



**CITY OF KEIZER  
AUDIT COMMITTEE MEETING MINUTES  
February 26, 2015, 4:00 p.m.**

**Attendance:**

Ron Bersin – Citizen Volunteer,  
Budget Committee (4:09)

Joseph Gillis – Citizen Volunteer, Budget  
Committee

Chuck Swank – Grove, Mueller & Swank

Ryan Pasquarella – Grove, Mueller & Swank

Kim Freeman – City Councilor

Brandon Smith – City Councilor

Dennis Koho – City Councilor

Susan Gahlsdorf – Finance Director

Tim Wood – Assistant Controller

Debbie Lockhart – Deputy City  
Recorder

Meeting convened at 4:04p.m.

**Approval of Minutes** ~ Dennis Koho moved for approval of the January 29, 2014 Minutes. Joseph Gillis seconded. Motion passed with Freeman in favor, Gillis, Smith and Koho abstaining, and Bersin absent at time of vote.

**City of Keizer Comprehensive Annual Financial Report:** Mr. Wood pointed out that this is the 15<sup>th</sup> year in a row that the City has received the Certificate of Achievement for Excellence in Financial Reporting. He directed attention to the Auditor's Report noting that it was an 'unmodified opinion' which means that the City is complying with stewardship requirements.

Mr. Swank reported that reviewers from Government Finance Officers Association take this very seriously. Mr. Wood reported that last year was a quiet year. He pointed out that there were a few major transactions including investment in the water/sewer system and the purchase of the Rawlins property in Keizer Station. He pointed out that the City also paid off a lot of debt including \$6.4 million in principal payments, payoff of the Gas Tax Revenue Bond, a significant payment of the Keizer Station LID, and payment on the Urban Renewal credit line. He noted that everything else was fairly status quo.

Mr. Swank added that the last page of the CAFR is actually the state report which the auditor is required to issue for compliance with state requirements; if there was an over expenditure, it would show up there.

**Urban Renewal Agency's Financial Report:** Mr. Wood explained that this report is in the CAFR already and other than debt and capital acquisition there is nothing to talk about. Mr. Swank added that Oregon law requires cities to issue separate reports for urban

renewal agency because the board of directors are the same. Discussion followed regarding depreciation, hiring more police officers, and property tax collections.

**Other Required Auditor Communications:** Mr. Swank explained that the auditors are required to issue the governance letter. Its purpose is to give the auditor an opportunity to make comments. It is a place where they can air their complaints or recommendations and is supposed to be a slate of everything encountered when performing the audit. He noted that there is not much in this one and commended Keizer for taking financial reporting seriously. He explained that this is why the City continues to receive the GFOA awards and no letters from auditors saying they are non-compliant.

**Other:** Mr. Wood explained that every year the Audit Committee looks at some of the City's agreements. Last year they looked at the Transient Occupancy Tax and the Heritage Foundation. This year the Volcano Stadium agreement was reviewed. He noted that they are 'keeping on keeping on' and that the City receives about \$45,000 revenue from them every year. The City takes their financial information and ties it back to their financial system. This year it appeared that the City owed them about \$30 but they said we could keep it. The volcano agreement is a 37.5 year agreement. They are now paying their own property taxes.

**Adjourn** ~ Meeting adjourned at 4:49 p.m.

**Minutes approved:** 2-4-16