

March 25, 2011
1:07 PM
Newport, Oregon

CITY COUNCIL WORK SESSION

Councilors present: Allen, Roumagoux, Sawyer, Bertuleit, McConnell, and Beemer

Staff present: Marshall, Miranda and Atkinson

Council discussed the following:

Monthly financial reports, as well as the audit report.

The January 2011 edition of the LOC pamphlet was discussed briefly, and its pertinence to matters at hand.

Marshall distributed a handout, which explained in detail the monthly financial reports that have been included in the City Manager's report to date. It was the general consensus of Council members to have a more thorough discussion with regards to the monthly financial reports, and to have these reports presented by Marshall at the Council's evening meetings. They suggested making it a separate item from the City Manager's report.

Marshall then proceeded to thoroughly explain forecasted revenues and how those relate to expenses. He did note that department heads have seriously attempted to keep their materials and services lower this fiscal year in light of our tight budget. He also reported that Voetberg has instructed each department head, from this point forward, to attain his approval for any expenditures that are \$1,000 or higher. Marshall said he is definitely keeping a tight rein on all expenses.

Allen commented that staff may need to provide more realistic, forecasted figures when working on their budgets for the upcoming fiscal year. Marshall indicated it is better to under-forecast. McConnell inquired if staff is being instructed to keep their budgets flat for the next fiscal year, and Marshall said they were. McConnell said staff should be instructed to make sure their budget estimates, or forecasts come in very conservative.

Marshall further reported that having periodic budget reviews throughout the year is very important in keeping the budget on track. He suggested a three month, six month, and nine month review.

Marshall then proceeded to go through his monthly financial report page by page providing a thorough explanation for each.

Adding an agenda item for the April 4th agenda with regards to discussing the possibility of creating an audit task force was discussed. It was also noted that a transfer resolution correcting the audit deficits that were pointed out at the Council's last meeting would be prepared for the next Council meeting.

The legal responsibility for negative fund balances in the budget was discussed. Marshall said he would check with our insurance carrier to see if the Council was covered with regards to this responsibility.

Having no further business, the meeting adjourned at 2:10 P.M.