



City of Lyons

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MINUTES LYONS CITY COUNCIL MEETING January 24, 2012

OPEN MEETING 6:00 P.M.

The Lyons City Council Meeting was called to order by Mayor Doug Morgan. Present were City Councilors Mike Lucas, Troy Donohue, Lon Conner and Dan Burroughs. City Staff in attendance were City Manager Mary Mitchell, Administrative Assistant Tami Owen. Assistant City Manager Audrey McNerney was excused from this meeting.

Guests

Steve Baldwin, Marc Hughes, Theresa Donohue, Mark Orr, and Steve Tuchscherer.

Mayor Morgan asked that all stand for the Pledge of Allegiance. He then inquired as to whether there were any declarations of conflict of interest or ex-parte contact regarding the agenda items. There being none, the meeting continued.

Morgan introduced Steve Baldwin who is an applicant for the open position on the Planning Commission. Baldwin commented that he had previously served on the Planning Commission and was looking forward to again serving the community as a Planning Commissioner.

PUBLIC COMMENTS TO COUNCIL

Morgan announced that if anyone would like to comment or address the Council, this was the time to do so. Orr asked that tapes of the meeting be kept for public review and was advised that the recordings are digital and are not kept after the meeting minutes have been approved by Council. He was advised that members of public have the right to record a council meeting for their own use. There was discussion as to appropriate procedure for the conduct of City Council meetings and the procedure for the approval of minutes. After discussion Mitchell recommended that the City obtain the City Attorney's opinion as to whether or not meetings should be recorded and if recorded the length of time the recording should be retained.

CONSENT AGENDA

Conner made a motion to accept the Consent Agenda which consisted of the Minutes of December 20, 2011 City Council Meeting; Bills to Pay – January 2012 and Resolutions #452, #453 and #454. Lucas seconded the motion. Voice vote. Motion carries.

DISCUSSION ITEMS

Mayor Morgan asked if any of the Councilors had activities to report on within their commissionerships. Street Commissioner Burroughs reported that three more beavers had been trapped and that work on the 24th Street drainage issue was continuing. No further reports were presented.

Morgan reminded Council and the audience that there would be a public meeting to present the State of the City Address on February 8, 2012 at 6:00 pm in the Council Chambers. Council Members and Planning Commissioners will present reports on their areas of assignment within the City. All are invited to attend.

OCR (Oregon Civil Rights) – VRA (Voluntary Resolution Agreement) DECISION DISCUSSION

Mitchell explained that what was presently being reviewed were the dates recommended to the City for remediation of the complaints which were made in connection with accessibility at the library. A decision needs to be made as to whether to approve the Agreement as submitted or whether corrections or additions need to be made. When accepted the City will have dates and time frames within which to move forward. Morgan asked if there was further discussion with regard to this Agreement. There being none, Morgan said this would now become an action item.

PUBLIC COMMENTS – LIMITED TO DISCUSSION & ACTION ITEMS

There were no further comments.

ACTION ITEMS

Councilor Donohue requested that Morgan clarify for the record that what Council is approving at this time is the timeline for proposed action with regard to each issue. Morgan explained that there were several issues within the complaint and what the City is now agreeing to is the timelines within which the City will address each of these issues. Once approved by the OCR the City will work toward resolutions within the timeline. After discussion Conner made a motion to accept the (VRA) Voluntary Resolution Agreement as written. Burroughs seconded the motion. Voice vote. Motion carries. Lucas requested that the record reflect that Council has spent considerable time discussing details of this Agreement under the guidance of the City Attorney. Voice vote. Motion carries.

Donohue made a motion to appoint Steve Baldwin to the Lyons Planning Commission. Conner seconded the motion. Voice vote. Motion carries. Mitchell recited the oath of office with Baldwin and he was sworn in as a member of Lyons Planning Commission.

STEVE TUCHSCHERER – REPORT ON 2010-2011 FISCAL YEAR AUDIT

Tuchscherer referred to the Management Letter provided in conjunction with the audit. He pointed out that the City's documents, records and bookkeeping are in good order and that Mitchell does a great job and is pleasant to work with. He found no problems with anything in the audit.

The first item in the Management Letter identified as Financial Management notes that during the 2010-11 fiscal year the general fund balance declined by \$48,316 to \$142,914 but because there are more than enough resources with other income and property taxes due in November to get the City through each year the fiscal health of the City looks very good. In addition, the fact that the fund balances are 43% of the total resources needed for the entire year the shows that the City is in a very good position financially.

Donohue asked how the City is affected by the City's net assets decreasing by almost \$90,000. Tuchscherer responded that \$67,000 of that \$90,000 was related to depreciation expense and explained how depreciation expense was reflected in the audit report.

Lucas commented that depreciation expense is not the same as an expense where funds are being expended. He asked if the City wanted to justify raising taxes as an example, could that raise be justified due to lack of revenue. The answer was that although it is not money "going out the door" it is money that will be needed to replace assets when they need replacement. Depreciation of assets cannot be ignored. Depreciation is the allocation of the original cost or value of the asset over time.

Tuchscherer referred to GASB Statement 54 implemented this year which explains the level of constraints placed on fund balances at the end of the year or at any time during the year. It does not change how the City prepares its budget. Because all of the City's funds are governmental GASB 54 applies to all of the City's funds. It also leaves the City with a lot of flexibility and other than passing a resolution that sets forth the constraints and identifies the City's policy relating to GASB 54 the City does not have to do anything further regarding GASB 54. The resolution that will be adopted will also identify the individual (Tuchscherer suggested Mitchell) to whom the City gives the authority to assign fund balance dollars to which is the lowest level of constraint. Council has the authority to commit dollars at that level of constraint. The restricted dollars at that level of constraint such as highway dollars which by law cannot be spent other than on highway are considered restricted funds. Tuchscherer will forward a form of GASB 54 resolution for the City's use which can be modified by Council if desired. Tuchscherer said that the resolution can be a powerful tool to explain why fund balances are what they are in terms of long term financial planning. There was additional discussion regarding the application of GASB 54 and reference was made to the explanation set forth in the Management Letter regarding GASB 54.

The next subject Tuchscherer covered was Internal Controls. He identified the 5 elements of internal controls as set forth in the Management Letter. He emphasized that Council, as a governing body, has an important role in monitoring internal controls. It was his judgment that so long as Council continued with their monitoring of the financial statements he had no problem with the City's internal controls. He reviewed the way internal controls are designed and implemented to reduce risks such as making bad decisions due to incorrect financial information, losing assets, incurring unnecessary liabilities, being non-compliant with a grant program, and missing financial opportunities.

Morgan commented that it appeared that the City's audit was very "clean." Tuchscherer agreed and said that he only had to make one journal entry which was for taxes that had been received after the end of the fiscal year. Morgan thanked Tuchscherer for his work in connection with the audit and for this meeting's presentation.

ANNOUNCEMENTS AND COUNCIL AVAILABILITY.

All Councilors and Mayor Morgan stated that they would be available on February 2, 2012 at 6 p.m. for a workshop, February 8, 2012 for the State of the City Address and February 28, 2012 for the Joint City Council and Planning Commission Meeting.

There being no further business to come before Council Lucas made a motion to adjourn the meeting. Morgan seconded the motion. Voice vote. The meeting adjourned at 7:00 pm.

Audrey McNerney, Assistant City Manager

Tami Owen, Administrative Assistant