

Oak Harbor City Council
Special Workshop Meeting Minutes
October 21, 2014

CALL TO ORDER

Mayor Scott Dudley called the meeting to order at 3:00 p.m.

ROLL CALL

Present:

Mayor Scott Dudley
Mayor Pro Tem Danny Paggao
Councilmember Joel Servatius
Councilmember Jim Campbell
Councilmember Rick Almborg
Councilmember Beth Munns
Councilmember Bob Severns

Staff Present:

City Administrator Larry Cort
Finance Director Doug Merriman
City Attorney Nikki Esparza
Chief of Police Ed Green
Chief of Fire Ray Merrill
Public Works Director Cathy Rosen
Exec. Assist. to the Mayor Kellye Mazzoli
Tallie Boyer, Accountant
Steve Powers, Development Serv. Director
City Engineer Joe Stowell
John Piccone, Project Engineer
City Clerk Anna Thompson

WA State Auditors present

Councilmembers Severns and Munns were absent.

AGENDA

1. Washington State Auditor's Exit Conference

Doug Merriman, Finance Director, commenced the Auditor's Exit Conference discussion and asked the Auditors to present their report.

The Washington State Auditors in attendance presented the results of the audit which will be present in the 2013 report. No recommendations or findings were made.

Items reviewed include the following: Contracts, Police Department controls, North Reservoir Project, forfeiture review, risk assessment, building permits and receipting, software security review, passwords and access for management, third party cash receipting. One of the recommendations from the 2012 Audit suggested tightening the third party cash system, specifically the Active website for the Marathon.

The city has received a clean audit report. The report will include a few exit item recommendations; however the report will not contain negative concerns or findings.

Mayor Dudley asked how the auditor team shared reviewing the financial statements.

The auditors explained that their report only includes exit item recommendations which do not have a negative impact on their report for the City.

The three exit recommendations for 2013 include the following issues:

- Scope of work and payments in contracts need to be strictly followed
- City-wide password policies
- Third-party cash receipting and safeguard of public funds.

Larry Cort, the City Administrator explained that the City has already implemented a password policy sufficient to the State's requirements.

Councilmembers asked follow-up questions.

The State auditors concluded the meeting by informing the Council that they will issue a letter to the city within a few weeks. The next audit for 2015 is scheduled to review accountability and financial statements. The auditor explained their costs have been reduced accountability items from last year's billing. The auditors will continue to reduce accountability fees to the best of their ability.

Councilmember Hizon thanked the auditors for the efforts in keeping costs down.

Councilmember Almberg and Mayor Pro Tem commented on comparisons of audit costs from this audit to previous years.

Mayor Dudley thanked the auditors for the exit conference presentation and the meeting concluded at 3:31 p.m.

2. Discussion regarding Bonding Options for the Waste Water Treatment Plant

Finance Director Doug Merriman provided a power point presentation regarding the projected costs of the Waste Water Treatment Plant from 2013-2017 including Revenue Bond Issue Status and SRF Loan Status.

Council members asked questions regarding the proposed funding issues.

Mr. Merriman presented graphs on power point showing sources of funding including cash and bonds for the Waste Water Treatment Plant.

ADJOURNMENT

Mayor Scott Dudley adjourned the meeting at 4:12 p.m.

Anna M. Thompson, City Clerk