



City of Columbia, Missouri

Meeting Minutes

City Council

Monday, October 7, 2019
6:00 PM

Pre-Council

Conference Room
1A/1B
Columbia City Hall
701 E. Broadway

I. CALL TO ORDER

The meeting was called to order at approximately 6:04 pm.

Present: 7 - Ruffin, Trapp, Thomas, Peters, Treece, Skala, and Pitzer

Discussion on priorities for the coming year

Interim City Manager John Glascock stated that the topic tonight is on priorities for the coming year, specifically discussions on an audit and decreasing revenue. He added that there is an Internal Auditor position open which closes Friday and there are only two applications.

Councilperson Skala asked if the Council or staff should review the position to consider other incentives to apply. Mr. Glascock stated that could be done. Mr. Glascock suggested Council also consider hiring a firm to do annual performance audits with us. These are audits that Council could budget for annually and select departments or divisions that should be audited that year. A Request For Proposals (RFP) could be written to set guidelines for what the performance audit would entail.

Councilperson Peters thought this would be a one-time audit, but liked the concept of an ongoing schedule of areas to be audited. She felt that an Internal Auditor would be good to have, but that would be too much work for one person to accomplish. She also felt that a scope of work that could be accomplished in one year would be helpful.

Mr. Skala voiced his opposition of having an audit conducted by the State Auditor, but was not opposed to a private audit, given the difficulties of filling the Internal Auditor role. This could be done department by department or fund by fund. He also felt that a performance management team was needed and suggested an Internal Auditor implement that type of team, and that the compensation for that role be sweetened.

Councilperson Trapp felt that contracting out a firm seemed like a reasonable step, so long as it dovetails with work already being done by staff, such as the Missouri Quality Award and other continuous improvement efforts. He felt that if we can learn how to do things better and be better stewards of our resources, that seemed like a good investment and opportunity.

Councilperson Pitzer agreed and added that the Internal Auditor position is still important as they can do more day-to-day things and respond to things with more agility. An outside firm might also lose some continuity, as we may not be working with the same entity or team of people each time. Ms. Peters agreed that an Internal Auditor and external firm would be helpful as they serve two separate functions. The external audit could be done while we continue to recruit to fill the Internal Auditor position.

Mayor Treece felt that if a private performance audit is pursued, then the petition group should be consulted on the RFP and scope of work. He would like to have an entrance interview with the performance auditors to help them in the development of an audit plan. Mr. Glascock stated that he will bring back a report for Council to review prior to developing the RFP.

Mr. Glascock suggested looking first at the Land Trust and Water and Light for an audit, in addition to any other areas where there have been issues or concerns. He also suggested looking at the General Fund, since more funding is needed to provide additional financial resources to Police and Fire. Mayor Treece added that Water and Light impacts everyone and he felt that would be a good area to begin with. Mr. Skala felt that one area should be picked and done well, instead of selecting multiple areas. Mayor Treece suggested even narrowing the General Fund to target cash reserves or a specific area. Mr. Pitzer added that Council should also define what the deliverables should be - if it's to review and refine policies or something else. Councilperson Thomas suggested focusing on infrastructure and growth and if we are following policies and if those policies are the best way to operate.

There was general consensus to pursue an RFP for a private audit that will include a schedule for deliverables. Mr. Glascock will come back with a report for Council consideration. He was unsure of a cost or range at this time, but expects it will vary depending on the complexity of the scope.

Mr. Glascock stated that he would like direction from Council on revenue issues so we can plan for that accordingly. Mr. Skala stated that there is a movement toward targeted auditing to reassure public trust. There are also needs for public safety and roads. He felt that something will need to be done on a use tax and we should be prepared for that. He felt that there are a lot of sensitivities out there about tax increases, but some measures could be taken to save resources and balance that with new revenue.

Mr. Glascock stated that he would like to look at adding five new officers, but there are no revenues for that. Mr. Trapp felt that many people in the community understand revenues are declining and it's less about money management than it is declining revenue. He felt that if we need to move forward with more officers and reserves are spent, that just kicks the can down the road. He suggested Council come to a consensus this month about one of the measures that has been floated, and there seems to be support for a use tax. He added that was a very close vote on the last ballot measure for that. He noted that Council has pushed back on cuts that have been proposed in past years, so it's important to take realistic stock on where we are, and move forward immediately with passing something this year. He stated that he will help with campaigning and believes that a good effort will pass a use tax this time.

Ms. Peters added that there is no way to collect a use tax unless the state passes something. She stated that if we pass something in August, at least we are prepared and ready to go if the state passes something. Mayor Treece added that a performance audit shouldn't slow down or impair other efforts. While the legislature is addressing the use tax issue, a blue-ribbon commission could be created to look at that data and be able to better illustrate the needs for it and recommend the best way to capture it. He suggested this be a four to six month task force that could work with the Finance Department and other related committees to consider trends, etc. While that is occurring, the Council can look to a more comprehensive Wayfair bill. August seemed to be the right time for a ballot item, allowing for that review time and an understanding of how that revenue stream would be utilized. Ms. Peters suggested discussing this with Boone County to determine

if this should align with a county ballot. She stated that if we are going to put this off, then discussions on cuts may be necessary.

Mr. Pitzer stated that it would be much clearer if the state acted, but the risk is that they never act. He suggested proceeding with what we have, in terms of the next budget, because an August ballot would be too far into the budget process to plan for an unknown ballot outcome. He suggested that a more robust discussion should occur on potential cuts. Mr. Trapp added that if the state doesn't act, the City could still collect around \$2 million per year because businesses generally still pay the taxes, even though they are optional.

City Counselor Nancy Thompson added that if we have a use tax on the books, then businesses that have a physical presence in Missouri pay the taxes. The nexus you have with the state is what determines who pays. The Wayfair fix would require the company to pay the tax and without Wayfair, the consumer pays. Ms. Peters felt that more education should be done with citizens on the use tax. Mr. Thomas added that if enough communities pass a use tax, that might sway the state legislation to pass something.

Mr. Glascock stated that this topic will also be on the October 21 Work Session agenda, so this discussion can continue further.

II. ALL OTHER ITEMS THE COUNCIL MAY WISH TO DISCUSS

Mr. Skala commented that there have been a lot of public safety issues lately and questions arose on the Community Outreach Unit (COU) and their function. He felt that there were a lot of encouraging things that came from the COU Unit and other outreach efforts and he understood the need to spread that city-wide, but that there are not enough resources. He felt the COU team should be revisited for reinstatement in some of the areas that are having a lot of public safety issues.

III. ADJOURNMENT

The meeting adjourned at approximately 6:52 pm.