



COUNCIL AUDIT COMMITTEE AGENDA

Thursday, February 27, 2020

3:00 p.m.

Santiam Room, City Hall

333 Broadalbin Street SW

1. CALL TO ORDER
2. ROLL CALL
3. ELECTION OF CHAIR
Action: _____
4. ELECTION OF VICE CHAIR
Action: _____
5. APPROVAL OF MINUTES
 - a. January 31, 2019. [Pages 2-4]
6. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. Presentation of the FY 2018-2019 auditor's report. [Verbal] (Auditors/Yeager)
Action: _____
 - c. Transient Lodging Tax audit. [Handout at Meeting] (Yeager)
Action: _____
7. BUSINESS FROM THE COMMITTEE
8. NEXT MEETING DATE: TBA
9. ADJOURNMENT

The location of this meeting is accessible to the disabled. If you have a disability that requires accommodation, please notify the City Manager's Office in advance of the meeting: cmadmin@cityofalbany.net | 541-791-0206 or 541-917-7519.



MINUTES

Thursday, January 31, 2019

3:00 p.m.

Calapooia Room, City Hall

Approved: Pending

CALL TO ORDER

Chair Sue Folden called the meeting to order at 2:58 p.m.

ROLL CALL

Committee Members present: Sue Folden, Bessie Johnson, Alex Johnson II, Sharon Konopa

Committee Members absent: None

Others present: Brad Bingenheimer, Jeanna Yeager, J.C. Rowley, Peter Troedsson

ELECTION OF CHAIR AND VICE CHAIR

Committee Member Sharon Konopa moved to reelect Sue Folden as Chair and Bessie Johnson as Vice Chair. Committee member Bessie Johnson seconded the motion, which passed 4-0.

SCHEDULED BUSINESS

APPROVAL OF JANUARY 29, 2018, MINUTES

MOTION: Konopa moved to approve the minutes as presented. Johnson seconded the motion, and it passed 4-0.

Business from the public

3:06 p.m.

None

Presentation of the FY 2017-2018 Auditor's Report

3:06 p.m.

Brad Bingenheimer presented the FY 2017-2018 Auditor's Report.

Bingenheimer shared about post-employment benefits. He noted the City's participation in the PERS retiree health insurance account, which is a cost sharing multiple employer plan, the City must report its proportion. He added that retiree participation in health insurance benefits has caused premiums to rise.

Konopa asked about the dollar amount for the rise in premiums. Bingenheimer said there is no dollar amount because liability is determined by the actuarial evaluation. It varies based on how many retirees elect to continue benefits, if they live to Medicare age, and what future costs of health care will be.

Folden asked what proportion of retirees choose to continue their insurance. Bingenheimer said it is a pretty good size pool of employees. Finance Director Jeanna Yeager added that the number of retirees who elect to

keep their insurance is going down because of the City's high deductible plan. Every two years, staff sends health insurance and employee enrollment information to the actuaries for the audits.

Bingenheimer stated that the City liability at the end of June 2018 was 5.1 million dollars. Pension liability at the end of the year is about 35 and half million dollars. Bingenheimer added that is a decrease of six and half million dollars from the prior year. Net pension liability fluctuates as the market changes.

Discussion followed about making copies of the report. Yeager noted the report will be available on the City website.

Bingenheimer said Finance staff had been very helpful in assembling the report. There was an error in the accruals for 2017 water and sewer revenues. Bingenheimer shared about a loan from 2011 that would be repaid upon sale of the Brandis property. The sale funds went into capital projects instead of settlement funds. Bingenheimer noted that these transactions are not routine and can be difficult to catch. Bingenheimer added that internal controls and segregation of duties are effective at the City.

Folden asked about single audit documentation. Bingenheimer said there are no findings under the single audit this year.

Folden asked if anything coming up next year that will need to be implemented. Bingenheimer said no, it should be a quiet year. Bingenheimer shared about the accounting standard for leases. Yeager noted that as the City transitions to a biennial budget, finances will still need to be reviewed by auditors every year. Bingenheimer said the first year there will be no overages and small expenditures but in the second period there will be two years' worth of actual compared to budgeted amount. He shared some information about biennial budgets. Bingenheimer added that he supports the new Munis accounting system.

Folden noted the committee recommends that council accept the auditor's report. Bingenheimer shared about the four sets of standards that are applied to the auditor's report. Many past issues have been resolved. Bingenheimer reported on federal expenditures.

Folden asked if one of the committee members will present the report to council. Johnson said she would bring the report to council.

Transient Room Tax Audit

Yeager shared a report (see agenda file). Staff reached out to three hotels regarding the posting of the certificate of authority to collect tax. Two of the three hotels were not displaying the required certificate. Yeager shared about corrections made to an online form. Discussion followed about the terms of the transient lodging tax.

Johnson asked about how the tax is collected. Yeager said the City collects the tax and does not use a contractor. The City also collects on behalf of Linn County. Discussion followed about collection of various taxes.

Johnson II asked if Airbnb's are subject to the transient lodging tax. Yeager said Airbnb's are not taxed because the ordinance would need to change to allow taxation. Staff needs to determine how Airbnb's would be tracked and enforced. Discussion followed about taxes for Airbnb.

BUSINESS FROM THE COMMITTEE

None.

NEXT MEETING DATE

The next meeting date is TBA.

ADJOURNMENT

Hearing no further business, Chair Folden adjourned the meeting at 3:54 p.m.

Submitted by,

Reviewed by,

Allison Grove
Administrative Assistant I (Confidential)

Jeanna Yeager
Finance Director