

Yukon Municipal Authority Minutes

January 15, 2013

ROLL CALL: (Present) John Alberts, Chairman
 Ken Smith, Vice-Chairman
 Michael McEachern, Trustee
 Rick Opitz, Trustee
 Nick Grba, 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 02, 2013

The motion to approve the YMA Consent Docket, consisting of the approval of the minutes of the regular meeting of January 02, 2013, was made by Trustee Opitz and seconded by Trustee McEachern.

The vote:

AYES: Grba, Alberts, McEachern, Smith, Opitz

NAYS: None

VOTE: 5-0

MOTION CARRIED

2A. Present, Discuss, and Consider accepting the Fiscal Year 2011-2012 Yukon Municipal Authority Audited Financial Report, as prepared by Derrel S. White, CPA

The motion to accept the Fiscal Year 2011-2012 Yukon Municipal Authority Audited Financial Report, as prepared by Derrel S. White, CPA, was made by Trustee Smith and seconded by Trustee McEachern.

Mayor Alberts invited Derrel White to comment. Mr. White stated the audit went extremely well with good cooperation from staff. He received all items he asked for. Mr. White stated during an audit they try to answer two questions: 1. Is the system in place adequate and 2. Is it better than the prior year? The pieces are in place to have a good system. This audit was much more thorough and comprehensive than previous audits. The goal is to present new information in light of prior audits. Mr. White stated all proposed Adjusting Journal Entries were accepted and the basic procedures were very strong. The only difficulties encountered were on the General Ledger. Some assets were not being recorded, but brought in at the end of the year.

Mr. White gave further highlights from the audit, beginning with page 3. The Financial Summary had a total Net Increase. Page 6, showed last year's bulk of the deficit was bringing in the unfunded liabilities. Revenues were up and expenditures were staying stable. This trend is good. Page 28, compares where the City is at and where it is going. Infrastructure is aging and expenses are accelerating. Must compare Fixed Assets to Accumulated Depreciation, if 50% or less, it is good. We are right on target. We also look at Depreciating Assets and how fast we are adding Assets. This is a good indication that prior Council's haven't minded Assets. Mr. White is required to submit communication to Council how the audit went and will have disclosure (page 35) on Retirement Funding. It is important and has already been recognized.

There are a couple areas of improvement. First, the Budgetary System. It is a rather good process of formulating and tracking budget. This year is much better than last year. He is confident next year will be a system to be proud of. Second, is how we recognize debt. Mr. White also made an assessment on recognizing Acquisition and Disposal of Fixed Assets. It was hard for him to list as a finding, because of the significant improvements that had been made from previous year. He also noted two departments with expenditures in excess of appropriation. But, this is not listed as a finding. The City has very competent people on staff.

Council Member Opitz asked about the Employee Retirement fund being at 65%. What does Mr. White think it should be? Mr. White stated 100% is the best, but may not be realistic. Yukon will be gaining gradually with contributions, eligibility and so forth. He would feel more comfortable at 70%. Council Member Opitz asked, if what he saw was transparent? Mr. White stated exceptionally transparent. No hesitation from anyone in any department.

Council Member Smith questioned, how long to reach 70%. Mr. White said it is hard to say. Next 10 years should be between 70-75%. It is actuarially calculated. The stock market could influence and Oklahoma Municipal Retirement Fund is a multi-employer plan.

Council Member Grba and Council Member McEachern had nothing at this time.

Mayor Alberts wanted to know what is unqualified Opinion? Mr. White stated there is no qualifications or exceptions to opinion.

Russ Meacham wanted to thank Derrel White for his last minute availability.
Grayson Bottom thanked Russ Meacham and Derrel White.

The vote:

AYES: Smith, McEachern, Alberts, Opitz, Grba

NAYS: None

VOTE: 5-0

MOTION CARRIED

(Adjourn as YMA and Reconvene as Yukon City Council)