



**CITY OF KEIZER
AUDIT COMMITTEE MEETING MINUTES
March 30, 2017, 4:00 p.m.**

Attendance:

Ron Bersin, Citizen Volunteer, Budget Committee	Kim Freeman, City Councilor
Joseph Gillis, Citizen Volunteer, Budget Committee	Bruce Anderson, City Councilor
Chuck Swank – Grove, Mueller & Swank	Marlene Parsons, City Councilor
Ryan Pasquarella – Grove, Mueller & Swank	Tim Wood, Finance Director
	Debbie Lockhart, Deputy City Recorder

Meeting convened at 4:01 p.m.

Approval of Minutes ~ Joseph Gillis moved for approval of the February 4, 2016 Minutes. Kim Freeman seconded. Motion passed unanimously with Bersin, Gillis, Freeman, Anderson, and Parsons and in favor.

City of Keizer Comprehensive Annual Financial Report: Mr. Wood announced that for the 18th year in a row the City has received the Certificate for Achievement of Excellence in Financial Reporting. He noted that last year the audit went well, financial statements were in line and there were no budget overruns. The City is still dealing with Government Accounting Standards Board (GASB) issues related to pensions. The current year had an additional expense of \$2.1 million because a court case reversed the changes that the legislature had made. Mr. Swank provided additional explanation regarding Public Employees Retirement System (PERS) costs with Mr. Wood explaining how PERS costs impact the City's budget.

Mr. Wood then reviewed various pages in the Comprehensive Annual Financial Report including the Keizer Station LID, Water Facility Fund, and the Community Center Fund and fielded questions from the committee. Mr. Gillis questioned the 'spike' in the public safety line on page 90. Mr. Wood explained that this was related to PERS; that the 2015 number was artificially low. Mr. Swank added that these are GAP numbers (Generally Accepted Accounting Principles) and not budgetary numbers and the changes are, as stated earlier, related to the court case that overturned 2015 legislation.

Other Required Auditor Communications: Mr. Pasquarella reported that the audit had gone smoothly even though it was Tim's first year. He noted that there was one passed adjustment related to the past audit. It was a small number that was basically just a payment timing issue; the City decided not to post it but the audit was fine with

that. The audit was performed on the financial statements and state compliance as required under Oregon law and there were no findings. The audit gave a completely clean opinion on compliance and financial statements.

Other Items – Transient Occupancy Tax: Mr. Wood reported that the Transient Occupancy Tax dollars are up significantly this year from \$68,000 in 2015 to \$118,000 in 2016 since the hotel is now affiliated with a national chain and it has been remodeled. 2015-16 remittances were made on time with a slight delay when a new office manager came on. \$4,000-\$5,000 will need to be returned because remittances were received both from the hotel and Expedia/Travelocity, but this is still a nice increase and it is expected to continue. The second hotel will generate funds in the future as well.

Other Business: Mr. Bersin suggested that the Long Range Planning Task Force meeting be held in November or December so that the Task Force can give guidance and staff can take it from there. He asked that Mr. Wood provide him with the number of household increases that occurred this past year in order to determine how many more police officers are needed. He noted that public safety is part of tourism so perhaps TOT funds could be used to fund additional officers.

Adjourn ~ Meeting concluded at 4:37 p.m.

Minutes approved: 02-22-18