

MINUTES OF THE NEWBERG FINANCE COMMITTEE

October 23, 2007

Newberg Public Safety Building

Members Present: Ernie Amundson, Jr. Ron Staples Bob Larson

Members Absent: Sally Dallas

Others Present: Elizabeth Comfort, Finance Director
Janelle Nordyke, Ass't Finance Director
Elaina Canutt, Financial Analyst

The meeting was called to order at 7:05 p.m. by vice-chair Bob Larson.

Old Business:

1. Minutes of July 24, 2007 were motioned for approval by Ron Staples, seconded by Ernie Amundson, Jr. **3 Yes, 0 Nays, 1 absent, Sally Dallas.**

New Business:

1. Draft Audit Report for FY2006 – 2007 was presented by Elaina Canutt, Financial Analyst for the City of Newberg. Elaina geared her presentation based on our budget, which is what the City is used to seeing, rather than on GAAP, which is how the audited financial statements are presented.

When the presentation was completed, Elaina asked if it would be better to put accepting the 2006-07 audited financial reports on the consent calendar, do a presentation similar to her Finance Committee presentation or not do any presentation and let the City's Auditors give their speech. Recommendation by the Finance Committee was to let the Mayor decide how he wants to formally accept the City's audited financial statements for FY 2006-07.

2. 2007-2008 1st Quarterly Report was presented by Elizabeth Comfort. Elizabeth highlighted that the actual beginning fund balance of the General Fund is \$800,000 greater than budgeted.

The Capital Projects section of the Quarterly Financial Statements gives a good picture of all the projects that the Utility funds are doing.

Graphs of Water revenues and consumptions were highlighted. It was questioned why consumption was down from the prior year. It is difficult to understand why consumption increases or decreases without knowing what the weather was for the specific month in question.

3. Supplemental Budget #1: Elizabeth is recommending recognizing the General Fund beginning fund balance and putting it into 07/08 Contingency. Ernie asked why couldn't the increase be spent on roads? Elizabeth said that would have to be up to the Council to

recommend how and where the money should be spent. Ernie also asked what about cutting the budget in 07/08 instead of increasing beginning fund balance? Elizabeth said that it wasn't necessary to cut the budget to accept increasing the beginning fund balance.

The CDBG Fund (Community Development Block Grant) expected to expend \$600,000 for the Head Start project last fiscal year. The monies were not expended. Ground-breaking was delayed and done in this fiscal year. The request is to recognize the full amount of the CDBG grant to Head Start in this fiscal year, which is an increase of \$600,000 for a total of \$800,000.

The Reserve Fund has a \$150,127 difference in the beginning fund balance from budget to actual because estimated purchases did not happen before last fiscal year-end. Staff is requesting to bring all reserve balances to actual to make them available.

The Villa Road Improvement and 2nd Street Improvement Capital Projects for Street have been moved to this fiscal year, due to the necessity of these projects needing to be started earlier than planned.

Bob Larson asked for the motioned to accept the recommendation of Supplemental Budget #1 to the Council for consideration. Ron Staples moved that the Supplemental Budget #1 be recommended to the Council for consideration, with Ernie Amundson seconding. 3 Yes, 0 Nays, 1 absent, Sally Dallas

Ernie motioned to adjourn the meeting, seconded by Ron Staples.

Next Meeting Date: **Tuesday, January 29, 2008.**

The Finance Committee adjourned at 8:15 p.m.