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**CENTERVILLE INTERNAL AUDIT COMMITTEE
MINUTES OF MEETING
Wednesday, February 10, 2021**

Held electronically via Zoom due to Infectious Disease COVID-19, the meeting of the Centerville City Internal Audit Committee was called to order at 5:30 p.m.

MEMBERS PRESENT

Marcus Arbuckle, Keddington & Christensen
Brant Hanson, City Manager
William Ince, Councilmember
Jacob Smith, Finance Director/Administrative Services Director
Clark Wilkinson, Mayor

STAFF

Jolene Jackson, City Treasurer
Lisa Romney, City Attorney
Cameron Woodbury, Public Works Department
Dave Walker, Public Works Department

DETERMINATION Mayor Wilkinson read a determination regarding electronic meetings without an anchor location due to COVID-19

DRAINAGE UTILITY BILLING

City Treasurer Jolene Jackson provided an update on an audit of commercial drainage utility fees, and explained why abnormalities occurred in drainage utility billing for specific properties. Ms. Jackson suggested utility fees should be billed separately for each parcel in situations where a property owner owned multiple commercial properties in Centerville. She said Staff had yet to determine correct fees for seven or eight commercial properties. Regarding collection of past fees that were incorrectly billed, City Manager Brant Hanson said he would recommend the City Council pursue collecting the maximum amount allowed by law.

Ms. Jackson reported abnormalities found in a review of residential subdrain billing, and explained communication that would need to take place at the building permit stage to prevent abnormalities going forward. Mr. Hanson said Staff would put together a line of communication to ensure correct information was shared with necessary departments. City Attorney Lisa Romney suggested reference to the subdrain system map should be removed from the Fee Schedule and replaced with "see City website" or "as maintained by the Public Works Department" to ensure use of current information. The subdrain system map was last updated in 2013.

The Committee discussed sending a letter to impacted businesses notifying them of the discrepancy and the rates that would be collected moving forward. Mr. Hanson suggested the letter inform businesses that the City would notify them in the future of the amount of back fees that would be collected. Cameron Woodbury with the Public Works Department pointed out Staff knew there were more businesses impacted than had been identified. Ms. Jackson agreed Staff had not yet identified all abnormalities, but suggested the corrections they were aware of should be made as soon as possible. She stated each individual account needed to be reviewed, and suggested the City hire an individual to conduct a review. Ms. Romney said she agreed with the suggestion to hire an individual to review each account. Ms. Romney spoke of the need to keep the storm drain map up-to-date, and listed three tasks that needed to be done: (1) review existing code; (2) identify what property owners should be paying; and (3) figure out what would be fair long-term.

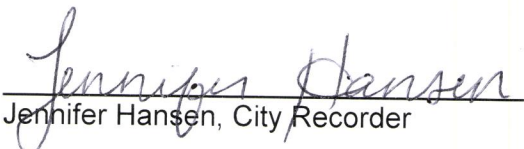
Mr. Hanson suggested he meet with Jacob Smith, Mike Carlson, Dave Walker, Jolene Jackson, and Cameron Woodbury to put together a recommendation to bring to the Internal Audit Committee regarding how to proceed with the current information. Ms. Jackson said she wanted to include adjusted fees on the February 25 utility bill. Mr. Hanson said he hoped communication with property owners would happen before the end of the week.

Mr. Hanson **moved** to recommend the City recover the maximum legal amount for all accounts listed by Staff. Mayor Wilkinson seconded the motion, which passed by unanimous vote (5-0). Councilmember Ince expressed concern regarding how individuals would react. Mr. Hanson expressed the opinion that the City should be open and flexible in working with the businesses, with a recommended 12-month payoff period, and the possibility of up to a four-year payoff period if needed. Councilmember Ince suggested offering a discount (maybe 25%) for those willing to pay the full amount right away. Mayor Wilkinson said he would support a discount for full up-front payments. The Committee discussed presenting the recommendation to the Council at the February 16, 2021 Council meeting.

Mr. Hanson expressed support for hiring an intern to conduct a review of each drainage account. Mr. Woodbury stated there were more discrepancies in the commercial subdrain accounts than in the commercial drainage utility accounts. Councilmember Ince suggested a minimal amount of interest (1-2%) on accounts that opt to pay off the balance over four years.

ADJOURN

Councilmember Ince **moved** to adjourn at 6:30 p.m. Mr. Hanson seconded the motion, which passed by unanimous vote (5-0).


Jennifer Hansen, City Recorder

12-23-2021
Date Approved


Katie Rust, Recording Secretary

