



CITY OF ASTORIA

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September 23, 2016

MEMORANDUM

TO: MAYOR AND CITY COUNCIL

FROM: BRETT ESTES, CITY MANAGER

SUBJECT: FINANCE AND ADMINISTRATIVE SERVICES STATUS REPORT

The following summaries related to Finance and Administrative Services projects and activities for the current year.

OPENGOV

- Director Brooks and Financial Analyst Snyder have been able to upload and verify historical data and current information to the OpenGov platform. The process began as uploading and verifying five years of data and the database of accounts. Once we went back past three years we realized comparability of data was not as meaningful for Parks and Recreation because of splitting out information to a new fund. Several challenges have created additional reconciling steps for us but we are ready to roll out training for Department Heads first and then we will organize training for Council. We continue to develop reporting formats and specific queries or “views” for internal and external reporting.
- Financial Report Manager Puckett received training regarding data uploads to OpenGov after month-end processes have been completed.

COMMUNITY GRANT APPLICATIONS

- In anticipation of the budget cycle and grant process FY 16-17, the Service Organization and Arts & Cultural funding applications were updated, posted to our website and notifications were sent electronically to former applicants and the media by February 2, 2016.
- Mid-year reports were received and were included with copies of new applications. Binders were prepared for subcommittee review to make recommendations.
- Integrated with the distributions FY 16-17 was requested feedback to each agency, from the subcommittee, regarding additional information which may enhance future applications and acknowledgement of items in application which enhanced committee member understanding and the distribution outcome for the applicant. Additional information was provided regarding leveraging and matching funds to all applicants to provide better information regarding these sources in future applications.

AUDIT AND FINANCIAL STATEMENT PREPARATION

- A request for proposals (RFP) process for Audit Services was approved by Council on January 4, 2016 and the solicitation process began late January. Merina & Company, LLC was chosen as the successful firm to provide financial statement audit services.
- Initial fieldwork began the week of July 18 and final field work is scheduled for the week of October 17. Preliminary closure of Fiscal Year 2015-2016 information was conducted by City staff in August with preparation of year end accruals taking place through September.
- Staff have begun training related to upcoming Generally Accepted Standards Board (GASB) 45 changes which are related to Other Postemployment Benefits (OPEB). OPEB

postemployment benefits include healthcare and life insurance. GASB establishes standards for the measurement, recognition and display of OPEB expense/expenditures and related liabilities, note disclosures and supplementary information in financial reports.

The audited Financial Statements for FYE June 30, 2015 initially scheduled for completion by December 31, 2015, were received in May, 2016. All agency filings related to these statements were completed shortly after the audited statements were received. Management letters generally document deficiencies in internal control or other areas which may be improved that are identified during the audit. A management letter is used to communicate deficiencies and suggested improvements to those in charge. Pauly Rogers & Company did not issue a management letter for the FYE June 30, 2015 audit.

- Initiated request for valuation of donated DeMuro lots. Property has been held as an investment to provide funding for Heritage Square upon sale and therefore Fair Market Valuation must be determined fiscal year ending June 30, 2015 presentation in compliance with new GASB 72 pronouncement. Public Works Department is currently awaiting an appraisal report which should be complete by end of September, 2016.

FINANCE DEPARTMENT

- Director Brooks reviewed a variety of financial processes to enhance understanding of the various processes which comprise the City's financial framework. Staff have been working with Springbrook to enhance the work flow aspects of purchase order approvals and implemented training for users to ensure recognition of encumbrances, as contracts are approved and initiated.
- Review of systems and processes has enhanced procedures for payroll and benefit review.
- Finance took over administrative (sales) functions of Oceanview Cemetery in August. Training through the City's GIS vendor is anticipated by mid-October to continue to update the cemetery online plot locator.
- Finance staff have worked with Parks staff enabling a new credit card processing company, ETS, in coordination with the launch of RecTrac. Finance and Parks staff continue to work through Automated Clearing House (ACH) transaction processes related to online transactions and monthly payments set up through RecTrac. All credit card machines were fully implemented by mid-September by iFocus. Finance has enhanced ability to track credit card transactions and reprint receipts through web based software provided by vender ETS.
- Finance staff began utilizing RecTrac software in July and has developed standardized reporting for the review, input, transaction tracing and deposit reconciliation.
- Director Brooks is working with Spyglass, LLC on the telecommunications audit. Several areas require review to determine if recommendations can be initiated and whether savings will result. The basic report has identified \$20.64 in charged tax which should be removed and refunded and potential to discontinue push to talk service in one department which would have an annual savings of \$144. Other areas identified for future savings relate to reconfiguring data blocks and renegotiating terms for a potential savings of \$2,000 per year.

OPEN ENROLLMENT

- Director Brooks and Executive Secretary Yuill attended the open enrollment workshop presented by CIS in July which highlights changes and the required submittal requesting coverage. CIS has added employee paid short-term disability option for the 2017 plan year which the City has elected to make available.
- Open Enrollment for Health, Dental, Vision, Life, Disability and other applicable benefits is scheduled for October with CIS available for three employee sessions on October 6.

BUDGET STATUS

- Budget preparation began in December 2015 and culminated with budget meetings which began in April. Fiscal Year 16-17 budgets were approved by Council prior to June 30, 2016 and the budget was finalized for distribution and posting the first week of July.

- The first quarter budget to actual report summary will be available at the October 3, 2016 Council meeting, for the period July 1, 2016 through September 30, 2016.

REPORTING AND FORMS

- Medicare required reporting was completed in January, 2016
- OSHA injury reports for 2015, were compiled and submitted to each department for proper posting. The City recorded 21 work-related injuries and illnesses with 9 resulting in modified work assignments. As of August 31, 2016, 13 work-related reports have been filed.
- Through June, 2016, the City received reimbursement in the amount of \$4,887.85 for injured worker modification recovery. This is compared to no recoveries in 2014 and 2015. Tools and equipment reimbursements, through June, have been \$2,347.96 compared with zero reimbursements for 2014 and 2015. Approximately \$3,000 in additional modification equipment has been requested since June. Wage recovery for returning workers to modified duties is \$16,442.31, through June, 2016. Annual amount of \$9,782.99, in 2015, and \$7,499.10 in 2014 were recovered.
- The City is currently able to exclude wages for worker compensation insurance coverage for two Preferred Worker Program eligible staff.
- Required submittal for Worker Compensation Insurance Audit was completed with CIS in September, 2016.
- Insurance valuations and coverage were reviewed and updated in May in anticipation of discussion with Propel in June and subsequent discussions with CIS for July 1, 2016 renewal.

ELECTIONS

- Information regarding Ward Boundaries and governing rules for revisions was requested by Councilor Herzig. Information was gathered and reviewed to determine whether adjustments would be required and the timelines associated with changes. In March there was less than 2% deviation between Wards and current ward populations are well within the prescribed boundaries. A subsequent meeting was held with City Manager and Councilor Herzig to explain the process and current status.
- Council referred a Ballot Measure to impose city tax on retailer's sale of recreational marijuana items. This measure will be on the November 8, 2016 ballot for consideration by the voters.
- Current terms for Ward 2 and Ward 4 Council positions end December 31, 2016. Applicants could begin filing applications June 1, 2016 and a press release was distributed May 31, 2016. One applicant for Ward 2 and two applicants for Ward 4 will appear on the November Ballot. The City provided the County Elections Office with the required candidate notice on August 31, 2016.

CONFERENCES, SEMINARS AND MEETINGS

- Director Brooks and Financial Analyst Snyder attended Oregon Basic Local Budget Law training in February.
- CIS Risk Management provided review of best practices for City. Items were noted for future enhancement and review of policies and practices based on input from CIS.
- Director Brooks attended Bullard Law Annual Public Sector Symposium in April.
- Director Brooks and Executive Secretary Yuill attended Election Training in May.
- Director Brooks and Finance Operations Supervisor Dohaniuk attended a meeting with Community Development Director Cronin and Airbnb representatives about third party transient lodging tax (TLT) agreement. The agreement would be similar to third party booking and collections by Expedia, Kayak, Priceline and others. Attorney Henningsgaard has provided recommended adjustments to the agreement which Director Brooks will follow up on.
- Director Brooks is participating in the certification committee for Oregon Governmental Finance Officer Association (OGFOA) and was accepted into the certification program in 2015. Her first year training credits were all accepted towards her certification with OGFOA which has requirements across several competencies and multiple years of educational effort.

HUMAN RESOURCES, JOB OPENINGS AND THE HIRING PROCESS

- Oregon House Bill 3025 became effective January 1, 2016. This legislation makes it unlawful for employers to exclude an applicant from an initial interview solely because of a past criminal conviction. Our application form was updated in December, 2015 and necessary changes were implemented prior to January 1, 2016.
- Effective January 1, 2016 Employers must provide up to 40 hours of sick leave per year to all employees. Processes were implemented in January to accrue sick leave based on hours worked and to ensure compliance with the new requirements associated with Oregon Sick Leave
- Oregon's new minimum wage law was signed in March, 2016 and will be phased in over six years with different minimum wage levels based on areas of the state. Astoria is part of the Standard Area and recognized minimum wage of \$9.75 / hour as of July 1, 2016. Increases of \$.50 / hour will continue through July, 2022 at the rate of \$13.50 / hour. Beginning in 2023 rates will be adjusted based on Consumer Price Index for All Urban Consumers.
- The online application system, ApplicantPool, was upgraded in December, 2015 and fully transitioned in January. Posting managers and users have been trained and continuing support has been provided by Director Brooks and Executive Secretary Yuill. The upgraded system interfaces with INDEED which is an online job search web based program. ApplicantPool provides our job postings to the INDEED job board, at no additional cost to the City, and assists in broadening outreach for job candidates. INDEED and the upgraded City application are available to use via mobile devices.
- Recruitment of a part-time Human Resources administrative assistant is in progress.
- We anticipate spending time reviewing the first six months of available matrix data through the ApplicantPool software in coming months. Information should allow us to better understand demographics and provide information to improve the recruitment targets. We hope to roll out additional training regarding recruiting options and tools after an administrative assistant recruited.
- Took over the criminal background check process through the Department of Human Resources for Lil' Sprouts employees. Director Brooks is registered agent to process and receive records.
- Review and enhancement of the orientation process continues.

Submitted by: _____
Susan Brooks, Director Finance and
Administrative Services