



Audit & Finance Committee

April 28, 2021 5:30 p.m.
Coburg City Hall
91136 N Willamette St.

MEMBERS PRESENT: Cathy Engebretson, Chair; Coleen Marshall, Patrick Kocurek.

MEMBERS ABSENT: Terry Dawson.

STAFF: Tim Gaines, Council Lehmann, City Council Liaison.

1. Call Meeting to Order

Ms. Engebretson opened the Finance & Audit Committee meeting at 5:36 p.m. Everyone present introduced themselves.

2. Minutes Review

Ms. Engebretson noted that the date on the December 29, 2020 minutes was wrong and said it was 2021.

MOTION: Ms. Marshall moved, seconded by Mr. Kocurek, to approve the December 29, 2020 Finance & Audit Committee minutes as amended. The motion passed unanimously.

MOTION: Ms. Marshall moved, seconded by Mr. Kocurek, to approve the January 28, 2021 Finance & Audit Committee minutes as presented. The motion passed unanimously.

3. Finance Reporting City of Coburg – February 2021

Ms. Marshall thought it was unclear in the written comments what their expenditures were and when revenue would come in to make up for those losses. Mr. Gaines replied that revenues came in every sixty days, so they had not received them yet. They knew that revenues were going to be lower, but they just got approved for a grant that would help.

Mr. Gaines reported that the budget would be ready to present on by May 3, 2021. Also, they had just closed the Summit Bank account, so they would no longer see those in the report after April. Ms. Marshall said that it was good to get rid of the account since they did not need it anymore.

Ms. Engebretson asked if they were expecting anything unusual. Mr. Gaines replied that they were not. The budget would most likely be similar to the previous year.

Councilor Lehmann asked how much they were anticipating from property taxes. Mr. Gaines responded that they had not finalized those numbers, but they would have the information soon.

Ms. Marshall thought they did a good job with their expenditures, and they had more in their net income than was originally proposed. If those were their final numbers when the books closed, they would be in a good position.

4. Review Ordinance A-172-B: System Development Charges

Mr. Gaines said that System Development Charges (SDC) funds were used for development and that money was tied up in residential units. He thought they should review if the ordinance to see if it was beneficial to the City.

Councilor Lehmann asked what the benefit of the SDC was. Mr. Gaines replied that developers could apply for SDCs and slowly pay them off instead of paying up front. He thought it was good to have financing for business, but it slowed down revenue. Councilor Lehmann asked if the SDC had interest on it. If it did accrued interest at anything above 4% than it might be beneficial for the City. Mr. Gaines replied that it accrued interest, but he was unsure what the rate was. He could bring the information to their next meeting in three months. Councilor Lehmann thought this kind of decision could go to City Council for approval. He hoped they could see it before the Audit & Finance Committee met again, since it seemed like an important topic since a residential development was in the works.

Councilor Lehmann asked if the City could deny SDC funds. Mr. Gaines responded that they could not deny someone if they met all the requirements.

Mr. Gaines said he would get more information and present it to City Council. From there he would come back to the Committee with a recommendation from them. They would move forward based off that. Councilor Lehmann thought they might want to make a motion for City Council. Their Committee minutes might not be available until after they met in three months, but staff told them that draft minutes could be used in their place.

Councilor Lehmann wanted to make a motion saying that applications for SDCs were not automatically approved but considered and approved based on the financial ramifications for the City.

Councilor Lehmann wanted the rate to be discussed when they had more information. Mr. Gaines thought they could have another meeting soon to give the Committee more information before they made a motion. Ms. Engebretson thought that they just needed to move to have City Council look at this issue. She did not think it was something that should come back to their

Committee. Mr. Gaines agreed, and said that someone on City Council might have more information.

Councilor Lehmann wanted to know how often payments were made. Mr. Gaines replied that payments were made twice a year.

Ms. Engebretson was worried that the City would not get their money back if the development went under.

Ms. Marshall thought at one point the City increased their SDC limit because they were behind what other cities were providing.

The Committee agreed that the review of Ordinance A-172-B: System Development Charges should go to City Council.

5. Discuss Fiscal Policies and Accounting Procedures Manual

Ms. Engebretson said they should skip over accounts payable because they had spent a lot of time in the past on that. They could circle back at the end if they had time. She suggested that for their next meeting they should pick a few sections of the manual to read so that everyone was prepared accordingly.

First, they would go over payroll. Councilor Lehmann asked what a Special Document Handling (SDH) deposit was. Mr. Gaines replied that it was how the City conducted direct deposits to employee's bank accounts.

Ms. Engebretson asked if they had references reporting from the payroll services to the bank accounts. Mr. Gaines responded that he got asked for approval for the deposits. The document noted the amount the employee was paid. Ms. Engebretson wondered if that was necessary for the Finance Office to verify that information. She did not think it was bad but wanted to know what staff thought. Mr. Gaines thought it was good to do so they did not make a mistake.

Ms. Engebretson inquired into if anyone doubled checked that the amounts withdrawn from the City account matched what was on the timesheet. Mr. Gaines told her that they did check that.

Mr. Gaines said that the payroll description in the manual did a good job representing the reality of what the City did.

Councilor Lehmann directed everyone to look at number six under the general ledger header. He asked if the City had a contractor, they usually went to for approval. Mr. Gaines responded that they did. Ms. Engebretson asked if they would still be available after COVID-19. Mr. Gaines believed they would be. There was just a temporary pause because of issues related to the pandemic. Ms. Engebretson wondered if they should add more language around the requirements for the contractor.

6. Next Step for Committee

Mr. Kocurek reminded everyone that that was his last meeting with the Committee. They had to make sure Anne Heath was aware of this and get the information out to the community.

7. Adjournment

Ms. Engebretson adjourned the meeting at 6:57 p.m.

(Minutes recorded by Lydia Dysart)

APPROVED by the Finance | Audit Committee on this day of 2021.

Cathy Engebretson, Chair

ATTEST: _____
Sammy L. Egbert, City Recorder