



## MINUTES

### Coburg Finance/Audit Committee Meeting

March 26, 2024 at 5:30 P.M.

Coburg City Hall

91136 N Willamette Street

**MEMBERS PRESENT:** Elise Landry; Chair, Terry Dawson; Vice Chair, Colleen Marshall, Jeff Milam

**MEMBERS ABSENT:** None

**GUESTS/STAFF PRESENT:** Gregory Peck; Finance Director, Adam Hanks; City Administrator, Nancy Bell; Mayor of Coburg, Claire Smith; City Councilor, Savannah Halter & Ashraf Lakhani; Umpqua Valley Financial Auditors

**RECORDED BY:** Madison Balcom, Administrative Assistant

#### CALL TO ORDER

Chair, Elise Landry called the meeting of the Coburg Finance Audit Committee to order at 5:32 pm.

#### ROLL CALL

Ms. Landry called roll. A quorum was present.

#### AGENDA REVIEW

They switched the Finance Department Updates to happen after the Audit Presentations.

#### APPROVAL OF MINUTES FROM NOVEMBER 1, 2023

##### MOTION

Mr. Dawson moved, seconded by Ms. Marshall to approve the November 1, 2023 Coburg Finance/Audit minutes as presented.

*Motion passed as 3:0.*

#### COMMITTEE BUSINESS

##### a. Audit Presentation for the City of Coburg & URA through June 30, 2023

Ms. Lakhani explained some of the auditing process and what the auditors do for the city. Lakhani also said that there were no concerning findings in the audit this year.

Ms. Landry requested a summary of the audit from the auditors, including any highlights, issues, and the reason for the delay.

Ms. Halter explained that auditors had many different GASBY requirements this year, which delayed processes for firms, cities, and schools all across the country.

Mr. Hanks said that the City likely has a single audit of its own to do, along with trying to figure out if they hit the threshold in the fiscal year for certain proceeds and funds.

Ms. Halter said the NDNA is on page 2 of the audit reports, which give a summary of the audits.

Mr. Hanks talked about how there really isn't a great top 5 of the audit, but they are increasing a little in most financial categories. Hanks explains that he didn't have a big part in this audit process because he came on at the city mid process, but is much more familiar with it now. He talked about some of the incremental items they looked at and altered some.

Ms. Bell asked for some clarification on the first Financial Highlights bullet point, about capital assets. Mr. Hanks explained that capital assets is what they have, which is different from capital infrastructure spending. As they implement and add more, the assets category will increase. Most of the growth in capital assets is from projects within the water fund.

Ms. Lakhani said that she sees the assets being about \$217,000. If it is currently in construction, they'll note it as so and they will not get depreciated. Once completed, they will put it under either building or infrastructure. They currently have infrastructure at about \$3.3 million. She asked if these projects are currently in the construction phase. Mr. Hanks said yes, some are.

Ms. Lakhani directed everyone to pages 37 and 38 of the audit report, where she pointed out and explained some of the totals.

Ms. Landry asked if there were any notes or changes about the audit process itself. Ms. Lakhani said they have a set process that they follow every year, so the only difference was the change in requirements.

#### **b. Finance Department Updates**

Mr. Peck said they've spent lots of time going through financial processes. He noted that a major thing they've been doing is working with a financial consultant, Cindy Hanks. It has given them a total assessment of where they stand with finances. Council has approved to continue working with the financial consultant for another year, but it will not be an ongoing, consistent consultant contract at the time. A large item they are working on is converting payroll systems into Springbrook and utilizing more of what they offer.

Mr. Hanks provided more detail on the changes in payroll services and the process. Implementing the new payroll system will be a long process, but will greatly benefit all in the end. They are looking at an estimated timeline of full implementation around August 2024.

Committee members and staff discussed their past and current experiences with Springbrook. Mr. Peck and Mr. Hanks explained how helpful this added software component is for the city, regarding time and processes.

### **c. Financial Report**

Mr. Hanks said that they've produced them retroactively for the entire fiscal year, but started presenting them to council in January. Hanks explained the format and flow of the report. They are trying to keep this matching the budget resolution to the appropriation level they're held to for budgetary compliance.

Ms. Landry asked about the actual to budget sections with large discrepancies. Mr. Hanks said that they are going to propose to the Budget Committee to change the appropriation level. The Administration Department category includes both the materials & services and capital, and they would like to split that up to show them separately and more clearly.

Mr. Hanks added that they're planning to provide the monthly reports to council every month but not have too much discussion on them, rather providing more extensive quarterly reports.

Ms. Marshall pointed out an error on page 126 under % of A to B in **Franchise Fees**, which should be about 50% not 13%. Mr. Hanks and Mr. Peck said they will look at that and fix it.

They discussed more about the financial consultant and what their goals are with that.

## **CITY UPDATES**

### **a. Council Framework and Objectives**

Mr. Hanks explained that this document lays out the basis of the city's major workloads. Committee members were directed to page 144, which is the final set of four objectives in the Financial Resources framework. Mr. Hanks provided more detail on those four objectives.

Ms. Landry asked if they are still planning to split the Financial Policies & Procedures document (objective #3) up. Mr. Hanks said yes, they are planning to separate the accounting procedures and financial policies into separate documents.

### **b. Capital Improvements Plan**

Mr. Hanks said there was a Council work session for this document and it is on the April 9<sup>th</sup> City Council agenda to be approved by resolution. The prior CIP was approved in 2022. Hanks broke down the different categories and pieces of this document and provided more detail on certain project costs and estimates. They moved the plan from a 5-year plan to a 6-year plan, which brings up the idea and possibility of bi-annual budgeting rather than annual budgeting.

### **c. March City Administration Monthly Report**

- The City Administrator Report covers precise event details and data on department statistics for the Police, Municipal, Planning and Public Works.
- Updates have been provided on City Projects, Grants, Programs, Franchise Agreements and the League of Oregon Cities (LOC).
- Includes upcoming events
- Lists Priority Projects and Tasks

**NEXT MEETING**

The next meeting is scheduled for April 23, 2024.

They decided on having an audit recap, quarterly's, updated calendar schedule, and to continue working on the policies and procedures document on the next meeting's agenda.

**ADJOURNMENT**

Ms. Landry adjourned the meeting at 7:05 pm.

**APPROVED** by the Finance Audit Committee of the City of Coburg on this \_\_\_\_ day of \_\_\_\_\_, 2024.

**DRAFT**

\_\_\_\_\_  
Elise Landry, Finance Audit Chair

**ATTEST:** \_\_\_\_\_  
Sammy L. Egbert, City Recorder