



AUDIT COMMITTEE

AGENDA

Monday, October 14, 2024

This meeting includes in-person and virtual participation.

Council Chambers

333 Broadalbin Street SW

Or join the meeting here:

<https://albanyoregon.gov/council/groups/aud/zoom>

Please help us get Albany's work done.

Be respectful and refer to the rules of conduct posted by the main door to the Chambers and on the website.

1. Call to order
2. Roll call
3. Approval of February 24, 2022, minutes. [Pages 2-5]
4. Scheduled business
 - a. Presentation of the FY 2022-2023 auditor's report [verbal] – (Auditors/Yeager)
 - b. Transient Lodging Tax audit [handout at meeting] – (Yeager)
5. Business from the members
6. Adjournment

This meeting is accessible to the public via video connection. The location for in-person attendance is accessible to people with disabilities. If you have a disability that requires accommodation, please notify city staff at least 48 hours in advance of the meeting at: JEANNA.YEAGER@ALBANYOREGON.GOV or call 541-917-7521

Testimony provided at the meeting is part of the public record. Meetings are recorded, capturing both in-person and virtual participation, and are posted on the City website.



AUDIT COMMITTEE

MINUTES

February 24, 2022

3:00 p.m.

Remote

Approved: **DRAFT**

Call to Order

Chair Bessie Johnson called the meeting to order at 3:00 p.m.

Roll Call

Committee Members present: Jessi Brenneman, Marilyn Smith, Alex Johnson II, and Bessie Johnson

Committee Members absent: None

Others present: Peter Troedsson, Jeanna Yeager, J.C. Rowley, Brett Tieszen, Brad Bingenheimer, and Gabriel Shepherd.

Election of Chair and Vice-Chair

3:02 p.m.

Nomination: Member Marilyn Smith nominated Member Bessie Johnson for the position of Chair. There being no other nominations, Johnson was elected to the position of Chair 4-0.

Nomination: Member Alex Johnson II nominated Smith for the position of Vice-Chair. There being no other nominations, Smith was elected to the position of Vice-Chair 4-0.

Approval of February 24, 2021, Minutes

3:04 p.m.

Motion: Smith moved to approve the February 24, 2021, minutes as presented. Johnson II seconded the motion, which passed 4-0.

Presentation of the FY 2020-2021 Auditor's Report

3:05 p.m.

Brad Bingenheimer from SingerLewak presented the information in the FY 2020-2021 Auditor's Report (verbal).

Responding to a question from Johnson II, Finance Director Jeanna Yeager noted that the money from the city's recent settlement concerning wastewater treatment plant technology would be included in the current fiscal year, not the fiscal year covered by the audit.

Bingenheimer spoke to questions from Johnson and Johnson II concerning the city's PERS liability.

Yeager noted that the city's issues with transfers in not matching transfers out will be corrected with a supplemental budget before the end of the biennium. She explained how the transfers issue related to accounting for ARPA funding.

Transient Room Tax Audit

3:26 p.m.

Yeager shared a staff memo* and presented the Transient Room Tax Audit. Yeager gave the following answers to questions from the committee:

- Although Best Western did not have their certificate posted, they were collecting TLTs
- The city is not currently collecting TLTs from AirBnB or Vrbo. Their attorneys have told the city attorney said that they are not obligated to pay TLT under the current code. Yeager said the city is currently considering whether to have the state collect its TLT before changing the code for organizations like AirBnB and Vrbo.
- Yeager shared the Transient Lodging Tax Return Form* and said she was unsure why hotels were having issues correctly tracking their TLT.

Business from the Committee

2:36 p.m.

None.

Adjournment

Hearing no further business, Chair Bessie Johnson adjourned the meeting at 3:41 p.m.

Respectfully submitted,

Reviewed by,

Gabriel Shepherd
Recorder

Jeanna Yeager
Finance Director

**Documents discussed at the meeting that are not in the agenda packet are archived in the record. The documents are available by emailing cityclerk@cityofalbany.net.*



MEMO

TO: Audit Committee

VIA: Peter Troedsson, City Manager

FROM: Jeanna Yeager, Finance Director

DATE: February 22, 2022, for the February 24, 2022, Audit Committee Meeting

SUBJECT: 2021 Transient Room Tax Audit

The following four hotels were scheduled for audit with the indicated findings:

<u>Hotel</u>	<u>Certificate</u>	<u>(Under)/Over Payment</u>
Super 8	Posted	\$5,890
Comfort Suites	Posted	\$(2,200)
Holiday Inn	Posted	\$2,120
Best Western	Unposted	\$0

Overall, there seemed to be some confusion regarding what amounts to include on the remittance form. The first line should include total gross rent, including city, county, and state taxes collected. Comfort Suites did not include the non-taxable rents in this number, in effect deducting this amount twice.

Comfort Suites, Holiday Inn and Super 8 failed to deduct Oregon State taxes collected, resulting in account credits. Comfort Suites also failed to deduct online travel company (OTC) payments where the tax was collected by and remitted to the city by the OTC. The combined credits for Comfort Suites were offset by the other issue listed about.

Best Western didn't have the certificate posted and were unable to find it, so a new one was sent to them.

This is the 15th year we have conducted room tax audits. Hotels that have not changed ownership have been audited five or six times.

Discussion regarding the State of Oregon collecting transient lodging taxes on our behalf continues. At this point, city staff is waiting for more data to come from the program to help us better assess the viability of having the State collect for us.

Please contact me with any questions.

JLY





CITY OF ALBANY TRANSIENT LODGING TAX RETURN

Name:	Account Number:	
C/O:	Tax Month:	Year:
Address:	Date Due:	
City/State/Zip Code:	Number of Rooms:	

1. Total gross rent (including city, county and state taxes collected):	\$		
Allowable Deductions:			
a. Oregon State tax collected	\$ ()
b. Rent paid by month (guests paying for room for more than 30 consecutive days)	\$ ()
c. Rent paid by federal employee	\$ ()
d. Rent for temporary emergency housing (paid by Red Cross or other relief organization)	\$ ()
e. Rent less than \$2 per day	\$ ()
f. Rent payments made through an online travel company (OTC) <small>(tax is to be collected and remitted by OTC)</small>	\$ ()
2. Total allowable deductions (total of a. through f.)	\$ ()
3. Adjusted gross rent	\$		
4. Taxable rents (line 3 divided by 1.12; 9% for City of Albany; 3% for Linn County)	\$		
5. Transient room tax collected (line 3 minus line 4)	\$		
6. Add any excess tax collected	\$		
7. Total tax collected (line 5 plus line 6)	\$		
8. Show tax collected (City of Albany 75% of line 7; Linn County 25% of line 7)	\$		\$
9. Operator's compensation (5% of line 8)	\$		\$
10. This month's tax (line 8 minus line 9)	\$		\$
11. Penalty (Delinquent payments will be charged a penalty in accordance with AMC 3.14.120 & LCC 770.600)	\$		\$
12. Interest (Delinquent payments will be charged interest in accordance with AMC 3.14.120 & LCC 770.610)	\$		\$
13. Adjustments for prior shortage or overpayment	\$		\$
14. Total tax, penalty, and interest (sum of lines 10, 11, and 12, plus or minus line 13)	\$		\$
15. Total city and county transient lodging tax payment	\$		

Change of ownership: If a business is disposed of or suspended, this form must be filed, tax must be paid, and the Finance Department must be notified immediately.

Delinquency: Taxes are considered delinquent on the last day of the month in which they are due.

I declare, under penalty of making a false statement, that to the best of my knowledge and belief, the statements herein are correct and true.

Signature	Date
Printed name	Title

Remit to: City of Albany Finance Department PO Box 490 Albany, OR 97321	For questions: Denise Valentino Accounting Specialist denise.valentino@cityofalbany.net 541-917-7533
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