



## MINUTES

### Coburg Finance/Audit Committee Meeting

April 23, 2024 at 5:30 P.M.

Coburg City Hall

91136 N Willamette Street

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

**MEMBERS ABSENT:** Jeff Milam

**GUESTS/STAFF PRESENT:** Gregory Peck; Finance Director, Adam Hanks; City Administrator

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

#### CALL TO ORDER

Chair, Elise Landry called the meeting of the Coburg Finance Audit Committee to order at 5:45 pm. (emergency event traffic delay)

#### ROLL CALL

Ms. Landry called roll. A quorum was present.

#### AGENDA REVIEW

No suggested changes from staff or Chair.

#### APPROVAL OF MINUTES FROM MARCH 26, 2024

##### MOTION

Mr. Dawson moved, seconded by Ms. Marshall to approve the March 26, 2024 Coburg Finance/Audit minutes as presented.

*Motion passed as 3:0.*

#### COMMITTEE BUSINESS

##### a. Financial Report for March 2024

Mr. Peck provided a brief overview of the newly formatted monthly financial statements that are provided to Council and utilized by the City staff management team. Mr. Peck highlighted the usefulness and value of the final two pages of the report titled Budgetary Compliance.

Mr. Hanks noted that in the draft budget for FY25, the appropriations will be recommended to separate Capital expense appropriations from what is currently labeled “Administration Department, which includes both operations and maintenance (personnel services/materials & supplies) and capital projects appropriations. Mr. Hanks noted that this provides the committee, the Council and the community with a better understanding of the reoccurring operational costs in comparison with the more variable and higher cost capital project expenses.

Peck and Hanks noted that monthly financial could be distributed via email to the committee if interested and will also have a location on the City website where they are posted for public access.

#### **b. Debt Service Overview**

Mr. Hanks noted that the debt service pages in the packet were meant to provide a high level summary and to introduce the topic of conducting a Debt Service Review and Strategy project that is contained within the 2024-25 Council adopted Framework & Objectives. Hanks added that debt service is a common and necessary element to infrastructure replacement and improvements and noted that he and Mr. Peck, along with Public Works Director Brian Harmon feel it is important to review the levels of debt in each fund, project future debt service needs for capital projects identified in the CIP and compare with existing rate methodologies to determine required rate revenues to cover annual debt service payments. This project would likely conclude with municipal debt service consultant review and recommendation and would likely also inform debt related financial policies.

#### **c. Quarterly Financial Reports Template**

Mr. Peck clarified that the quarterly report materials in the meeting packet were included as a sample of prior format/content and are intended to kick start the discussion on what the committee felt would be important/useful content, layout and structure for staff’s newly updated quarterly report format.

Mr. Peck indicated his desire to update and modernize the layout and noted that he and Mr. Hanks have some ideas on using the quarterly reports as a wider angle look at the City’s finances compared with the monthly financial reports. This would include more charts and graphs, longer term trending of key areas (capital, staffing, debt, etc). Hanks also noted that the quarterly reports are a great educational tool as well to assist the committee, the Council and the community in how funds are organized, tracked and spent according to a complex set of regulations.

Chair Landry noted that she is in favor of utilization of narratives to help communicate the data, which was agreed upon by members Dawson and Marshall as well. Mr. Dawson also noted, with support from Landry and Marshall that he feels the committee is best suited to be a sounding board and review and provide comment back on staff suggestions rather than the committee attempting to provide direction.

Peck and Hanks noted that they will be developing an integration of a new quarterly report format for the June Council meeting and that can be used to develop further refinements over time with the committee's input.

**d. Financial Policies and Procedures**

Mr. Peck recapped the committee's prior work on reviewing and making edits to the City's Financial Policies and Accounting Procedures document and noted that staff had previously suggested, with support from the committee, that the document may be best served by separating the polices from the procedures. Hanks noted that it is typical for the procedures to change regularly based on regulatory agency changes, changes in use of software, staff/role changes internally and is therefore better to be kept as an administrative policy document. Financial policies should be approved by Council after recommendation from the committee via resolution.

Hanks noted that the four topics identified in the existing policies document as "For Future Consideration (debt management, economic development funding, reserves, general fund stabilization) are great topics for staff and the committee to work on. Landry asked Hanks if there were other areas worthy of review/update. Hanks noted that Systems Development Charges and Transient Lodging Taxes are both regulated by Oregon Revised Statutes and therefore should be contained within the policy document in some form. Otherwise, the document content appears complete but is in need of updating in a few sections, such as the capital improvements plan.

**NEXT MEETING**

The next meeting is scheduled for July 23 at 5:30 in the City Hall Council Chambers

**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.

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

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