

The Finance and Judiciary Committee for the City of Junction City met at 6:35 p.m. on Thursday, November 5, 2015 in the Council Chambers of City Hall, 680 Greenwood Street, Junction City, Oregon.

**PRESENT WERE:** Councilor Karen Leach, Councilor Steven Hitchcock, City Administrator Jason Knope, City Planner Jordan Cogburn, and Finance Director Mike Crocker. Chairman Bill DiMarco was absent. Gary Iskra from Isler CPAs attended for the audit presentation.

**I. Changes to the Agenda**

None were noted.

**II. Approval of minutes for August 10<sup>th</sup> and September 10<sup>th</sup>, 2015.**

The minutes were approved as presented.

**III. Annual Audit Review**

Gary Iskra with Isler CPAs discussed the audit process with the Committee. He discussed the cash basis of the financial reports and the budget. He discussed additional testing required by the State of Oregon which includes looking at the budget process and the budget document as well as public contracting procedures. He stated that the audit went very well and the City staff has been easy to work with and very helpful. He further stated that there were no audit adjustments and no disagreements with management. Staff provided the transmittal letter for the financial reports and is included in the final document. The City has received the Government Finance Officers Association reporting award for the prior two years, and we expect to receive the award this year.

Mr. Iskra discussed the standard auditor advisory letter to management. These are recommendations from the auditor. These items include:

1. Consider improving segregation of duties. Segregation of duties could be improved for some of the Utility Billing cash receipts procedures.
2. Review the utility billing system for software anomalies. The utility billing sample included three accounts with billing errors.
3. Consider implications of transfers out of the Street Fund. The Street fund includes transfers to reserve funds. The recommendation is to verify that the transfers meet state requirements for the use of street funds.
4. Consider classification and use of the Special Police Programs Fund. The Special Police Programs fund is a private purpose trust fund and the school resource officer activities don't match up with the purpose for this type of fund.

5. Accounting for internal service fund activity. The internal services fund should be budgeted with revenue and expenses only.

Administrator Knope stated that the current budget for FY15/16 includes allocations for M&S, rather than transfers.

Director Crocker stated that the audit will be presented to Council on Tuesday, November 11<sup>th</sup>.

#### **IV. Oregon Senate Bill 915**

City Planner Jordan Cogburn reviewed Oregon Senate Bill 915 and the draft ordinance and resolution provided. He stated that an ordinance for this bill was before Council in 2009 but was not adopted. The ordinance and resolution provided has been reviewed by legal counsel. Currently, the City's Building Official has the authority to enforce the state building code, but cannot assess building code violation penalties until SB 915 has been adopted by the City. This sets the procedure to enforce the state requirements and allows the Council to set the fee for appeal. City Administrator Knope stated that this code change will acknowledge the state's rules and bring the City into alignment with the state.

The Committee recommended the resolution and ordinance be forwarded to Council.

#### **V. Personal Services Contract – WHA Insurance**

Director Crocker presented the personal services contract for WHA Insurance. This insurance agency is the agent for the City's liability, property, auto, worker's compensation, and health insurance. This contract process was initiated by WHA, and the contract is also included on the current list of City Contracts in process. He stated that the City previously did not have a separate contract with our insurance agent. The City previously had an insurance agent designation for CIS insurance, dated in 2002. City Administrator Knope stated that previously under state contracting rules, a contract was not required for insurance agents, but the latest updates to those rules have changed this. Director Crocker stated that this draft contract has been reviewed by City County Insurance risk services. Director Crocker stated that the contract has a 90 day termination option.

The Committee recommended that the contract be forwarded to Council.

#### **VI. Paperless Packet and Resource Cabinet**

City Administrator Knope presented several electronic tablet options for the Committee to review. The tablets would be for Council members to use to review Committee materials, Council materials, and various City documents. He discussed the various

features of the tablets presented. The tablets could be checked out by Council members and updated by staff. The Committee discussed various documents that could be made available to Council on the tablets. The tablet would be an option for Council, but the paper copies would still be provided to Council members who preferred the paper copies.

The Committee recommended the Samsung tablet.

**VII. AGENDA FORECASTER REVIEW**

The forecaster was reviewed and discussed. Administrator Knope asked that the IT Policy be added to future projects and added to the agenda for an upcoming meeting.

**VIII. Other Business**

Director Crocker reported that the Police Reserve Officer for security services in Court has progressed and should be starting soon. The equipment needed is already at the Police Department.

Director Crocker reported on the court activity level for October. The Committee previously expressed interest in being updated on the Court activity. In October, there were 179 citations. In September there were 78, and the previous average was 150. The revenue for October was \$11,582 and \$16,900 in September. City Administrator Knope stated that the changes to the States portion can be analyzed for the actual impact to the City once the revenues have been at normal levels for a while and doesn't include the impact of higher than normal delinquent account collections activity.

**IX. ADJOURNMENT**

The meeting was adjourned at 7:35 pm.

ATTEST:

---

Mike Crocker, Finance Director