

MEMORANDUM

TO: Members – F&A Committee
FROM: Michael G. Herring, ICMA-CM – City Administrator
DATE: August 28, 2012
SUBJECT: Minutes – 8/27/12

The Finance and Administration Committee met on Monday, August 27, 2012. Those in attendance included: Chairperson Matt Segal, Ward I; Council Committee Member Elliot Grissom, Ward II; Council Committee Member Mike Casey, Ward III; Council Committee Member Bob Nation, Ward IV; Mayor Bruce Geiger; City Administrator Mike Herring; and Finance Director Brian Whittle. Those also in attendance included Councilmember Derek Grier, Ward II; and Mike Williams, Partner at Hochschild, Bloom, & Company.

Chairperson Matt Segal called the meeting to order at 5:30 p.m.

1. Approval of Minutes—June 25 2012

Councilmember Grissom motioned to approve the minutes from the June 25, 2012 meeting of this Committee. Councilmember Nation seconded the motion. A voice vote was taken, with a 4-0 result, and the motion was approved.

Councilmember Casey made a motion to move agenda item number four to agenda item number two. Councilmember Grissom seconded the motion. A voice vote was taken, with a 4-0 result, and the motion was approved.

2. Review/acceptance of FY2011 Audit/CAFR

Mike Williams, partner at Hochschild Bloom & Company, discussed the 2011 financial statements and related reports. He pointed out that the City received a Certificate of Achievement in Financial Reporting. He said this certificate showed the City went above and beyond what was required of a financial report and that only a small percentage of Cities qualify for that certificate. He next noted that the City received an unqualified opinion on the financial statements. This is the highest opinion that can be given for financial statements. Next Mr. Williams discussed the report on internal control. The report states that no deficiencies in internal control over financial reporting were noted. The next report discussed by Mr. Williams was the management letter addressed to the Mayor and City Council. This report expressed appreciation to the City's personnel for cooperation and courtesy during the audit. Mr. Williams also recommended that the City update their accounting policies and place them in one common folder. Mr. Williams noted that there was a transition in the Finance Director position during the year audited.

He stated that the audit noted no problems as a result of the transition and that Mr. Whittle was prepared for the audit.

Mr. Herring thanked Mr. Williams for the presentation and report. Mr. Herring commended the auditors for their effort and thoroughness. The auditors confirmed his sense that Mr. Whittle and the Finance Department were attending to ALL the financial details of the City.

Councilmember Grissom motioned to recommend approval of the FY2011 Audit, as presented. Councilmember Nation seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

3. Selection of Vice-Chair

Councilmember Grissom nominated Councilmember Casey as Vice-Chair of the Finance and Administration Committee. Councilmember Nation seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

4. Selection of Citizen Advisory Committee Liaisons

Councilmember Nation nominated the following Committee liaisons: Councilmember Nation as a liaison to the Finance & Administration Citizens Advisory Committee; Chairperson Casey as liaison to the Human Rights Commission; Councilmember Grissom as liaison to the MIS Citizens Advisory Committee; and Chairperson as liaison to Chesterfield Arts. Councilmember Casey seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

Discussion ensued regarding the frequency with which these Citizen Committees have met, over the years. Even though it has met very rarely, if ever, the “Human Rights Commission” was established as a requirement, in order to receive Community Development Block Grant funds, to investigate allegations of housing discrimination. It needs to be maintained. Chesterfield Arts is clearly an active, viable and productive committee. Following additional discussion, Staff was directed to provide information to the Committee, regarding the MIS Citizens Advisory Committee and the F&A Citizens Advisory Committee, including the date when each last met and the subject(s) of those last meetings, if that information is still available. The members of the Committee agreed to review this information, at a future Committee meeting and to then make a recommendation regarding whether or not to eliminate these committees.

5. Recommendation for Setting FY2012 Property Tax Rate

Mr. Herring stated the City has a property tax levy to pay for the retirement of a Parks General Obligation Bond issue. Originally, a \$.13 levy was required to pay for the principal and interest rates. Due to growing assessed valuation, that rate was lowered over time to \$.03. He stated that the City’s property tax rate of \$.03/\$100 made up less

than one half of one percent of the resident's property tax bill. He reiterated that the City did not want to collect more than was needed to make the debt payment because if the City over collects, the money will have to be refunded to the citizens.

Mr. Herring said based on current projections there will be a shortfall in future years. He said no action needs to be taken in 2012 in regards to the shortfall. Mr. Herring stated he recommends that the shortfall in future years be paid out of excess fund reserves

Chairperson Segal stated that he believes the City should take any positive fund balance increase from 2012 General Fund activity and apply that to future years debt payments.

Councilmember Casey made a motion to recommend the City Council keep the \$.03/100 property tax rate and hold readings at the next two City Council meetings. Councilmember Nation seconded the motion. A voice vote was taken, with a unanimous result, and the motion was approved.

A PUBLIC HEARING will be held, prior to the start of the September 5 City Council meeting, during which Mr. Herring will publicly recommend maintaining the City's current property tax rate, of \$.03/\$100 of assessed valuation.

6. Adjournment

There being no further business to discuss, Chairperson Segal adjourned the meeting at 6:25 p.m. The Committee's next meeting has been tentatively scheduled for Monday, September 24th, at 5:30pm.