

Urban County Council

Budget & Finance Committee

December 10, 2013

I. November 19, 2013 Committee Summary

Motion by Beard to approve the November 19, 2013 summary. Seconded by Mossotti. Motion passed without dissent.

II. Comprehensive Annual Financial Report (2013 CAFR)

Commissioner O'Mara commented on the CAFR. We were issued a clean opinion on October 15, 2013. The single audit A133 should be completed by December 31 and they hope to have the auditor available for the January meeting if time allows. Ellinger said they would add it to the agenda for January 2014. O'Mara provided the fund balance dollars in the Urban Fund - \$28.6M, Sanitary Sewer Fund - \$60.7M (Capital reserves \$42.4M, Debt Service Reserve \$8.8M, Capital Replace and Maint. Reserve \$9.5M). Landfill Fund - \$14.5M, Water Quality Fund - \$10.1M (WQ INcentive Program Reserve \$4.0M, Unrestricted Fund Balance \$6.1M), General Fund Nonspendable \$1.4M, Restricted - Energy Improvement \$0.4M, Committed \$29.9M (Economic Contingency \$23.3M, 27th Payroll \$5.5M, Other General Funds \$1.1M) Assigned \$18.4M (Litigation \$5.5M, Health Insurance, \$2.0M, Pension \$2.8M, Projects \$8.1M), Unassigned - \$4.3M

Stinnett asked if the budget amendments for the fund balance would be completed if Council approves today. O'Mara said yes that they are ready to go. Stinnett asked if this had been communicated. O'Mara said it had. Stinnett said the Pension Reserve was troubling and asked what had been done to get a more accurate number for the pension so that we would not have to have a reserve. O'Mara did not have the information but they had asked for a projection for the next 20 years. The projection was approximately \$20M per year. Stinnett asked if we calculated this during the hiring process when hiring new police officers. O'Mara stated that they now have a predictable way to put a number to that. Stinnett would like to have a pension discussion in January as well. Stinnett asked when we would know if we still needed the health insurance reserve. O'Mara said they meet monthly to monitor the self insurance plan. This number is for financial reporting which is January thru June. They meet with BIM monthly to discuss. Stinnett asked if we would have the calendar year 2013 claims in January. O'Mara said he thinks it will be closer to February. Stinnett asked him to report back.

Kay asked about the health insurance. O'Mara said it is reflective of last year's experience. Kay asked if it covered the high end estimate of the liability so we were covered. O'Mara said he wouldn't say high level and does not think we are that covered but it is based on

advice of consultants. Kay asked about Capital Replacement and Maintenance Reserve, is this for contingencies and not current budgeted projects. O'Mara would like to send this in an email because it is a calculation.

Gorton stated that she appreciated the work that has been done with the auditors to get the CAFR to council before they went on break.

III. Items Referred to Committee

Motion by Gorton to remove Franchise Fees issue from items in committee list. Seconded by Farmer. Motion passed without dissent.

Motion by Stinnett to remove debt management policy review. Seconded by Henson. Motion passed without dissent.

Motion by Kay to adjourn. Seconded by Gorton. Motion passed without dissent.