



City of Columbia, Missouri

Meeting Minutes

Finance Advisory and Audit Committee

Thursday, October 17, 2019

9:00 AM

Regular

Conference Room 1C

Columbia City Hall

701 E. Broadway

I. CALL TO ORDER

Attending from the Finance Department are Janet Frazier, Jim McDonald and Jessica Sapp. Also in attendance are City Manager, John Glascock, Council Member, Betsy Peters, and Pat Fowler, Chair of the Historic Preservation Commission.

Present: 5 - Kristian Bloom, Maria Oropallo, Lisa Evans, Diane Suhler and Tim Tunks

II. INTRODUCTIONS

III. APPROVAL OF AGENDA

IV. APPROVAL OF MINUTES

Mr. Tunks made a motion to approve the minutes as presented; Ms. Suhler seconded the motion and it was approved unanimously.

V. OLD BUSINESS

Review/Discuss Investment Policy and Strategy

Frazier advised FAAC that incoming Finance Director Matthew Liu will begin work on Nov 4 and he will proceed with draft.

Discussion of Bond Refinancing, Clarification of Roles and Authority of Evaluating

Suhler opened the continuing discussion of how the proceeds from the bond refinancing are handled in subsequent following the refinancing including how consumer rates and rate studies are affected.

McDonald explained that the budget interest expense in subsequent years is decreased.

Frazier added that in the General Fund (GF) a million dollar is a lot, but not so in Enterprise.

Suhler discussed the PILOT paid by Utilities (7% of gross receipts, set by ordinance) saying this refinancing money wasn't expected, and with the GF being very tight, would this be an opportunity to widen the path from Enterprise Fund to General Fund to cover some programs.

The Committee discussed whether or not this was feasible with respect to debt service coverage, bond ratings, costs of refinancing, and bond holder concerns.

Cash Budgeting Process to Ensure Liquidity, Clarification of Roles and Accountability

Finance Staff Update

New Finance Director Matthew Lue will start work on Nov 4.

Vacancies include a Senior Budget Analyst, a Budget Analyst, and a cashier.

Revenue Task Force

Oropallo reported Mayor Treece asked for the recommendation to be sent to him again, which she did.

VI. NEW BUSINESS

Performance Audit Discussion

Mr. Glascock entered the meeting at 9:17 a.m.

City Manager John Glascock addressed the Committee regarding the petition for a Performance Audit (PA). He explained that the city was having difficulty finding an internal auditor with those skills, and he recommended that Council hire an outside auditing firm. He suggested that Finance be one of the first depts to be audited, and several on the Committee agreed that at least the Budgeting side could be reviewed. Glascock also said a PA would include the Enterprise Funds.

Ms. Evans entered the meeting at 9:23 a.m.

Tunks reiterated the goal of a PA is to look for efficiencies and effectiveness.

Bloom added that no documentation has been reviewed regarding investment strategy, nor has the Committee seen a forecast of City's needs over the next 5 years, an approval review of investments, nor has the Committee seen a self review to answer the question "have we earned what we need.

Mr. Glascock said he will write the RFP and send it to the FAAC to review. The RFP will be sent to a list of local, regional and national firms.

Suhler strongly suggested that in place of lowest cost, the City should look for the best fit Pat Fowler added the CM consider getting feedback from the public.

Mr. Glascock exited the meeting at 9:35 a.m.

Review and Discuss 9 Month Interim Financial Report

McDonald reported that revenue is down, including other local taxes (cable).

Peters, who works on the internet tax issue, explained the progress is stalled since State legislators say it's a new tax.

FAAC discussed ways residents can make contributions to the City.

Tunks asked for comparison of budget vs actual.

McDonald reported that nothing stands out.

Mr. Bloom exited the meeting at 10:00 a.m.

W&L Advisory Board Budget Session

Oropallo reported that a member of the FAAC is encouraged to attend.

VII. NEXT MEETING DATE

November 21, 2019

VIII. ADJOURNMENT

Mr. Tunks made a motion to adjourn the meeting; Ms. Evans seconded the motion and it was approved unanimously.