



**Audit & Finance Committee**  
October 27, 2021, 5:30 p.m.  
Coburg City Hall  
91136 N Willamette St.

**MEMBERS PRESENT:** Cathy Engebretson, Chair; Coleen Marshall.

**MEMBERS ABSENT:** Terry Dawson.

**STAFF:** Tim Gaines, City Finance Director; Councilor Lehmann, City Council Liaison.

**1. Call Meeting to Order**

Chair Engebretson opened the Audit & Finance Committee meeting at 5:37 p.m.

**2. Approval of Minutes from July 28, 2021**

**MOTION:** Ms. Marshall moved, seconded by Chair Engebretson, to approve the July 28, 2021, Audit & Finance Committee meeting minutes as presented. The motion passed unanimously.

**3. Finance Reporting City of Coburg – August 2021**

Mr. Gaines said that the first two months of the financial year were normally a bit slower, and that was reflected in the 2022 fiscal year as well. There was an audit going on so some of their numbers would change, but it was too early to say by how much.

Councilor Lehmann asked if revenues had increased over 2021. Mr. Gaines replied that concerning taxes they reported well last year and were expecting to in 2022 as well. He added that for the first quarter their numbers are looking promising to do better than the previous year.

Councilor Lehmann inquired into if there had been any push back since they changed the gas tax. Mr. Gaines replied that there had been a few comments here and there. Overall, the change had been well accepted.

Chair Engebretson asked if the General Fund budget sheet was available for them to look at. Mr. Gaines told her that he was trying to simplify the document. He would share the document with the Committee once it had been cleaned up.

Councilor Lehmann asked when the audit would start. Mr. Gaines told him that the audit was currently under way. Councilor Lehmann mentioned that Councilor Nancy Bell had some concerns with the last audit that was done. He questioned if the process should be changed. Mr. Gaines said that they would go through the process as normal. They would go out for a request for proposal (RFP) soon to find their auditor. He mentioned that it took him a while to look at the last audit and so the mistake was caught late. Councilor Lehmann remembered during the presentation the year before the auditor seemed unprepared and as a result the Councilor had not felt confident in approving the audit. Mr. Gaines said that he would work with the auditor to make sure that it went smoother.

#### **4. Discuss Fiscal Policies and Accounting Procedures Manual**

Chair Engebretson thanked Mr. Gaines for sending out the revised version of the manual with the changes they had made.

Mr. Gaines mentioned at their last meeting they were talking about the option for developers to finance system development charges (SDC's) . He wanted to share that there was not a big risk of a developer using it. Councilor Lehmann had been worried that the City could be taken advantage of by a developer if they delayed paying the SDC through the loan process.

Councilor Lehmann pointed to page 57 and noted that it said any RFP for a new financial contractor would need to be reviewed by their Committee. He asked if they would get to review the auditor RFP. Mr. Gaines told him that was true, but there was some difficulty because the Committee only met quarterly. Councilor Lehmann asked for the RFP to be sent to the Committee via email and if needed they could have an official meeting. Chair Engebretson wanted them to reach out to Ms. Egbert to make sure what the rules were around what they could say or reply to in email. She also suggested adding a statement in the policy manual about the auditor having no conflicts of interest, or in other words, no connection or bias towards the City.

Ms. Engebretson noted a section on hiring an auditor. She suggested it say that the person was a certified public accountant (CPA) and had ten years of experience. Councilor Lehmann suggested including more flexibility and make it, "CPA and/or ten years of experience". He said that they could also include a statement saying that preference would be given to someone with Oregon government experience.

Chair Engebretson wanted to keep the AICPA Audit Committee Toolkit manual to look at it more. She asked if they could keep them and discuss it more at a future meeting. The Committee was in favor of keeping them.

Mr. Gaines said he would summarize what happened with the audit for the next Audit-Finance Committee meeting. Councilor Lehmann had talked with Anne Heath, City Administrator, about including emails with the minutes in Committee/Council/Commission meeting documents. He was concerned in the past when emails were going back and forth and thought they needed to be as transparent as possible.

#### **5. Adjournment**

Chair Engebretson adjourned the meeting at 7:07 p.m.

*(Minutes recorded by Lydia Dysart)*

**APPROVED** by the City Council of the City of Coburg on this 26th day of January 2022.

**ATTEST:**

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Sammy L. Egbert, City Recorder

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Cathy Engebretson, Committee Chair