

SPECIAL MEETING
Port of Toledo Board of Commissioners
496 NE Hwy 20, Unit #1, Toledo, OR 97391
June 28, 2018 – Thursday, 12:00 pm

1) **Call to Order:** The special meeting of the Port of Toledo Board of Commissioners was called to order at 12:05 pm by Commission President Rick Graff.

2) **In Attendance:** Commissioners Rick Graff, Zack Dahl, Mike Kriz and Penny Ryerson. Commissioner Chuck Gerttula was excused. Port Staff: Manager Bud Shoemake, Assistant Port Manager Debbie Scacco, Accounting Specialists Cuttaliya Robinson and Polly Chavarria.

3) **Introduction of Visitors/Visitor Comments:** Signe Grimstad was in attendance.

4) **Presentation of Fiscal Year 16/17 Audit by Signe Grimstad:** Signe Grimstad stated the audit had just been completed and reviewed the audit with the following comments:

- She has been working with Debbie Scacco to clarify the remaining questions. Scacco was able to identify the General Fund budget overage was due to the unanticipated income and expenses resulting from the Industrial Park fire and the insurance proceeds.
- The audit was more complicated this year due to completion of the multi-year Boatyard Expansion project which required booking all of the new assets.
- There were unauthorized interfund loans to the grant funds which were not unexpected. If a grant fund needs to be subsidized it should be done by resolution by the Commission before making the transfer.
- She is happy that the Port is hiring additional experienced accounting staff by hiring Polly Chavarria.
- Plan to get next year's audit completed prior to December. She said the Secretary of State is being more restrictive regarding extensions, but she will need to receive information from the Port much earlier than in previous years.
- It is a clean opinion. She is happy that the Port is volunteering procures to get information to her earlier and setting up better procedures. Scacco responded that staff will get information for the audit to her prior to the Wooden Boat Show.
- The Port is heavy in Assets – recommended building cash reserves. Commissioner Dahl asked what amount should be targeted; Grimstad will look at other ports and get back with us.
- Asked to consider raising the capital asset threshold.
- Recommended using the Local Government Investment Pool for investments.

A letter to the Commissioners is submitted with the audit, which advises of a significant deficiency with the Port's accounting practices. The letter states that two general ledgers representing two and four funds is resulting with unauthorized interfund loans, and advises that each fund should have its own chart of accounts. Grimstad advised that it is the Port's responsibility to respond to the state regarding corrective actions and to pass a resolution adopting the corrective actions.

Polly Chavarria disclosed that there were issues with her previous employment and she is currently being investigated by the Secretary of State. There were no concerns expressed by the Commissioners.

5) **Discussion Items:** None.

6) **Decision Items:** It was moved and seconded (Kriz/Dahl) to accept the Fiscal Year 16/17 audit. Motion passed 4/0.

7) **Commissioners Comments:** Commissioner Ryerson thanked Signe for presenting the audit and answering everyone's questions.

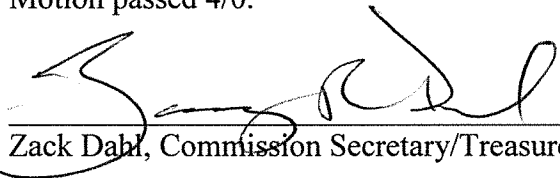
Commissioner Kriz appreciated Grimstad's and the Port staff's efforts to complete the audit.

Commissioner Dahl said he think everyone is doing a great job, and is glad for the addition of experienced accounting staff.

Manager Shoemake reported that it is staff's goal to provide Grimstad's with audit information prior to the Wooden Boat Show. Staff will be meeting with the Port of Newport to observe how they are separating funds while using Quickbooks.

Signe Grimstad reported that she will make the final revisions to the audit and file with the Secretary of State today.

8) **Adjournment:** It was moved and seconded (Ryerson/Dahl) to adjourn the meeting at 12:50 p.m. Motion passed 4/0.



Zack Dahl, Commission Secretary/Treasurer