

BUDGET & FINANCE COMMITTEE
January 29, 2013
Summary

Gorton called the meeting to order at 1:02 PM. All Committee members were present. Clarke, Myers and Lane were also present.

I. Election of Committee Chair

A motion by Stinnett second Beard to nominate Ellinger passed unanimously.

A motion by Scutchfield second Beard to elect Ellinger passed unanimously.

II. Selection of Vice Chair

Ellinger asked Stinnett to serve as Vice Chair. Stinnett accepted.

III. 10.23.12 Committee Meeting Summary

A motion by Gorton, second by Kay to approve the 11.27,12 Committee summary passed unanimously.

IV. Monthly Financial Report

Ellinger called on Bill O'Mara, Acting Finance Commissioner to provide the monthly financial report.

O'Mara discussed economic indicators. He stated that unemployment rate, employment, building permits issued, new business licenses, and home sales were in a positive position. O'Mara stated that home foreclosures have, however, increased recently.

O'Mara reported that in the major revenue categories the actual General Fund revenue is lagging behind the budgeted revenue by over \$ 2.9 million through December. He stated that business net profits and franchise fee revenue are both under budget by over \$ 2 million each. He stated that the anticipated rate increase in franchise fees was not enacted.

Gorton asked if the nuisance abatement collection slide could include previous year collections so comparisons can be made.

Farmer asked about the increase in home foreclosures. In response, O'Mara stated that the federal moratorium on foreclosures was lifted and that has led to an increase in foreclosures.

O'Mara introduced Melissa Lueker, Acting Budget Director, to discuss revenue and expenditures in greater detail.

Lueker stated that total revenue in the General Fund is behind budget by approximately \$ 600,000 year to date.

Ellinger asked about the decrease in net profit taxes. In response O'Mara stated that unanticipated refunds are driving the category.

Stinnett requested that a column for previous year be added to bring more clarity to the slide.

Lane asked about the "insurance" category expenses.

V. Comprehensive Annual Financial Report/Fund Balances/Monthly Financial Monthly Financial Report

O'Mara introduced Simon King with Dean, Dorton, Allen and Ford (DDAF) to present the Comprehensive Annual Financial Report (CAFR).

Simon reviewed the audit findings. Simon stated that DDAF found no significant or unusual transactions in their review.

Gorton asked about the landfill closure liability. In response Simon stated that DDAF felt that the liability was reasonable but did not know if it was shared with the State.

Gorton asked about segregation of duties in PeopleSoft. In response, Simon stated that they had evolved over time and needed to be addressed by Enterprise Solutions management.

Beard asked about the disaster recovery plan. In response, King stated that off-site tests should be included periodically.

Stinnett asked if LFUCG was following accepted accounting standards. In response King stated yes.

Henson asked about management response to the audit findings. In response, CAO Hamilton stated that in addition to the financial audit, Internal Audit retained a firm, Protiviti, to conduct a review of the People Soft system.

Henson asked about the disaster recovery plan. In response Chad Cottle, Director of Enterprise Solutions, stated that he would more comfortable discussing network security and disaster recovery in a closed session.

Farmer suggested that the Council go into closed session at Work Session to discuss this issue.

VI. Affordable Housing Trust Fund

Ellinger called on Ford to discuss the Affordable Housing Trust Fund. Ford provided a summary of the affordable housing trust fund and the timing of a proposed fee increase.

Ellinger stated that a special meeting can be called to address this issue before the deadline.

Kay discussed the potential for overlap with the Homelessness Commission findings. He stated that the Task Force called for a ½ % increase for affordable housing while the Homelessness Commission has recommended a 1% increase to address affordable housing and homelessness.

Adam Jones, 909 Summerville Dr, spoke in favor of the Affordable Housing Trust Fund and reminded the Committee about the March deadline to enact a fee increase.

David Christiansen, 4844 Brenner stated that he feels that the definition of affordable housing in the Homelessness Report refers only to homelessness.

In response Kay stated that the fee increase would support both affordable housing and homelessness.

Beard also responded to Mr. Christiansen's comments and stated that the public would be less likely to accept two fee increases, one to support affordable housing and a 2nd to support homelessness.

VII. Items Referred to Committee

Ellinger stated that he met with Todd Slatin, Acting Director of Purchasing and the local vendor preference and minority/women business recruitment issues will be ready to report to Committee soon.

Schoninger reported that the Waste Management Task Force findings will be ready to report soon and the Financial Efficiency Ordinance will be ready for the February meeting.

The meeting was adjourned at 2:25 PM.