

*February 22, 2021*

**T** HE CITY COUNCIL OF THE CITY OF LEWISTON, IDAHO, met in a Special Work Session on Monday, February 22, 2021, at Lewiston City Hall Back Conference Room, 1134 "F" Street. Mayor Collins called the meeting to order at 4:00 p.m.

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**COUNCIL MEMBERS PRESENT:** Mayor Collins; Mayor Pro Tem Schroeder; Councilor Kelly; Councilor Bradbury; Councilor Blakey

**COUNCIL MEMBERS EXCUSED:** Councilor Pernsteiner; Councilor Miller

**STAFF MEMBERS PRESENT:** Alan Nygaard; Chris Davies; Budd Hurd; Jana Gómez; Kayla Hermann; Travis Myklebust; Dan Marsh; Tim Barker; Lynn Johnson; Carol Mauer; Kari Ravencroft; Aimee Gordon; Brittne Purington; Aaron Butler; Danny Santiago; Wendy LaVoie, Brian Ellison

**PRESNELL GAGE STAFF PRESENT:** Mitch Marx; Dawn Aliverti

**I. PLEDGE OF ALLEGIANCE**

Mayor Collins led the Pledge of Allegiance.

**II. CITIZEN COMMENTS**

*This is an opportunity for members of the public to address the City Council on agenda items or any issue of City business; provided, however, members of the public shall not address matters that are the subject of a public hearing or provide additional testimony or information on a quasi-judicial matter (e.g., Planning and Zoning matter) after the official record of such matter has been closed. Persons commenting may request that items be placed on a future agenda for further discussion; such requests are subject to approval by the City Manager or a majority vote of the City Council. Comments regarding the performance of a specific City employee are not appropriate during Citizens' Comments; instead, a meeting should be scheduled with the City Manager. The presiding officer may determine that comments regarding matters that have been previously heard and/or decided by the City Council are not appropriate for Citizens' Comments.*

*A person shall not provide comment unless and until recognized by the presiding officer. Persons providing comment shall identify themselves by their names and cities of residence, but shall not be required to disclose their mailing or home addresses. Persons making comments shall be limited to **3 minutes** each, unless additional time is allowed by the presiding officer.*

*Comments may be made: (1) in-person, (2) by emailing the City Clerk at [kravencroft@cityoflewiston.org](mailto:kravencroft@cityoflewiston.org), or (3) by calling (208) 746-3676 and leaving a message. Comments submitted by email or phone will be forwarded to the City Council. If you would like your comment to be read out loud during the meeting, please so indicate in your message. Members of the public who wish to provide in-person comment, but who are unable to secure a seat in the designated meeting space and/or overflow room(s) due to occupancy or gathering limits, will be rotated in and out of the designated meeting space in order to provide comment. While not in the designated meeting space and/or overflow room(s), such persons may watch and listen to the livestream of the meeting on their own devices by visiting the City of Lewiston's Facebook page or the City's website at [cityoflewiston.org](http://cityoflewiston.org). The City will not provide a*

*means for listening to the meeting outside of the designated meeting space and/or overflow room(s).*

There were no citizen comments.

### **III. SPECIAL MEETING DISCUSSION ITEM**

#### **A. *FY'20 AUDIT PRESENTATION - PRESNELL GAGE***

Presnell Gage Auditor Aliverti reported that the FY'20 audit covered the period of October 1, 2019, to September 30, 2020. Ms. Aliverti reviewed several sections of the Comprehensive Annual Financial Report (CAFR) with the Council, highlighting the introduction, financial overview, financial statements, statistical data and single audit. She noted that there were no new accounting policies adopted or changes made to existing policies.

Ms. Aliverti reported unmodified opinions of "clean" for financial statements representing what really happened in the City's finances for the year, federal grants, and internal controls and compliance. She also noted there were no audit findings, internal control concerns, disagreements with management or evidence of fraud.

Financial highlights -

At the end of FY'20, the net position of the City was \$187,618,124. The City's net position increased by a total of \$16,600,852. The City's General Fund reported a total fund balance of \$12,101,288 and the amount of unassigned fund balance was \$9,398,130.

The City's current cash and investment assets total \$41,372,664 and capital asset balances were \$163,773,329 at year-end. Ms. Aliverti explained that the net pension asset totaling \$9,131,000 is for the Fire pension including the City's contribution and the fully funded pension plan.

The City's long-term debt totaled \$33,448,091 for FY'20. The total net pension obligation for the City totaled \$12,424,913. The Police Retirement Bond totaling \$480,000 is scheduled to be paid in full in October 2021. The Urban Renewal Agency (URA) downtown area was paid in full in March 2020 and the East Orchards project totals \$1,980,000. Capital Projects owe the Sanitation Fund \$553,393 with an interest rate of 2.83 percent and matures in 2032. The Golf Fund owes the Sanitation Fund \$373,661 with an interest rate of 2.3 percent and matures in 2027.

The City's total carryover balance at the end of FY'20 reported at \$18,338,264 with an overall increase of \$2,775,262.

The City's Federal Expenditures totaled over \$19 million in FY'20. The Department of Housing and Urban Development reported at \$423,064 and the Environmental Protection Agency ended the year at \$17,608,320.

There were no audit adjustments made for FY'20. The financial information being provided by the City's Finance Department is accurate and reliable.

Presnell Gage did not have any disagreements with management with regard to accounting, reporting, or auditing matters. There was no fraud or illegal acts detected during the audit process.

Councilor Bradbury asked for the source of the long-term pension debt totaling \$13 million. Ms. Aliverti replied by explaining that the \$13 million is the amount it would take to fully fund PERSI liability and the city's share of what is unfunded at the state level.

Councilor Bradbury stated that within City Code the city is required to pay the utilities for the water received, with the exception of the fire department, and the golf course owes the city between \$1.3 to 1.7 million. This is for water that was used and not paid for. He asked if that form of debt is considered during the audit process. Auditor Marx responded by stating that would be considered a part of the proprietary funds whereas streets, parks, and general operations are not.

Administrative Services Director explained that the \$70,000 listed in the audit for the golf course is the amount agreed upon between the City and Golf Fun, Inc. Councilor Bradbury reiterated that the City Code states that the water being used at the golf course is to be paid at the current rate to the water utility and has not been paid. He asked if the estimated \$1.3 to 1.7 million that is owed to the water utility was included in the FY'20 audit. Mr. Marsh stated that the amount in question was not included in the audit per the agreement between the city and the golf course.

Audit Committee Chairman Tatko stated the Audit Committee was formed in 2011 to review auditing functions and offer suggestions to bring value from an independent business standpoint. The purpose of its creation was to increase transparency and integrity to the city's audit process. The committee is comprised of two councilmembers (Councilor Miller and Mayor Pro Tem Schroeder) and three local citizens (Mike Tatko, Mel Frei, Dan Rudolph Jr.). The committee meets three to four times a year with Administrative Services Director Marsh, various city staff and the auditors. The Audit Committee found that the CAFR that was provided by Presnell Gage was thorough and reiterated that it was an unmodified "clean" report. He noted that because of the good results of the current audit, the Government Finance Officer's Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lewiston for the 30<sup>th</sup> consecutive year. This certificate of achievement is a prestigious national award recognizing conformance with the highest standards for preparation of local government financial reports. He congratulated the City of Lewiston for the award and stated on behalf of

the Audit Committee, they recommend the approval of the CAFR to the City Council.

**IV. COUNCILOR COMMENTS**

There were no comments.

**V. ADJOURNMENT**

There being no further business to come before the Lewiston City Council, Councilor Kelly moved and Mayor Pro Tem Schroeder seconded adjournment of the February 22, 2021, Special Work Session at 5:01 p.m.