

**Yukon Municipal Authority Minutes
January 20, 2015**

ROLL CALL: (Present) Ken Smith, Chairman
John Alberts, Trustee
Michael McEachern, Vice Chairman
Richard Russell, Trustee
Donna Yanda, Trustee

(Recess as Yukon City Council and Reconvene as Yukon Municipal Authority)

1A. YMA Consent Docket

This item is placed on the agenda so the Yukon Municipal Authority, by unanimous consent, can designate those routine items they wish to be approved by one motion. If an item does not meet with the approval of all Authority Members, that item will be heard in regular order.

The City Manager recommends a motion to approve:

- A) The minutes of the regular meeting of January 6, 2015**
- B) Payment of material claims in the amount of \$324,306.36**

The motion to approve the YMA Consent Docket, consisting of the approval of the minutes of the regular meeting of January 6, 2015; and payment of material claims in the amount of \$324,306.36, was made by Trustee McEachern and seconded by Trustee Russell.

The vote:

AYES: McEachern, Alberts, Yanda, Russell, Smith

NAYS: None

VOTE: 5-0

MOTION CARRIED

2A. Present, Discuss, and Consider accepting the Fiscal Year 2013-2014 Yukon Municipal Authority/City of Yukon Audited Financial Report, as prepared by Derrel S. White, CPA

Mr. White wanted to make some general observations and answer questions about the audit. They did issue an unmodified opinion with no findings. The audit tries to get a good evaluation of the system and what the changes are from year to year. He likes the direction of our system. We always get tremendous cooperation from the staff. All levels understand expectations and goals. It gets better each year. We do find opportunity for improvements and when we return the next year, they have been addressed and positive improvements have been made. Mr. White has a high opinion of the overall system and direction it is going. This is the first full year Mr. Johnson has been in his position. His expanded role has been good. The budgetary process is working well. There is very little difference between the monthly information presented to Council and the final audit report. Good information is presented throughout the year. Mr. White appreciates the opportunity to speak.

The motion to accept the Fiscal Year 2013-2014 Yukon Municipal Authority/City of Yukon Audited Financial Report, as prepared by Derrel S. White, CPA, was made by Trustee Russell and seconded by Trustee Yanda.

Council Member Alberts asked for clarification of direction. Mr. White stated the City Government has to be accountable and transparent. Controls and processes from the past would have been inadequate today. Process of billing and reconciliation

has lots of places to break down. We are seeing fewer errors going outside of automated system. Mistakes have been identified and corrected.

Council Member Alberts questioned retirement and pensions. Mr. White stated improvements every year. Market has been good. As well as it's been a goal of Mr. Bottom to get it fully funded by additional contributions. Council Member Alberts wanted to know the current levels of funding. Mr. White stated page 36 of report states unfunded liability is \$7.6 million, that's a funded ratio of 70%. That percentage has gone up significantly each year. The Actuarial Accrued Liability is generally overstated. If you look on page 39, you can see the other pension obligations. The General Employee's retirement is almost fully funded. Page 36 is current employees. Mayor Smith stated, safe to say few communities can show same numbers for percentage of funding. Mr. White stated main thing is that funding levels have increased. Council Member Alberts questioned how long. Mr. White stated if trends on earning continue, four to five years to get to 100% on all plans. Police and Fire are outside of our control. Others are within one to two years. Council Member Alberts clarified we contribute to Police and Fire per statute. Mr. White stated yes.

Council Member Alberts asked about opportunities for improvements. Mr. White stated integration of departments have improved. A weak link may be Grant Administration, it is departmentalized. The largest grant we have is storm shelters. It has been done well. We now have lots of grant opportunities and suggest a central oversight. Council Member Alberts questioned if the TIF has had any effect. Mr. White stated it is early, but so far it's been positive. Administratively it has worked well. Sometimes, it has been problematic for other cities.

Council Member McEachern asked if TIF was well administered. Mr. White stated yes. The system adaptability has been good so far. Council Member McEachern stated there is a lot at stake. Do you feel controls are in place? Mr. White stated yes, strong tone and effective oversight at top helps. Council Member McEachern questioned if structure of Yukon Economic Development Authority is good. Mr. White stated yes.

Mayor Smith asked about oversight of grant administration. Mr. Bottom stated it would probably be contractual basis not a full time employee. Council Member McEachern asked if problem was after grant is received. Mr. White stated yes. He stated the shelter grant is not easy to administer, but it was done well here. The big risk is unallowable expenditures. We did not find this, but we do believe there needs to be central oversight.

The vote:

AYES: Russell, McEachern, Smith, Yanda, Alberts

NAYS: None

VOTE: 5-0

MOTION CARRIED

(Adjourn as YMA and Reconvene as Yukon City Council)