



MINUTES

Coburg Finance/Audit Committee Meeting

November 29th at 5:30 P.M.

91136 N Willamette Street

In-person meeting

PRESENT: Chair Cathy Engebretson, Terry Dawson, Coleen Marshall, Elise Landry

STAFF PRESENT: Anne Heath, City Administrator

RECORDED BY: Angela Kern, Lane Council of Governments (LCOG)

1. CALL TO ORDER

Chair Engebretson called the meeting to order at 5:33 pm.

2. ROLL CALL

A quorum was present.

3. MINUTES REVIEW: April 27, 2022 and July 28, 2022

Chair Engebretson requested that on page 4, paragraph 1, sentence 1 of the April 27th minutes, the language describing goal #1 be stricken from the record, leaving the statement: "Ms.

Engebretson suggested retaining the first goal."

MOTION: Mr. Dawson moved to amend the previously approved Coburg Finance/Audit April 27th meeting minutes as agreed, seconded by Ms. Marshall. The motion passed unanimously – 4:0:0.

MOTION: Ms. Marshall moved to approve the Coburg Finance/Audit July 28th meeting minutes as presented, seconded by Mr. Dawson. The motion passed unanimously – 4:0:0.

Chair Engebretson welcomed new committee member Elise Landry.

4. FINANCE REPORT

Ms. Heath presented, saying that she had expanded the report, as the one she had presented to City Council was short.

She stated that overall, the city was 1% revenues over expenses. She noted that the Ending Fund balance was down. She reminded the Committee that the JASON months (July, August, September, October, November) typically showed a shortfall because the tax revenues were not yet in.

She mentioned that franchise fees were low and that an analysis was needed for possible American Rescue Plan Act (ARPA) funds. She pointed out that Rescue Funds had been split into two years. There had been delays in Transportation, Water, and Streets. She said that after careful review, she believed Sewer fees were over-budgeted. She noted that final numbers were not yet available as the audit was still in process.

Mr. Dawson requested a point of clarification, wondering why Ms. Heath had referred to her presentation to the City Council as “short”. She explained that the Council had required more information regarding the shortfall.

Ms. Heath went on to explain that the City’s cash flow had been affected by large bills being paid in full rather than in the standard quarterly installments. She further noted that Coburg police had been on loan to Oakridge, for which the City had billed but not yet received payment. Finally, the month of August had included three pay periods.

7. FUTURE PLANNING FOR FINANCE DEPARTMENT

Ms. Heath shared that a hiring freeze had been recommended to the City Council and that the City did not currently employ a Finance Director. She said the job was being handled by existing staff. Rather than a full-time Administrative employee, the City had hired a part-time temp for a one-year duration.

Ms. Landry inquired if the changes were reflected in the numbers presented. Ms. Heath said no, the General Fund Budget Performance Analysis was a forecasting tool.

Chair Engebretson suggested that it should be noted that the General Fund Budget Performance Analysis was a living document, subject to change.

Chair Engebretson suggested adding a line in the policy document about paying bills in installments. Mr. Dawson put forth the phrasing: “For cash flow purposes, it is our practice to pay expenses quarterly or in installments rather than ‘in full’ whenever possible.”

Chair Engebretson wondered what would happen if the City found itself short of cash. Ms. Heath reminded the Committee of Inner Fund and Tax Anticipation Note (TAN) loans.

Ms. Heath noted that reimbursements were out for both Water and Streets, and that tax revenue was due in December. She reported on the Roberts Road and McKenzie Street projects.

Ms. Marshall asked about the process of hiring an Accountant. Ms. Heath said there had been no applicants. She explained the current process for handling receipts, bills and checks, noting that there was internal control and accountability. She mentioned the possibility of hiring a CPA firm. She said that both an Accountant and Finance Director were being considered, but that only one position would be filled. She noted that she was cross-training payroll.

8. FISCAL POLICIES AND ACCOUNTING PROCEDURES MANUAL NEXT STEPS

Chair Engebretson drafted a sample of revised language for pages 16 - 17 of the General Ledger, which the Committee reviewed.

Ms. Heath noted that, regarding Journal Entries, her standard practice was to sign off on them immediately rather than quarterly.

There was discussion of the term “Internal Auditor” versus “Third Party” in Section 2.

Regarding Item 4 of Section 2, Ms. Heath pointed out that staffing was the job of the City Administrator rather than the City Council.

Ms. Marshall asked for clarification on the Journal Entries section. Chair Engebretson provided it.

It was agreed that the Committee would review the document further and follow up at the next meeting.

9. NEXT STEPS

Ms. Heath asked Chair Engebretson if she intended to remain on the Committee, considering her new appointment to the City Council. Chair Engebretson said no, due to time constraints. Ms. Heath explained the process for appointing committee liaisons.

Ms. Heath opened the discussion of combining the Budget and Finance committees.

Ms. Landry wondered if the roles and duties of committees were mandated. Ms. Heath said no.

Chair Engebretson worried that there might be circumstances where a separate Oversight Committee would be desirable. Mr. Dawson suggested drafting a policy to address her concerns. He thought there were benefits to considering restructuring. The decision was made

to continue the discussion and bring the idea to the City Council, possibly at the upcoming retreat.

Ms. Heath reminded Chair Engebretson that she was scheduled to report to the City Council on December 13th.

10. ADJOURNMENT

Chair Engebretson adjourned at 7:00 pm.

APPROVED by the City Council of the City of Coburg on this ____ day of _____, ____.

Nancy Bell, Acting Mayor of Coburg

ATTEST:

Sammy L. Egbert, City Recorder