

Budget & Finance Committee

November 18, 2014
Summary and Motions

Councilmember Ellinger called the meeting to order at 2:00pm. All Councilmembers were present; Ellinger, Stinnett, Gorton, Kay, Ford, Beard, Farmer, Scutchfield, Mossotti, and Henson. Clarke and Myers were recognized as part of the Committee quorum.

1. October 21 Budget Committee of the Whole Summary

Chair Ellinger noted that the October 21 Budget Committee of the Whole summary was previously approved by the full Council at its November 11 Work Session.

2. Comprehensive Annual Financial Report

Commissioner O'Mara introduced Simon Kemper with Dean Dorton Allen and Ford. Kemper summarized the 2014 financial audit findings. He discussed the auditors' responsibilities; overview of the scope and timing of the financial statement; accounting policies and practices; audit adjustments; uncorrected misstatements; and communications required by generally accepted auditing statements.

He stated that any internal control deficiencies considered to be significant will be included in the A-133 reporting to be submitted later this winter. He stated that no significant issues arising from the audit were discussed with or were the subject of correspondence with management that

Kemper discussed the GASB standard 68 and 721 regarding reporting of pension liabilities that go into effect for next year's audit.

In response to a question from Vice-Mayor Gorton, Kemper stated that the Administration will need to adopt standard 68 & 71. He stated that the State has not yet determined how the liability will be distributed to the numerous political subdivisions that are members of the Kentucky Retirement System.

O'Mara stated that at this time he was not sure how the liabilities would be distributed.

3. Monthly Financial Report

Rusty Cook and Bill O'Mara reviewed the monthly financial report for October. O'Mara stated that most of the socio-economic data was in a favorable position for October.

Cook stated that the General Fund revenue is \$ 2.95 million under budget through October. He stated that employee withholding revenue was approximately \$ 3.4 million under budget; franchise fees were \$ 1.6 million over budget; services were about \$ 0.6 million under budget; and insurance was \$ 1.1 million under budget through October. O'Mara stated that much of the variance was related to timing of revenue receipts.

O'Mara stated that the General Fund expenses are approximately \$ 6.7 million under

budget through October leaving a positive variance of \$ 3.9 million through the first 4 months of fiscal year 2015.

4. FY 15 Professional Services Increases for Division of Fleet and Facilities

Councilmember Clarke introduced the topic and stated that the General Services link wanted to track professional services spending.

Jamshid Baradaran described the FY 15 budget increases in the Facilities Management group. He stated that it was a function of temporary labor to cover vacancies; upgraded services at 15 buildings; and the addition of 11 buildings that received much needed services.

In response to Councilmember Henson, Baradaran described the maintenance services the buildings will receive.

Baradaran stated that the Lyric maintenance increase was due to increased custodial needs at the facility.

Baradaran stated that the slight increase in maintenance services at the Charles Young Center was due to outside labor increases.

In response to a question from Scutchfield Baradaran stated that the Charles Young Center does not receive any rental income but that the Lyric Theater does receive income from events at its facility.

3. Items in Committee

Motion by Councilmember Mossotti to remove the "Economic Development Partner Agencies Reporting System" item from the Committee referral list, second Councilmember Henson. Motion passed unanimously.

Motion by Vice-Mayor Gorton to remove the "Facilities & Fleet Professional Services Increase" and the "Charles Young Center & Lyric Theater Maintenance Budgets" items from the Committee referral list, second Councilmember Farmer. Motion passed unanimously.

The meeting adjourned at 2:55