



City of Kendrick

808 Railroad Street · P.O. Box 195 · Kendrick, Idaho 83537
(208) 289-5157 · FAX (208) 289-5158
cityhall@cityofkendrick.com

MINUTES

SPECIAL MEETING OF THE KENDRICK CITY COUNCIL

**MEETING WAS HELD AT THE FIRE HALL
600 E MAIN STREET
MONDAY, AUGUST 26, 2024 at 5:30 PM**

The meeting was held at the Fire Hall. The pledge was said, and the Special meeting was called to order at 6:00 p.m.

Councilmembers Present: Susan Alexander; Ray Seegmiller; and Jessica Wegner

Staff Present: Judy Wilson; Clerk/Treasurer

Absent/Excused: Angie Coulson

Others Present: Jordan Zwygart and Tim Kester

CONSENT AGENDA

- A. Consideration and Approval of Report of Audited Basic Financial Statement and Supplemental Information for the year ended September 30, 2021. Presenter Jordan Zwygart

Jordan Zwygart did an overview of the Audit of 2021 with the Council and Mayor. The Audited Basic Financial Statements were prepared by Zwygart and Associates, for the year ending September 30, 2021. Jordan Zwygart went through and stated these financial statements are materially correct. Councilman Seegmiller asked the question “is this report a statistical sampling of the accounting software or a more comprehensive report?” Zwygart replied: “A little bit of both the bank statements are 100%, testing a statistical sampling and revenues from the state, we pull from the state and taxes from the county.” Page 9 shows the year ending 2021 ending with a balance sheet of \$418,000 in the bank. Page 11 income statement totals \$288,000 in revenues. Total expenditures \$216,000 reserve increased by \$72,000. Overall, in the funds there are more assets than liabilities. Cash went up \$38,000 in water. Biggest driver of income is the RV. He then went over the bonds and that we have three bonds Two are sewer and one water. Page 22 summary is that most of the city money is kept in Wells Fargo, two LGIP accounts totaling \$116,000 and a Latah Credit Union account for the Pool. The city has two sewer bonds and one water bond. Page 33 budget versus what actually happened: \$423,000 budgeted to bring in and \$288,000 was what was brought in, most of it was grant monies. Grant budget \$222,000 only \$56,000 came in. Expenditure side budgeted \$448,000 and 216,000 came in. \$232,000 less. Grant money didn’t come in, so you didn’t spend it.

Page 10 internal controls- three findings.

1) Segregation of duties-One person with a small town. Recommendations are to have controls in place with more than one person looking at them and signing. He knows changes have been made and these will show up in the future audits. 2023 & 2024.



2) Bank reconciliations were not done and there are almost always errors and Judy Wilson is working on that being done. 3) Audits have not been done timely and Idaho code states that they should be done within nine months after year end. That was a high overview of the audit. Councilwoman Alexander asked that overall, the city is good? Zwygart answer: The Cash

balances were there and from a control point of view in 2021, we did have to help a lot with getting transactions entered in as they were not inputted. Bank reconciliation, debt payments were not inputted. Things were not entered timely and the reports throughout the year 2021 were not showing accurately to the council at the time. From a casual point of view there was a positive cash flow in all the funds and sustainability. From the control point of view there was a concern with accounting procedures and internal controls that were not being followed.

A Motion was asked to approve the Report of Audited Basic Financial Statement and Supplemental Information for the year ending September 30, 2021 made by Councilmember Wegner and seconded by Councilmember Alexander. All in favor.

New Business:

- A. Decision to transfer \$63,095.24 from Wells Fargo Account ending in 7978 to Wells Fargo Account ending in 0330 Operating Account and Close Account Ending in 7978 to Consolidate Duplicate Accounts (Action Item)

Mayor Norris asked if Jordan Zwygart could stay for Agenda A: Decision to transfer \$63,095.24 from the Wells Fargo account ending in 7978 and his recommendation.

Clerk Judy Wilson explained that the account for the RV 7978 was created expressly for a restricted account for the contract for USDA to guarantee payment to USDA.

Jordan Zwygart recommended we keep \$54,000 for our bond requirement (transfer it to the LGIP account) and the remaining balance could be moved to allow for consolidating accounts at Wells Fargo. Jordan Zwygart explained that we needed to keep a payment for the loan. It is a reserve account, and with the RV dump monies that were being deposited into it we could remove the overage and transfer it and then close out the account and calculate the difference. Suggested we should transfer these funds out and move to the LGIP account for a better interest rate of over 5%. The software will segregate it by line item out and keep it separate in answer to Councilmember Alexander's question on how we would label it to know the amount available for use.

Jordan Zwygart explained that we needed to keep a payment for the loan. It is a reserve account, and the RV dump monies were being deposited into it as well. Close out the account and calculate the difference and transfer it out to the LGIP account for a better interest rate. The software will segregate it out and keep it separate.



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Motion to approve by Councilmember Seegmiller and seconded by Councilmember Wegner to calculate out what can be moved out and at the next meeting the amount will be available for the council to consider. All were in favor.

No Public Comments

ADJOURN

MOTION to adjourn Councilmember Wegner at 6:06 pm and seconded by Councilmember Alexander. All were in favor.

EXECUTIVE SESSION (IN ACCORDANCE WITH IDAHO CODE 74-206(1))

(B) To consider the evaluation, dismissal, or discipline of, or to hear complaints, charges, brought against a public officer, employee, or staff member or individual agent, or public student: (Action Item)

MOTION to enter Executive Session at 6:07 pm.

ROLL CALL VOTE:

VOTING AYE: ALEXANDER; SEEGBILLER, WEGNER

VOTING NAY: NONE

MOTION CARRIED

APPROVED AS WRITTEN this _____ day of September 2024.

Honorable Mayor, Rose Norris

Councilmember Susan Alexander

Councilmember Angie Coulson

Councilmember Ray Seegmiller

Councilmember Jessica Wegner

ATTEST:

City Clerk/Treasurer Judith "Judy" Wilson