

PERRY CITY COUNCIL WORK SESSION  
PERRY CITY OFFICES  
NOVEMBER 18, 2010

6:30 PM

OFFICIALS PRESENT: Mayor Jerry Nelson presided and conducted the meeting.  
Bill Walker, Tom Peterson, Marci Satterthwaite

OFFICIALS ABSENT: Karen Cronin, Boyd Malan

CITY STAFF PRESENT: Duncan Murray, City Administrator  
Shanna Johnson, Chief Deputy Recorder  
Michael Jones, Chief of Police

OTHERS PRESENT: Chuck Palmer (Crane, Christensen & Ambrose), Julie Bashford (McEwan and Associates), Nate Keith, Ray Keith, Sierra Anderson

#### **CALL TO ORDER**

Mayor Nelson called the meeting to order.

#### **ITEM 1:WORKSESSION – Annual Financial and Audit Report for FY 2009-2010**

Julie Bashford of McEwan and Associations reviewed the fiscal year 2009-2010 (FY2009-2010) Financial Report. She explained revenues in the General Fund were \$85,000 below what was budgeted, but stated this is very close considering there was a \$1,487,000 budget to work with. The expenditures were \$46,000 below budget and said the people over the budget did a great job. Mrs. Bashford stated the General Fund is \$39,000 over budget due to expenses in the Parks department for the soccer field not being listed in the budget. Shanna Johnson explained when the city has worked with impact fees in the past it had been in the Enterprise Fund (Utility Fund) and the expenses were capitalized at the end of the year and were not required to be listed in the budget, this is not the case with the General Fund. Mrs. Bashford said the city used \$39,000 of previous fund balance, which brought the new fund balance to \$49,000. She reviewed page 16 of the Financial report and explained the Debt Service Fund shows a reduction of \$119,000 in fund balance due to a property owner not paying their SID assessment. Mrs. Bashford reviewed the Enterprise Fund; she explained the Sewer fund brought in \$557,000 to help out the Enterprise Fund for a total increase in fund balance of \$627,000. She reviewed the cities debt explaining there is still \$1,500,000 left to pay on the Point Perry SID Bond, \$340,000 due to Water Bonds, and \$11,300,000 due to the Wastewater Treatment Facility. Mrs. Bashford advised in the Government Funds there is an unrestricted fund balance of \$50,000. She reported the Enterprise fund having \$2,194,000 in unrestricted funds. Mrs. Bashford advised that GASB 54 was just released and beginning in fiscal year 2010-2011 there are new guidelines on how fund balance can be spent. She said they would help the City out with designating these funds properly.

Auditor Chuck Palmer of Crane, Christensen & Ambrose reviewed the Audit Report stating there was no finding when reviewing internal controls. He reviewed audit compliance and said there were two findings. Mr. Palmer stated the first finding is that the Parks department is over budget due to a training issue, which impact fees spent were not budgeted properly. He stated the second finding is that the General fund is in a deficit position in the amount of \$25,000. Mr. Palmer advised the City would receive a letter from the State in reference to these findings and the City will need to send a reply. He said last year the City submitted a plan of action to the State and he has included this plan of action in the audit report. Mr. Ambrose advised the State would expect the deficit to be corrected by the end of the year.

**ITEM 2: ADJOURNMENT**

Mayor Nelson called the meeting to a close.

The meeting adjourned at approximately 6:55 PM.

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Susan Obray, City Recorder

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Jerry Nelson, Mayor

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Shanna Johnson, Chief Deputy Recorder