



CITY OF ASTORIA

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August 25, 2017

MEMORANDUM

TO: MAYOR AND CITY COUNCIL

FROM: SUSAN BROOKS, DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES

SUBJECT: FINANCE AND ADMINISTRATIVE SERVICES STATUS REPORT

The following summaries related to Finance and Administrative Services projects and activities for the period January through August.

OPENGOV

- Work has resumed to update data and establish processes to update and maintain data as well as develop reporting formats.

ARTS & CULTURAL AND COMMUNITY GRANTS

- Application period ended February 28.
- Budget subcommittees met in March and made recommendations for the proposed budget presentations.
- Recommendations were approved by the Budget committee the end of April and adopted by Council in June.
- Distributions were approved by Council for delivery by the end of July.
- Half of the grant amounts were distributed to Community Organizations and full amounts to Arts & Cultural entities the last week of July.

AUDIT AND FINANCIAL STATEMENT PREPARATION

- Merina & Company presented the City of Astoria and Urban Renewal District Financial Statements to Council in February
- Interim Field work for year ending June 30, 2017 Audited Financial Statements began the final week of July, 2017. Final fieldwork will occur October 16 – 20.
- Year-end closing entries are in progress with completion anticipated the end of August. Staff is awaiting actuarial information from Milliman required for financial statement disclosures as they relate to future benefit calculations.
- Financial Statement draft preparations will begin in September.
- Merina and Company is scheduled to present the audited financial statements on February 5, 2018.

FINANCE DEPARTMENT

- The second through fourth quarter invoicing was provided to Oller Trust for patrons from the Washington peninsula with the final quarter being generated for revenue inclusion for year ending June 30, 2017. Processes continued to be refined between Parks Staff and Finance to enhance procedures and data capture for the billing and contractual compliance. Transition of Jennifer Benoit to City Hall created opportunities for new involvement from Aquatic Center Staff. Revenue for July 13, 2016 (program initiation) through June 28, 2017 was \$ 65,330.50.
- Linda Ryan retired after 38 years with City of Astoria on June 15, 2017.

- Recruitment for Finance Accounting Clerk was concluded in July and Jeanette Sampson joins the Finance team as of August 1, 2017. The training and probationary period is a six month process.
- Department of State Lands conducted an audit of unclaimed property in April. The City has not historically remitted unclaimed cash or assets and this is the first time the City has undergone an audit of this nature. The audit period was designated to cover the period July 1, 2011 through April 30, 2017. While the auditor was on site, the review period was expanded to include July 1, 2010 through June 30, 2010. The summary findings identified unclaimed property subject to ORS 98.302 which should have been paid or delivered to the state. A total of \$ 496.96 has been submitted to the state for the period ending June 30, 2010 (the additional period tested) based on the findings. Finance staff is very diligent in ensuring uncashed checks are researched and processes are in place to ensure funds due to individuals and companies are paid and negotiated. Processes currently in place appear to be effective as evidenced by the lack of findings for periods subsequent to June 30, 2010.
- Finance staff has spent several months collecting information, preparing estimates and consolidating a variety of information related to presentations regarding Parks Operation funding.
- In March Council approved submission of a City application for a RARE Americorps volunteer to assist with internal emergency/disaster planning activities inclusive of CIS recommendations to accumulate and enter recovery planning information and required resources in AGILITY which is a provider offering access to recovery solutions of power, technology, space and connectivity.
- Chief Ames, Chief Johnston, Director Pearson and Director Brooks collaborated on objectives for the application and coordination of interviews with participants. The City was chosen as one of 35 locations to participate in the 24th RARE programming. Jason Pollock will begin working with the City in September.
- Director Brooks continues work with iFocus to make recommendations for budgetary and priority updates and replacements of critical information technology. A server in the basement of City Hall was relocated to the 3rd floor early in 2017, to reduce the risk of exposure to flooding.
- Copier maintenance vendors were made at the Police Station and Finance Department to initiate a trial of Solutions Yes. This has been a very good collaboration and we look forward to a full review of reproduction requirements in the future.
- Finance staff have worked with Engineering department on the Waterfront Bridge project to develop costs and determine timelines for loan repayments.
- Necessary processing completed in March to receive final installment of Carbon Credit funds and initiated \$ 40,000 in sale of additionally available credits.
- Review is underway with Springbrook regarding voluntary donations for Parks on utility billings.

INSURANCE (BENEFITS, WORKER COMPENSATION, PROPERTY AND GENERAL LIABILITY)

- CIS annual conference was held February 21 – 23, 2017 in Salem and provided rate increase information for all insurance lines. The good news on the employee benefit front was not to exceed increases of less than 5% for medical and dental premiums with no increase for life and disability coverage. Auto Lines experiencing about 6.5% increase while general liability is 3.8%. Property was noted as decreasing and Worker Compensation was averaged at 7.5%. All of the numbers at the conference are based on the trust average and individual entity experience and exposures factor into final insurance quotes provided in May/June.
- Discussion with agents from Propel helped staff develop rates to estimate budgets for FY 17-18 and Worker Compensation was initially estimated at between 15-20% given the three year history which would be used for exposure and experience factors were high utility years with large claims.
- Work was submitted for negotiations with CIS in mid-March and CIS came back with estimated increase of between 25-30%. This was on top of a 15% increase in premiums in FY 16-17. Propel began seeking comparison quote to determine if there was any flexibility in the formulas applied.

- The City was provided with a very favorable quote from SAIF which was brought to Council in June for authorization to initiate and Election to bind insurance with SAIF, as an approximate \$ 45,500 gap still existed after CIS reduced the estimated increase to approximately 22%.
- City of Astoria switch Worker Compensation insurance effective July 1, 2017 and notices to staff and departments along with form updates were completed and distributed.
- Clatsop County has SAIF Worker Compensation coverage and Director Brooks and Director Koch from the County have been meeting weekly to share information regarding risk management and collaborate with SAIF to improve and enhance programs.
- Director Brooks attended the open enrollment workshop presented by CIS in July. CIS changed vendors this year which resulted in a transition period and data transfer to new vendor and staff is working through new processes for benefit administration in addition to setting up for the 2018 plan year. Request for Coverage has been completed as required by CIS.
- Additional steps are being taken to ensure staff have registered into the enrollment portal in September.
- Open Enrollment for Health, Dental, Vision, Life, Disability and other applicable benefits is scheduled for the first week in October.

BUDGET STATUS

- Budget preparation began in December 2016 and culminated with budget meetings which concluded the end of April. Fiscal Year 17-18 budgets were approved by Council prior to June 30, 2017 and the budget was finalized for distribution and posting the first week of July.
- Budget to actual reports have been distributed and began being posted on the City website during FY 16-17
- Staff spent time working with Oregon Department of Revenue to make necessary budgetary adjustments so the City's budget presentation and resolutions for adoption are in conformity.
- In May and June review of outstanding encumbrances along with budget to actual information was reviewed and anticipated fund adjustments were brought to Council for approval. Unnecessary funds were brought to Council for closure as well.
- As year-end adjustments wrap up the year-end preliminary budget to actual reports will be produced and posted in the near future.
- Financial Analyst Snyder is working on updated Parks Operations Budgets with Director Cosby.

REPORTING AND FORMS

- OSHA injury reports for 2016, were compiled and submitted to each department for proper posting. The City recorded 16 reportable work-related injuries and illnesses with 3 resulting in modified work assignments. As of August 31, 2017, 11 reportable work-related reports have been filed with 5 resulting in modified work assignments.
- The City continues to receive reimbursement for equipment modification and modified work arrangements through the Employee at Injury Program.
- The City is currently able to exclude wages for worker compensation insurance coverage for two Preferred Worker Program eligible staff.
- Updated I-9 forms became effective January 23, 2017 and information was rolled out to staff prior to effective date.
- Financial reporting required by ORS 457.460 for urban renewal agency was filed in accordance with ORS 457.115 in February.
- Staff is currently working on the Worker Compensation Insurance Audit with CIS.
- Property and Automotive schedules and valuations were reviewed and updated in April in anticipation of discussion with Propel in May for subsequent discussions with CIS and July 1, 2017 renewal.

ELECTIONS

- The Ballot Measure to impose city tax on retailer's sale of recreational marijuana items was successful.

- An interagency agreement was approved between Oregon Department of Revenue and City of Astoria for the State to collect the City tax at the same time retailers are reporting sales quarterly. The City turned around the agreement and information to be able to take advantage of collections by the State beginning January 1, 2017.
- The first distribution of net collections was made in late July. At this time the State is still refining reporting system and has required the City representative to sign a secrecy and confidentiality agreement. This agreement prohibits disclosure of information to protect the reporting agencies privacy. We await further reporting mechanisms along with continued review of disclosure legislation which is currently in place.
- In addition to the city imposed tax, the city share of the state marijuana tax is 10 percent of the revenues after administrative costs have been deducted. The Oregon Liquor Control Commission (OLCC) will require quarterly electronic certifications from cities in order to receive state marijuana tax distributions. The certification will be accomplished by responding to a certification process each quarter. The City will certify it does not prohibit the establishment of premises for which a marijuana license is required (recreational or medical). That is, the policy decision from Measure 91 and implemented by the legislature is that cities and counties that have banned marijuana will not receive a share of state taxes (except for taxes collected during start up, through June 30, 2017). The first certification is due by September 5, 2017 and was completed August 25, 2017.
- Failure to certify during a quarter will result in no payment for that quarter.
- Council elections completed in November of Ward 2 and Ward 4. Councilor Brownson - Ward 2 and Councilor Jones – Ward 4 were sworn in to office in January.

CONFERENCES, SEMINARS AND MEETINGS

- Director Brooks attended the Certification Committee meeting for Oregon Governmental Finance Officer Association (OGFOA) in February.
- Director Brooks attended the (OGFOA) spring conference in March.
- CIS Risk Management provided review of best practices for City. Items noted for future include making progress on entering emergency/disaster information into AGILITY software.
- CIS Wellness Conference was attended by Director Brooks in early August.
- Director Brooks and City Manager Estes met with Tony Belanger with Parsons Group which represents the engineering support for Job Corps about the Tongue Point area.
- Director Brooks has attended several cyber liability training sessions through CIS, OGFOA and OSCP in order to gain sufficient information to work with iFocus on upcoming issues which may impact collection flexibility and insurance renewals. This has become a large focus in the insurance industry.
- Attended CIS provided training for Supervisors along with several City staff.
- Director Brooks attended mandatory RARE Orientation conference call in August.

HUMAN RESOURCES, JOB OPENINGS AND THE HIRING PROCESS

- Oregon Legislature recently passed the Oregon Equal Pay Act of 2017, formally known as House Bill 2005. The majority of the bill's provisions are scheduled to go into effect on January 1, 2019 however one aspect is effective September, 2017. The bill prohibits the determining of compensation for a position based on current or past compensation of a prospective employee. It will be unlawful for an employer to request salary history of an applicant.
- To ensure compliance we have made the appropriate updates to our online application system to remove the appropriate fields so this information is not available for consideration in the future.
- Oregon's minimum wage increased as part of the Standard Area to \$ 10.25 / hour as of July 1, 2017. Increases of \$.50 / hour will continue through July, 2022 at which time it will cap at the rate of \$13.50 / hour. Beginning in 2023 rates will be adjusted based on Consumer Price Index for All Urban Consumers.
- The successful recruitment of a part-time Human Resources administrative assistant was completed in December 2016 and Ashley Houston came on board and has been able to provide much assistance with application, hiring, orientation and other administrative tasks.

- Enhanced and updated the Family Medical Leave Act reporting process in conjunction with Xenium.
- Between January 1 and June 30 the City has hired 51 employees and there have been 42 employee terminations. Ashley provides assistance with the posting openings as well as review of offer letters and orientation information. Three terminations required additional coordination between Xenium and CIS for pre-loss determinations.
- Review and enhancement of the orientation process continues.
- The ASPA and AIFF contract negotiations completed in April and retroactive adjustments were applied and processed during May.
- COLAs and contractual increases were implemented July 1, 2017.
- Negotiations are in progress for Public Works and Parks and General groups.