

Minutes of Finance Committee
Monday, November 25, 1996
7 P.M. Public Library

The meeting was called to order by chair Charles Cox at 7:05 P.M.

Roll Call: Present: Charles Cox
Bert Pennock
Alan Halstead

Absent: Tim Codiga

Others Present: Donna Proctor, Mayor
Duane Cole, City Manager
Kathy Tri, Finance Director
Neil Erickson, City Auditor

NEW BUSINESS: Kathy Tri introduced Neil Erickson, from Grant Thornton, the City's Auditors. She then presented the 1995-96 Audit Report to the Committee, and reviewed contents of her letter.

Mr. Erickson then reviewed the rest of the contents of the annual financial report. He indicated that the CAFR is prepared under strict standards and in many cases over and above audit standards. He then reviewed the letter from the Auditors indicating that they were giving an unqualified opinion on the City's financial's. In other words, the City has received a clean opinion, giving it the highest level of report that is allowed. Mr. Erickson then reviewed the balance sheets providing a snapshot of the City's finances as of June 30, 1996. He discussed the fund balances for the general fund and the special revenue funds. He indicated that the fund balance is not excessive and is within the tolerable range which provides enough funds for a 5 month period. He then reviewed other pages within the financial report including budget to actual, noting that there were no over expenditures, proprietary funds combined balance, cash flow statements and the notes. Finally, he reviewed the information on page 36 regarding the pension fund and the letters in the back of the financial document dealing with the single audit and statistical tables.

Supplemental Budget #1: Kathy Tri indicated that in the last couple committee meetings she has discussed the beginning fund balances for 96/97 and that we will be recognizing some of the additional cash in the supplemental budget. This agenda item is a supplemental budget. In addition to recognizing additional fund balances the supplemental budget also funds several public works projects, including three (3) sewer projects, one (1) water project and two (2) street/transportation projects. It also makes adjustments to the special assessments and Bancroft Bond fund to recognize assessment payments and to adjust bond loan payments and recognizes building permit fees for adding an inspector in the Building Dept. The finance committee approved the supplemental budget for council adoption.

Personal Services contract for Financial Advisor: Kathy Tri indicated that the City would like to use Gardiner and Clancy as their financial advisor in the Police Dept. Bond sale. She contacted several financial advisors in the Portland area and indicated that they charge the same rates. The City has been using Gardiner and Clancy for several years and she wishes to continue. Finance Committee approved using Gardiner and Clancy for financial advisors.

Extension of Commercial Line of Credit: Kathy Tri indicated that the line of credit with Wells Fargo Bank is due in December and the City wishes to roll the line of credit for another year. The bank has given the City an excellent rate, 5.08%. The line of credit has been used as interim financing for Grant Street, and Second and Third Street LID's. Committee agreed to extend the line of credit.

Reimbursement Resolution: Kathy Tri indicated that IRS rules require the City to pass a Reimbursement Resolution to cover expenses made prior to the bond sale related to the construction of the Police Dept. The City may spend up to \$100,000 without the Reimbursement Resolution but she would like to have this passed for the December council meeting. Committee approved the Reimbursement Resolution.

Impact of Ballot Measure 47: Kathy Tri handed out a legislative revenue summary of Ballot Measure 47. She told the committee that the Department Heads have met to discuss a process for developing a budget for 1997/98. She indicated she will be making a presentation at the December 2 council meeting. The intent is to have the budget committee meet at the end of January with some proposals from staff. Once the budget committee has OK'd a direction, the staff will then prepare the 97/98 budget based on those recommendations.

Assistant Finance Director: Kathy Tri indicated that she has offered the position to Debbie Smith-Wagar. She is a CPA with Yergen and Meyer in Astoria and has been involved in Municipal audits. Debbie will start December 16.

Monthly Report: Kathy Tri presented the monthly report for October 1996.

ADJOURNMENT: The committee moved to adjourn at 8:05 P.M.