

New Plymouth City Council Meeting
MONDAY
2 July 2012
7:00 p.m.
New Plymouth City Council Chambers (Library)

On the 2nd of July 2012 the New Plymouth city council meeting was called to order at 7:00 pm by Mayor Joe Cook. Roll call was taken with council members Mayer, Warnke and York in attendance. Councilman Esplin arrived at about 7:02 pm.

Staff members in attendance were Leon K. Jensen and Beth Ann Christensen. Andy Gehrke from Holladay Engineering was present.

Regular Agenda – **Councilwoman Mayer moved to approve the agenda. Councilman Warnke seconded the motion. The voting was unanimous in favor of the motion.**

Consent Agenda – **Councilman York moved to approve the consent agenda. Councilwoman Mayer seconded the motion. The voting was unanimous in favor of the motion.**

There was no old business to be discussed by the council.

Brent Edwards asked to be on the agenda for this meeting. He did not arrive at the appointed time. **Councilman Esplin moved that item a. be moved on the agenda in anticipation of the arrival of Mr. Edwards. The motion was seconded by Councilwoman Mayer. The voting was unanimous in favor of the motion.**

Mr. Tim Folke presented the council with copies of the FY2009-2010 Audit Report. He stated that there were no big red flags and that he received all the documentation he asked for when he wanted it. He stated that there were two items that always come up with small town audits. There is not enough segregation of duties in the office. He stated that it would take about 10 people to do what is expected of the two office staff currently employed by the city. He also stated that there should be someone on staff whose duty is to do the audit. The auditor would then come in and review the audit. In small towns that is not cost effective. Therefore, two people are expected to do the work of ten.

He pointed out on page 7 of the audit, governmental funds and enterprise funds. Governmental funds are supported by taxes and enterprise funds are to support themselves. He stated that all funds had a profit except for the street fund which showed about a 16K loss. He also stated that the city is not to make a profit but there are only three choices, make a profit, break even or lose money.

Mr. Folke pointed out proprietary funds on page 10. He stated that overall the funds broke even when considering a grant to the water fund and gains to the other funds considered, sewer, sanitation and water.

For the September 30, 2011 report he reviewed the same two pages, page 7 and page 10. He pointed out on page 7 the governmental funds and that the information was current as of 9 months ago. He stated that the general fund lost about 2400 dollars, not bad. The other governmental funds showed about an 18K gain. The street fund however, took a beating. The street fund actually spent itself into a deficit. That does not mean that the city is broke. When one considers the changes in the fund balances beginning at 694K and a deficit of 531K the fund balances ending calculates to about 162K according the audit report. When he considered the budget he stated that oddly enough the street fund was beautifully within budget. He stated that the street fund was budgeted for deficit spending this past year. He stated that it is nice to have good streets. Money is saved up for future needs and then it is spent. He stated that it would have been nice to transfer in about 375K from the general fund which would make the balances look better. That would help to restore the deficit. Councilman York asked if it was necessary to transfer the monies. The answer was no but it does make the budget look better. It shows a more accurate picture of what money the city has.

When looking at page 10, the proprietary funds show loss but mostly due to a transfer from the sanitation fund to the street fund of over 42K.

Mr. Folke stated that he had the numbers from the 2008 audit and a copy of the draft of the Sep 30, 2009 audit which the city has not yet received from the cities previous auditor. He stated that he had good numbers to work with. He stated that for the purpose of capitalization and depreciation the city should use a 5K figure. He recommended that the city adopt a policy to use 5K just for depreciation rather than the 300 dollar amount currently being used. He stated that the city is properly insured. He stated that he enjoyed reading the minutes and that they were very good. Minutes can be subpoenaed by the courts.

He tested payroll to see if people are being paid properly. Normally he sees an agreement for payroll of employees but did not see that here. He saw that what was being paid was what was in the budget. He stated that the city may want to consider some form of agreement in the case of a nasty termination. Tim suggested that the city contact our attorney about this and seek counsel.

He suggested that the city get caught up on the bank reconciliations in order to get caught up on the system for audit purposes. He stated that there was excellent budget control although the caveat is there is budgeting for deficit spending.

Councilman York asked if the city was in good shape. Mr. Folke responded that as of Sep 30, 2011 the city is in good shape. Mr. Folke stated that USDA was happy having the information that has been provided.

Ordinances and Resolutions – There were none for approval.

Open Forum – Staff asked if the council would accept the audit by motion. The council stated that they would like to read the audit prior to accepting it. They would like to have the audit information on the next agenda.

Mayor and Council Comments – Councilman York asked about fireworks. All seems to be okay at present. Mr. Warnke asked about setbacks regarding the manufactured home which was recently placed on Maple and that it appears to not meet setbacks. Questions were asked about the building permit, certificate of occupancy, setbacks and procedures. Councilman Warnke stated that he would like to discuss this situation at the next council meeting. A copy of the building permit was requested along with the site plan.

Mr. Gehrke of Holladay Engineering reported that the street work is going well and that there were some problems with some subsurface material. The contractor is on schedule and all seems to be doing well.

Councilman Warnke stated that Mayor Cook did well at the Idaho Power event this past week. He stated that the TIC people will be missed. TIC does have another account with the city. It was suggested that a letter of appreciation be written to TIC and copied to Idaho Power.

Adjournment

Councilman Esplin moved to adjourn the meeting. The motion was seconded by Councilwoman Mayer. The voting was unanimous in favor of the motion.

The meeting adjourned about 7:45 pm.

Joe Cook, Mayor

Leon K. Jensen, City Clerk/Treasurer