

# The INDEPENDENT

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"Voice of the Upper Nehalem River Valley"

February 15, 2007

## Helping hands



Vernonia Girl Scouts, Neighborhood 4-2, happily display the fleece blankets they made to donate to Emanuel Children's Hospital, Vernonia Ambulance Association and Vernonia Police department.

## Overall audit is ok, but shortages found in City's reserve funds

The results of the city's budget audit and the supplemental budget, presented by city administrator Dick Kline, occupied most of the evening at the February 5 Vernonia City Council meeting.

As Kline had reported at an earlier meeting, the city budget had a negative balance (\$384,174) in the Community Development Fund. The audit also found that reserve funds required to service bonds and loans were not present in two instances.

A Water Fund bond from 2000 with a payment schedule through 2041, does not have a required \$83,965 reserve. A

Sewer Fund loan received in June 2005, does not have a required reserve of \$51,698. Three other reserve accounts, totaling \$355,306, were in place as required.

The audit also noted that the city does not maintain adequate historical cost records for capital assets and that a Management's Discussion and Analysis, required by generally accepted accounting standards as supplemental information, was not provided to the auditors.

Overall, the audit report found "no matters involving the internal control over financial reporting and its operating that we consider to be material weaknesses."

On the issue of the lacking reserve funds and the negative fund balance in Community Development, Kline said he is "Confident and optimistic about

the future of this community. We are not broke, but we are wounded." He then explained to council a supplemental budget that brings the reserves up to where they need to be, and begins to offset the negative balance fund.

Kline also discussed proposed changes to budget line items that he hopes will help make the budget process more transparent regarding where funds come from and where they are spent. At the end of Kline's presentation, the council by consensus, told Kline to continue in the direction he's headed on the supplemental and regular budgets.

Kline discussed an Observation Report of Vernonia Lake provided by Clifton E. Deal Engineering that cost the city \$400. This is the first step for any future projects to fix seepage problems at the Lake. The

report provided cost estimates and potential solutions. No action was taken; Council and committees will review the report before deciding on any future actions.

In other business, council:  
• heard Mayor Sally Harrison appoint Casey Mitchell and Noni Andersen to fill open positions on the Parks Committee and reappoint Nancy Dailey and Dan Murphy to four more years on the Planning Commission.

• approved city water service to 60265 Stoney Pt. Rd. Houses on both sides of this address are already hooked up to city water.

• heard that 75 guests attended the Mayor's Ball. The Ball paid for expenses with \$2,700 left over. \$2,000 was donated to local charities, with \$1,000 going to the Learning Center, \$500 to Hands on Art

and \$500 to the skateboard park project. The remaining \$700 will be kept in reserve.

• came out of an executive session and unanimously approved a salary schedule for the police department's new sergeant position.

The next regularly scheduled council meeting will be on Tuesday, February 20 (not the 19th due to President's Day), at 7:00 p.m. at Vernonia City Hall.

### Blood drive slated for Vernonia High School

There will be a blood drive at Vernonia High School on Tuesday, February 27, from 11:00 a.m. to 5:00 p.m.

Drop in donors are welcome. If you need to schedule a specific time, contact VHS Activities Director James Brookins at 429-3521, Tuesday or Thursday afternoon.

How are local budgets put together?  
See Budgets 101  
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