



Approved on: 01/15/2009

NOTICE OF PUBLIC MEETING

COUNCIL AUDIT COMMITTEE

City Hall
Willamette Room
Friday, April 11, 2008
8:30 a.m.

MINUTES

Committee members present: Jeff Christman, Sharon Konopa, Ralph Reid, Jr., Sue Folden

Committee members absent: None.

Staff present: Stewart Taylor, Finance Director; John Stahl, Assistant Finance Director; Mike Murzynsky, Senior Accountant; Barbara Powell, Accounting Specialist

Others present: None.

CALL TO ORDER

Jeff Christman called the meeting to order at 8:30 a.m.

APPROVAL OF JANUARY 16, 2008, MINUTES

MOTION: Sharon moved to approve the minutes from January 16, 2008. Ralph seconded the motion, and it passed 4-0.

SCHEDULED BUSINESS

Business from the Public

None.

Review Transient Room Tax Examination Report

Stewart handed out a one-page summary report prepared by Brad Bingenheimer of Boldt, Carlisle, & Smith, LLC. Stewart said that the wording in the ordinance needs to be updated to include the clarifications noted in the summary report. Barbara said that once the ordinance is updated it will be easy to update the form that the hotel/motel operators use.

Jeff said that actual amount collected is the amount that should be taxed. Barbara said that Delapoer has offered to prepare a letter to the hotels/motels regarding exemptions from the tax such as Red Cross providing emergency temporary housing to a family. Sue asked about other nonprofit organizations who may request the exemption. Jeff said that if it is for providing emergency temporary housing it should be exempt, but not for the sole reason of being a nonprofit organization.

Jeff asked if the three hotels have been notified about the underpayment of taxes. Barbara said that yes they are aware and they have contacted her and want to make it right. Jeff said that the amount the auditors found isn't much compared to what is collected and he thinks that most are trying to comply. Sharon said that it was well worth the audit and is pleased with the results. Jeff thinks the transient room tax audit should be included in the regular audit. Stewart said that it could be included in the engagement letter and then done at a separate time from the regular audit. Ralph said that auditing two or three randomly chosen hotels at a time would be sufficient each year. Sharon asked if staff could perform the

audit. Stewart said that is a good suggestion. The City could consider doing this in-house and this would build relationships with the hotels/motels. Ralph said that commendation letters should be sent to the hotels that performed well in the audit. Stewart will handle this and will prepare letters for all the hotels to thank them for their participation. He will include a special notation to the hotels that are meeting expectations and are in compliance.

MOTION: Sharon moved to accept the audit and make the recommended changes to the ordinance. Ralph seconded the motion, and it passed 4-0.

Stewart will draft the language for the ordinance changes and prepare the thank-you letters. Jeff will report back to the Council that the audit has been received, that there were some minor recommendations, and that staff will bring the changes back to the Council for approval. Ralph asked what the timeframe should be for payment of the back taxes. Stewart said that a specific timeframe doesn't have to be set for payment and all three hotels are eager to get the debt taken care of.

BUSINESS FROM THE COMMITTEE

Sue asked what the term limits are for the Audit Committee and if the Committee will be meeting before the audit begins. Sharon said that it is a two-year appointment and she had been reappointed in January 2008 and thought Sue may have been reappointed at that time as well. Sue said that she didn't receive any notification that she was reappointed. Stewart will check on Sue's reappointment. Jeff said that the Committee will probably meet once right before the audit begins.

NEXT MEETING DATE:

To be announced.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:05 a.m.

Respectfully submitted,

Signature on file.

Diana Eilers
Administrative Assistant I

Reviewed by,

Signature on file.

Jeff Christman
Chairman