels the major problems with the fairgrounds is that it is not properly managed and this additional money will not guarantee better management.

MINUTES:

MOTION: Reinhardt/M. McIntosh moved to approve the minutes of the July 23, 1991 meeting. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:

County Fair Levy:

MOTION: Reinhardt/M. McIntosh recommend that the City not support the County Fair Levy and that other means should be found to support the fairgrounds. Vote on the motion: Carried unanimously by those present.

Court Costs: Kathy Tri explained that Judge Thompson has recommended increases to a number of the City's court fees. The major issue on the list is the amount paid to court-appointed attorneys. Terry Mahr indicated that there are only two attorneys in town willing to take court-appointed cases. He indicated that there are very few cases in the City that require court-appointed attorneys due to the strict criteria that Judge Thompson uses in having defendants qualify for court-appointed attorneys. Donna McCain questioned the \$10.00 jury fee. Kathy Tri indicated that the ordinance indicates a \$5.00 jury fee but that the City has actually been paying \$10.00. This change brings the City's practices into compliance with its ordinances.

MOTION: Reinhardt/M. McIntosh moved to approved passage of the ordinance adopting new court fees. Vote on the Motion: Carried unanimously by those present.

Transfer Resolution: Kathy Tri explained that in August the Council approved compensation increases for the City Manager and City Attorney, effective July 1, 1991. This transfer resolution budgets the increase.

MOTION: Reinhardt/M. McIntosh moved to approve the adoption of the transfer resolution. Vote on the Motion: Carried unanimously by those present.

Finance Committee Minutes
July 23, 1991

Dr. Abbott Assessment: Donna McCain was concerned that we are giving Dr. Abbott preferential treatment. The Committee agreed with the previous discussion that the staff will do further research into the actual events and that the City Manager will decide how to proceed.

Hospital Remodel Financing: Kathy Tri indicated that she, Terry Mahr and Spike Sumner met with the financial advisors and bond counsel on Monday to discuss the official statement and to review the resolution and lease-purchase agreement. The next action for the Council will be on September 24th at which time the resolution and lease-purchase agreement will be adopted. She noted that the construction project is also on schedule with the bids scheduled to be submitted by September 5th and construction to begin the first week of October. She noted that it will be very important for the Council and the Hospital to stay on target. She also indicated that there needs to be some flexibility in case bids come in too high.

Subordination: Terry Mahr explained that there was a property transaction in the Newall Subdivision which closed after the final assessments had been placed in the lien docket. The realty company asked the City to subordinate its lien. While the City had explained to the mortgage company that the City would not subordinate its lien, there was disagreement from the realtor regarding this point. Consequently, the City did agree to subordinate this lien.

MOTION: Reinhardt/M. McIntosh moved to draft a resolution for the Ordinance/Legislative Committee to not support subordination of any future liens.
Vote on the Motion: Carried unanimously by those present.

Review of the Monthly Report: Kathy Tri reviewed the June monthly report and explained that the July monthly report would be sent out to the committee members. The July monthly report was not ready because of computer problems.

Adjournment:

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

Tuesday, 7:00 a.m.

July 23, 1991

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

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

Members Present:	Eldon McIntosh	Scott Reinhardt
	Donna McCain	Marty McIntosh

Others Present:	Elvern Hall, Mayor
	Duane R. Cole, City Manager
	Katherine Tri, Finance Director
	Diane Padilla, Asst. Finance Director
	Terrence D. Mahr, City Attorney
	Pat Clancy, Public Financial Management

MINUTES:

Minutes of the June 25, 1991 meeting were presented and reviewed. Scott Reinhardt asked if we had been able to find out the percentage of properties within the City that were residential versus commercial. Kathy Tri responded that this information had been provided in a Friday Update but would be provided to Scott again. Scott Reinhardt also asked about the additional information about the \$.50 capacity under Ballot Measure 5 with regard to limited tax general obligation bonds. Kathy Tri responded that there is no effect on other taxing districts with regard to limited tax general obligation bonds and that \$.50 is available for whomever is successful at the polls.

MOTION: Reinhardt/M. McIntosh moved to approve the minutes of the June 25, 1991 meeting. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:

Hospital Remodel Financing: Kathy Tri handed out a memo to the Finance Committee reviewing the status of financing the hospital's remodel project. She explained that Terry Mahr, Spike Sumner and she had met with Pat Clancy from Public Financial Management on Monday to discuss financing options. She reviewed her memo outlining the proposal to use limited tax general obligation bonds to finance the project. This bond would continue to be structured and funded as a revenue bond. The interest rate will be 1 to 1 1/2 percent lower than the straight revenue bond which will save the hospital approximately \$100,000 to \$150,000 over the ten year life of the bond. Other aspects of the financing would be to continue to have the principal and interest payments wrapped around the existing outstanding general obligation debt which will end in 1996-97, establish a \$50,000 debt service reserve in the hospital's Capital Improvement Fund, and pre-fund the annual debt service payments. Pat Clancy indicated that the normal covenants of a revenue bond will require a net reserve to be 1.2% of debt service requirements. If the hospital revenues fell short of this

Finance Committee Minutes
July 23, 1991

requirement, they must hire a hospital consultant to bring revenues and expenditures back in line to meet the 1.2% ratio. This is extremely common in hospital revenue bond covenants and would be included in the hospital covenants. Pat Clancy also explained that the greater risk is with the straight revenue bond that was originally proposed. The proposed limited tax general obligation bond is a much better deal for the hospital.

The committee further discussed the amount of money that the Council resolution should include.

MOTION: Reinhardt/M. McIntosh moved to recommend to the Council not to exceed \$1.5 million dollars in construction costs plus issuance costs.

Marty McIntosh expressed that he had a potential conflict of interest. Mr. Mahr explained that he has the ability to vote anyway since there is no litigation pending between he and the hospital. Pat Clancy recommended not requiring that all issuance costs being paid for directly by the hospital, but that the City needs to protect the hospital's reserve and maintain it at a certain level. By paying all issuance costs out of the hospital reserves would draw that reserve level down. It was agreed that issuance costs could be added to the bond. Issuance costs would include the debt service reserve. Donna McCain explained that she does not want us to scrimp and save and in the end, end up with future problems. This is what happened in the 1980 and we are now paying for some of the remodel errors that were done at that time.

Scott Reinhardt withdrew his motion.

MOTION: M. McIntosh/McCain recommend the City Council issuance of bonds under a limited tax general obligation and a maximum level already approved by Council with construction portion to be \$1.5 million dollars. Vote on the motion: Carried unanimously by those present.

Council Training Budget: Duane Cole presented the issue of how to allocate Council travel and training funds. He indicated that there is approximately \$3,200 for the National League of Cities Conferences and \$1,300 for the League of Oregon Cities Conference. He assumes that at least two Council members plus the Mayor may wish to attend the National League Conference in Las Vegas in December, this would cost approximately \$1,400 which includes registration, six nights and meals. The second National League Conference is in March in Washington, D. C. Eldon McIntosh indicated that he had heard that the Mayor wanted to go to both National League conferences. He also stated that he wished to go to both the League and the National League this year. Duane explained that he assumed that half of the Council and Mayor would be going to League of Oregon Cities conference which is in Eugene in November. If the City shares Roger Gano's costs with Durham it is possible that three members of the Council could attend the November National League Conference. Eldon McIntosh felt it was important that the City is represented at all three conferences.

Finance Committee Minutes
July 23, 1991

MOTION: McCain/M. McIntosh moved to recommend the City Council send representatives to the National League of Cities Conference and that the Mayor and at least one City Council member attend both National League conferences and a minimum of four Council members and the Mayor attend the League of Oregon Cities Conference. Vote on the Motion: Carried unanimously by those present.

Donna McCain recommended that those travelers who attend these conferences abide by the rules and that all expenditures accounted for in the manner required. Duane Cole indicated that he will bring the Council travel rules back to the City Council for review.

Other Business: Marty McIntosh indicated that he has been in touch with an attorney on an anti-trust suit. He has recommended a seminar to Terry Mahr and Mark Meinert related to chiropractor and hospital privileges. He would like to make sure that there are sufficient funds in Terry Mahr's budget to attend such a seminar. Scott Reinhardt suggested that this be brought before the Ordinance/Legislative Committee.

Foreclosure: Kathy Tri indicated that the property at 812 Pinehurst will not be foreclosed upon since the owners paid in full the delinquent assessment on Monday, July 22.

Status of Newall, Parkway and Sunset LID Payments: Kathy Tri indicated that payments have come in very well. Of the 32 properties in Newall Addition, five have paid in full, eighteen have signed up for assessments and nine are outstanding which must now be paid in full. In Parkway of the 21 properties, one has paid in full, twelve have signed up for assessments and eight are outstanding which also must be paid in full at this point. She indicated that a number of owners have indicated that they will be paying it in full but not until the end of the month. Other owners have indicated that their properties are in the transition of being sold and the City will allow the new owners to sign for assessment payments. However, anyone who comes in now must pay in full if they have not previously contacted the City.

Review of the Monthly Transactions: There were no questions of the monthly transactions.

Adjournment: Reinhardt/McCain moved to adjourn. The Committee adjourned at 8:35 a.m.

Tuesday, 7:00 a.m.

May 28, 1991

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

The meeting was called to order at 7:05 a.m. by Committee Co-Chair Donna McCain.

Members Present: Alan Halstead Scott Reinhardt
 Donna McCain

Others Present: Elvern Hall, Mayor
 Duane R. Cole, City Manager
 Katherine Tri, Finance Director
 Elmer Christensen, Fire Chief

MINUTES:

Minutes of the March 25, 1991 meeting were presented and reviewed.

MOTION: Reinhardt/Halstead moved to approve the minutes of the March 25, 1991 meeting. Vote on the motion: Carried unanimously by those present.

NEW BUSINESS:

Transfer Resolution: Kathy Tri reviewed the final transfer resolution for the fiscal year. She explained that the resolution includes the receipt of gifts for the library and transfers funds in the General Fund, Sanitary Sewer Fund, Water Fund, and Hospital Funds. Scott Reinhardt questioned the need for the hospital transfer in their operating fund. It was decided that she will find out from the hospital the purpose of the transfer, and will include the information in the Council packet for the June 18th meeting. Scott Reinhardt also questioned whether the hospital will get paid back from the Foundation for the current operating expenses the hospital is covering at this point.

MOTION: Halstead/Reinhardt moved to approve the final transfer resolution for Council adoption. Vote on the motion: Carried unanimously by those present.

Non-Resident Library Fees: Kathy Tri explained that the Library Board met and recommends to the Council increasing non-resident library fees from \$20.00 per year per household to \$22.50 and increasing senior non-resident fees from \$15.00 to \$17.50. Scott Reinhardt thought that the fee should be increased to \$25.00. It was explained that City residents are currently subsidizing the library at a rate of \$30.00 per household. Last year the Library Board agreed to review the fee each year and eventually increase the non-resident fee to \$30.00 over a three year period. Duane Cole said that it was interesting that the Library Board was prepared to speak at the Budget Committee meeting to increase the library budget but then came back to the Council with lower non-resident fees to help support the library.

PAGE 2

FINANCE COMMITTEE MINUTES
MAY 28, 1991

MOTION: Reinhardt/Halstead moved to increase non-resident library fees to \$25.00 per year per household and increasing non-resident senior fees from \$15.00 to \$20.00. Vote on the motion: Carried unanimously by those present.

Rescue Fee for Out of District Accidents: Elmer Christensen addressed this issue. Chief Christensen sent out a survey to twenty-one districts and cities approximately the size of Newberg. Seventeen replied of which five currently charge a rescue fee for out of district accidents. He emphasized that the fee would be charged for vehicle accidents in which an engine and rescue vehicle are required. If there is a non-injury accident and the engine and rescue are not needed, there will be no charge. Generally speaking if there are injuries, both the engine and rescue are needed to assist the ambulance crew with the injured parties.

Alan Halstead questioned what percent of accidents are non-residents. Chief Christensen said that he was not sure and that they would have to review Hospital records to find out. However, other districts are collecting between \$3,000 and \$10,000 per year. The cities or districts bill the insurance company who have been paying the charge. Scott Reinhardt indicated that this was the same subsidy issue as the library. He also stated that the Ordinance/Legislative Committee had discussed this issue.

MOTION: Reinhardt/Halstead moved to accept the proposal to charge non-residents the cost of City rescue services. Vote on the motion: Carried unanimously by those present.

Kathy Tri indicated that she will add this fee to the 1991-92 budget that will be presented to the Council on June 18. These funds will help cover the additional budgeted costs in the Fire Department.

Fire Inspection Fee: Scott Reinhardt said that the Fire Inspection Fee had been reviewed by the Ordinance/Legislative Committee. He asked the staff to add wording to the ordinance that the City had adopted the Uniform Fire Code.

Elmer Christensen said that he had surveyed cities with regard to a fire inspection fee as well. Several cities are reviewing adopting a fire inspection fee. Other cities feel their business license covers this cost. Astoria and Ashland are working on adopting a fire inspection fee. Corvallis adopted a fee last fall and so far has raised approximately \$16,000.

MOTION: Reinhardt/Halstead moved to recommend with changes in Section 2, 4, 5 and 6 to include the fact that the City has adopted the State Uniform Fire Code, the Fire Inspection Permit. Vote on the motion: Carried unanimously by those present.

Renewal of Contract with Moss Adams: Kathy Tri stated that Moss Adams, the City's auditor for the past four years, is on an annual contract. Staff is

PAGE 3

FINANCE COMMITTEE MINUTES
MAY 28, 1991

recommending continuation of the contract for one more year. The staff also intends to go out for bid during the next fiscal year for the 1991-92 audit.

Scott Reinhardt questioned why the amount of the audit is so high when the firm knows we are going out to bid. He suggested giving the firm an option for a two year contract at a fixed lower cost. He wanted to see if they could bring the cost down. Alan Halstead asked if the audit comment will be eliminated this year. Staff responded that the audit comment on the fixed assets inventory will be eliminated this year.

MOTION: Reinhardt/Halstead moved to accept the renewal of the Moss Adams contracts unless staff can negotiate a better price. Vote on the motion: Carried unanimously by those present.

Use of a Collection Agency: Kathy Tri explained that each year the City has to write off water and sewer accounts for those former customers who moved out of town and failed to pay their final bill. She would like to use the Valley Credit Service in McMinnville to help collect some of these outstanding charges. She also hopes to negotiate with Valley Credit so that the City receives the maximum amount possible. Scott Reinhardt suggested that we try to negotiate a 70/30 break.

MOTION: Halstead/Reinhardt moved to use a collection agency to collect bad City debts. Vote on the motion: Carried unanimously by those present.

April Monthly Report: Kathy Tri handed out the April monthly report. She reported that 83% of fiscal year has past and the City is entering the final quarter of the fiscal year. Overall the City is looking in good shape with the exception of the Sewer Fund, which the committee has reviewed several times. The transfer resolution which was enclosed in the packet covers expenditures estimated more than the legal budget. She then reviewed the General, Street, Sewer, Water and Central Service Funds. Finally, she reviewed City investments and indicated that the Fire Truck Fund is receiving about \$4,500 per month.

Monthly Transactions: Staff asked if there were any questions on monthly transactions. There were no questions.

Scott Reinhardt asked if we could go back to a weekly versus a monthly report from department heads. The committee felt that a one page highlight would be sufficient. They do not need to know about every meeting department heads hold. Duane Cole will discuss with the department heads a format for weekly reports.

ADJOURNMENT: The Committee adjourned at 8:05 a.m.

\fcmin

Monday, 7:00 a.m.

March 25, 1991

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

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

Members Present: Eldon McIntosh Scott Reinhardt
Joe Young

Others Present: Elvern Hall, Mayor
Katherine Tri, Finance Director
Terrence D. Mahr, City Attorney
Diane Padilla, Assistant Finance Director

NEW BUSINESS:

Hospital Improvements: The City has received a letter from Mark Meinert informing the City of needed improvements at the hospital that will cost approximately \$1.3 million. The improvements are scheduled to be completed this summer. Elvern Hall described some of the anticipated changes which include improving the entrances to the hospital, the hall configuration, expanding out patient services and OB services.

Scott Reinhardt discussed some hospital issues related to staffing at the hospital. Terry Mahr responded that the hospital has made some major changes in its nursing staff. There will be a joint meeting of the City Council and Hospital Board, at which time such issues could be raised. Terry Mahr also explained that the Hospital Board had improved in concept, the improvements and gave the architect the go ahead to develop plans within the \$1.3 million cap. The Hospital's Finance Committee is reviewing financing options for financing the improvements. The Hospital's auditor, Ernst & Young, has reviewed the financial status of the Hospital and has agreed that it is feasible for the Hospital to issue revenue bonds to pay for the improvements. Information from Public Financial Management was presented on three possible ways to structure the new debt.

Joe Young asked if the Foundation were involved at all in the remodel project. Staff responded that its understanding is that the Foundation will be paying for needed equipment and other possible improvements but not for this remodeling. The Committee was in agreement, in concept, that the improvements are needed. However, more information is needed on the size of the bond issue and what it will cost.

Facsimile Signature: Kathy Tri explained that the City currently issues approximately 4,800 checks per year and each check is signed manually by two people. State Law allows a City to use a facsimile signature which would save the staff time on getting necessary signatures on the accounts payable and payroll checks. Manual checks would still obtain two actual signatures. The stamp would bear two signatures and would use a multi-colored ink pad which would make it difficult to duplicate. The staff also proposed rules on how the stamp

PAGE 2

FINANCE COMMITTEE MINUTES
MARCH 26, 1991

would be protected and used. Joe Young asked about the possibility of forgery. Diane Padilla responded that if a check is forged, the bank must cover that check and it is not the City's responsibility.

MOTION: Reinhardt-Young moved to recommend City Council approval of using a facsimile signature on City checks. Vote on the Motion: Unanimous.

Delinquent Assessments: Kathy Tri explained that during the past year, the staff has tried to get a number of delinquent assessment accounts to bring their accounts current. However, efforts with five accounts have been unsuccessful. One other account has been more responsive. She would like to set up a payment schedule with these accounts by sending them a monthly bill and if anyone falls behind, to proceed to the Council to foreclose. She noted that all of these accounts should be completely paid off by 1992. Joe Young expressed that the City should do this but whatever procedure is developed the City must be consistent. If an account becomes delinquent one day past the deadline, then staff should proceed ahead with the next step. Kathy Tri also explained the situation on the Scharff property on Highway 99W. Terry Mahr added information on the process that he has been involved in and the fact that he has been in contact with the Scharffs' attorney.

MOTION: Reinhardt-Young to recommend to the City Council to proceed with foreclosure on delinquent assessments on the Scharff account and recommend that staff send out monthly bills to those accounts which have agreed to a payment schedule. However, if they fail to respond, the staff will return to the Finance Committee in six months to proceed with foreclosure proceedings, if not sooner, depending on how the accounts respond. Vote on the motion: Unanimous.

Procedure for Sale of the Dundee Property: Terry Mahr reviewed a sample Notice of Sale of Real Property with the committee. He noted that the notice excludes the legal description of the property but does include the address and tax lot number. He reviewed various provisions of the notice and a number of changes were recommended by the committee. The committee also discussed publishing the notice in the Graphic every other week, the Sunday Oregonian and the McMinnville News Register in the Saturday edition.

February Monthly Report: Kathy Tri reviewed the February monthly report. There were no questions from the committee.

Minutes: The minutes of the February 26, 1991 meeting were reviewed. Scott Reinhardt asked if staff had been able to follow up on their question regarding Senior Transportation. Staff responded that no they had not at this time.

MOTION: Reinhardt-Young moved to approve the minutes of the February 26, 1991 meeting. Vote on the motion: Unanimous.

The Committee moved to Executive Session under ORS 192.660(1)(d).

The Committee came out of Executive Session and adjourned at 8:35 a.m.

Tuesday, 7:00 a.m.

February 26, 1991

CITY OF NEWBERG
FINANCE COMMITTEE MINUTES

J's Restaurant

Newberg, Oregon

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

Members Present: Eldon McIntosh Scott Reinhardt
 Donna McCain Joe Young

Others Present: Elvern Hall, Mayor
 Duane R. Cole, City Manager
 Katherine Tri, Finance Director
 Terrence D. Mahr, City Attorney
 Diane Padilla, Assistant Finance Director

The minutes of the December 19, 1990 and January 29, 1991, meetings were reviewed.

MOTION: McCain-Reinhardt moved to approve the minutes. Vote on the Motion:
Unanimous.

NEW BUSINESS:

Review of 1991-92 Social Services Budget:

There was some discussion about the funding for Henderson House. Donna McCain questioned whether McMinville provided any support to Henderson House. Staff responded that McMinville purchased the house through a Community Development Block Grant but does not provide any annual operating support. Donna McCain also discussed the houses on Third Street which are occupied by NHRC and Chehalem Valley Senior Citizen Council. She indicated that in addition to the contributions the City gives to each of these organizations it also provides rent free space in these houses. This would amount to about \$8,400 additional support the City is providing to these two organizations. The Committee agreed that we should budget continued support for these organizations at the same level as in the current fiscal year. It was also noted that with the affects of Ballot Measure 5 over the next two to three years, that these contributions may have to be reduced.

Questions were raised about the senior citizens transportation provided by Chehalem Valley. Staff indicated that this is another area that McMinville does not provide additional contributions. Eldon McIntosh thought that the City receives extra services for its contribution. The staff will find out if this is true. Committee members questioned whether Dundee contributed to the Senior Transportation and if they also received additional services. Staff will find out.

Finance Committee Minutes
February 26, 1991

Status Report on Dundee Property:

Terry Mahr presented a report on the seized property in Dundee. He reported that the City has paid the property lien. However, the lien on the mobile home which amounts to \$16,000 has not been accepted. The financing company for the mobile home will repossess it. Another issue with the property is the decking attached to the mobile home. The City has several options available to it in how to deal with the decking:

1. Require that the financing company remove the decking as a condition of repossessing the mobile home;
2. Have Public Works remove the decking;
3. Post notices and sell the materials by bid; or
4. Take offers for the decking.

Joe Young felt we should bargain with the financing company. If they are not interested in the decking we should put an ad in the paper asking for bids for the materials making sure that the City indicates it will not be liable for any injuries. Terry indicated that we have cleaned up the property quite a bit. However, there is an out building on the property and the financing company is interest in it. The Committee indicated that that was okay. Finally, Terry indicated that at the next Council meeting he will be presenting to the Council a process for selling the property.

Review of City Council Budget:

Duane Cole reviewed the information in the agenda packet on the status of the Council budget. He suggested that in July, the Committee review the meetings and travel budget and decide who will go to which out of state meetings during the next fiscal year.

Occupancy Permit:

Duane Cole provided background on the occupancy permit ordinance. It is confusing because the City requires this permit as well as the one required through the State Building Code. He reviewed Council minutes back in 1977 when the ordinance was adopted and the minutes revealed little information about the purpose of the ordinance. The Committee discussed the occupancy permit as well as the related issue of business licensing. Duane Cole suggested that staff will redo the occupancy permit to bring it up to date and will take it back to the Ordinance Legislative Committee for review.

Transfer Resolution for Fire Department:

Kathy Tri reviewed the background on this resolution. The most current