

**CENTERVILLE INTERNAL AUDIT COMMITTEE
MINUTES OF MEETING
Thursday, January 28 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 5:00 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
Cameron Woodbury, 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 updated the Internal Audit Committee regarding an audit of commercial drainage utility fees, and explained that drainage utility fees had not been charged going back several years on a number of commercial accounts, with a total uncharged amount/loss of \$189,784.60. Brant Hanson, City Manager, explained that steps would be taken to ensure the error did not occur going forward. He stated the most the City could legally recover was the loss from the last four years (approximately \$84,000), and said the Internal Audit Committee needed to decide whether to recommend to the City Council recovery of the FY21 loss (last six months), the last 12-month loss, or the full four-year loss allowed by law.

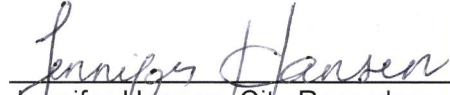
Mayor Wilkinson commented that the unbilled amounts for a few of the commercial businesses were quite high. He expressed concern for the businesses, and asked if a maximum could be set (perhaps \$10,000). Mr. Hanson responded a maximum could be set, but encouraged recovering as much as possible.

Mr. Hanson said he wanted to notify property owners: (1) that an error was made and they had not been charged drainage utility fees; (2) the total amount that had not been paid; and (3) the amount the City wanted to recoup. He said it would be possible to set up a 12-month payment plan on the billing system. Councilmember Ince expressed concern that individuals who paid the full amount owed by their account may feel they were treated unfairly if they found out some of the accounts paid a set maximum. Mr. Hanson advised against setting a maximum. Marcus Arbuckle and Jacob Smith advised recovering the full four-year amount.

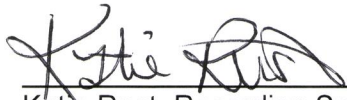
Cameron Woodbury with the Public Works Department pointed out that accounts not charged a drainage utility fee had also probably not been charged a subdrain fee. Mr. Hanson expressed the opinion that property owners should be notified right away, and suggested Staff draft a communication. Cameron Woodbury was directed to review subdrain accounts so that uncharged subdrain fees could be recovered at the same time as drainage utility fees.

ADJOURN

The Internal Audit Committee was scheduled to meet next on February 10, 2021. Councilmember Ince **moved** to adjourn. 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

