

BUDGET & FINANCE COMMITTEE

August 27, 2013

Summary

Ellinger called the meeting to order at 1:02 PM. All committee members were in attendance except Kay. Clarke was also present.

I. Monthly Financial Report

Bill O'Mara, Finance Commissioner provided the monthly financial report. He discussed several economic indicators. He stated that the unemployment rate had risen in June but he did not think that was significant.

O'Mara stated that building permits, and home sales were in a positive position, but that foreclosures rose somewhat for the month of July.

O'Mara also addressed the Code Enforcement abatement collections for July.

Melissa Lueker stated that for the month of July revenue was approximately \$ 870,000 above budget. She stated that this was primarily driven by higher than budget insurance premium revenue and services revenue, primarily from Jail revenue.

Lueker also reported that expenditures were approximately \$ 350,000 below budget for July.

II. Fund Balance Discussion

O'Mara reviewed the Fund Balance process under Governmental Accounting Standards Board (GASB) effective with FY 2011.

O'Mara stated that GASB required that fund balance be identified by categories including Restricted, Non Spendable Restricted; and several unrestricted categories including Committed; Assigned; and Unassigned.

O'Mara stated that the Committed category included items that have been committed by Council, but in order to expend those funds Council would need to authorize such expenditures via budget amendment or other fiscal tool.

O'Mara stated that the Assigned category includes projects that the Administration intends to pursue.

Farmer stated that he thought this would include a continued discussion of the unallocated FY 12 fund balance from April.

Farmer stated that in April Council took action to allocate a portion of the FY 12 Fund Balance. He stated that this included allocating some of the Fund Balance for Employee Health Care Fund, Grant Match, Capital and a transfer to the Street Lights Fund.

O'Mara agreed and stated that Council did allocate funds but he thought this would be a discussion of the process. He stated that he would be prepared to discuss the preliminary FY 13 Fund Balance by October 1.

Ellinger stated that he was responsible for the miss-communication.

Stinnett agreed with Farmer stating that this was not the information Council requested this past spring.

O'Mara provided information about the FY 12 Fund Balance. He stated that before Council action in April, the Fund Balance was \$ 13,451,904. He stated that Council approved allocating \$ 2,600,000 to Capital Projects; \$ 250,000 for the HOME grant match; \$ 700,000 for other grant match; \$ 640,000 for Fire Overtime; \$ 2,500,000 for Street Light Fund transfer for a total of \$ 7,690,000. He stated that LFUCG has spent \$ 5.1 million of that allocation.

He stated that the FY 12 Fund Balance is \$ 8,283,913. He stated that in October this would be part of the preliminary FY 13 Fund Balance.

Farmer stated tat he wanted Council to consider the FY 12 Fund Balance prior to discussing the FY 13 Fund Balance at the October Budget & Finance Committee..

Ellinger discussed moving the Budget Y& Finance Committee from September 24 to October 1. He stated that this would require moving the Public Safety Committee as well. He stated that Chair Henson is agreeable with the change.

O'Mara stated that the Administration will try to meet the deadline for an Oct 1 meeting.

On a motion by Mossotti, second Farmer the Budget & Finance committee scheduled for September 24 was moved to October 1. Motion passed unanimously.

Gorton suggested that Councilmembers identify capital projects for consideration for the Budget & Finance Committee meeting.

Ellinger stated that if Councilmember's can get information on potential uses of the Fund Balance to Paul Schoninger by Wednesday September 25, that information can be tabulated and included in the Oct 1 Budget & Finance Committee packet.

Gorton stated that this will allow Council to vet any project proposed by a Councilmember or by the Administration before making a decision on using the Fund Balance.

On a motion by Mossotti, second Ford, the Committee agreed to recommend the establishment of a Council Capital Fund utilizing Fund Balance funds. Each Councilmember would be allocated \$ 250,000 for capital projects. Motion passed on a 5-4 vote (YES- Henson, Mossotti, Stinnett, Ford & Scutchfield; NO- Beard, Ellinger, Farmer, Gorton)

Meeting adjourned at 2:55 PM.

PAS 09.03.13