

**MINUTES OF THE REGULAR MEETING
OF FINANCE COMMITTEE
OF THE CITY OF SUNSET HILLS, MISSOURI
HELD ON MONDAY, JANUARY 25, 2016**

Meeting convened at 5:32 p.m.

Place of meeting: Public Works Conference room at Sunset Hills City Hall

The Finance Committee of the City of Sunset Hills, Missouri met in open session. Chairman Alderman Pat Fribis, Member Alderman Thomas Musich, Member City Collector Michael Sawicki, Member Jeff Cammilleri, and Member Joe Stewart, along with IPM Administration Consultant Robert Heacock were personally in attendance. Member Mike Fitzgerald was absent.

1) Approval of Minutes

The minutes of the November 23, 2015 Finance Committee meeting were discussed. Corrections were suggested by Chairman Fribis to delete two references to “Alderman Fitzgerald” and replace with “Member Fitzgerald”, and to delete the third and fourth sentences under “Approval of the Minutes”. A motion was made by Alderman Musich to adopt the minutes as corrected. Member Camilleri seconded the motion, and it was passed unanimously.

2) Standard & Poor’s Rating Discussion

IPM Administration Consultant Heacock was asked to update the Committee on the Standard & Poor’s (S&P) credit rating issue. Mr. Heacock provided the Committee with the S&P assessment guide, which outlines the analytical framework and methodology used to review cities. He then explained how the December review of Sunset Hills lacked clarity in the context of the guide, and raised the question of how to respond to the review. Member Cammilleri indicated that the priority should be in proceeding with the positive changes being pursued like the new finance software system and hiring of an accounting manager. After discussion, the consensus was that rather than respond directly to S&P at this time, Mr. Heacock would look into obtaining additional information for the Committee to consider, including 1) prior to December when was the last S&P review, and is another one planned; 2) what information was Mr. Montoya asked to provide to S&P, and did that include audited financial statements; 3) does the City’s bond counsel (Gilmore & Bell) have a reaction or advice to the City based upon the report. It was also the consensus that if in the event that future reviews are conducted by S&P that the Finance Committee should be made aware of that as soon as possible.

3) City Insurance Policies Discussion

Mr. Heacock indicated that following the adoption of the 2016 insurance proposals, he had met with a representative from Missouri Rural Service Workers Compensation Insurance Trust, which is the City’s worker’s compensation insurance provider. Mr.

Heacock provided the Committee with a letter and additional information from Vice-President-Client Services Barry Alexander, which provided performance review information based upon the City's experience back to 2001. Mr. Alexander stated in part that "The city's aggregate loss ratio since joining the Trust is 34.4%. A loss ratio under 35% is considered excellent. Your staff should be commended on their efforts and their safety record." Mr. Heacock indicated that the City has an active safety committee, and that he intended to share the letter and information with that group.

Additional discussion centered upon the frequency and timing of updates to the Finance Committee with respect to insurance policies. Chairman Fribis indicated that in the past the Committee had received information and held discussions with representatives from J.W. Terrill. Mr. Heacock stated that the Committee needed to hear from J.W. Terrill, or whoever acts as the broker in the future, in the October/November time frame in order to make a recommendation such that the Board of Aldermen could approve the insurance proposal in December. Member Stewart indicated that an annual work plan for the Committee would be a helpful tool. Chairman Fribis stated that an agenda calendar for the Committee exists, that it calls for insurance policies to be reviewed as suggested, and that she would provide a copy to Mr. Heacock for his thoughts and distribution to the Committee for the February meeting.

4) Other Matters

Member Musich asked that the Committee have future discussions regarding the status of financial reserves to make certain that as decisions are made to add staff or to pursue other expenditures that there are sufficient funds. City Collector Sawicki indicated that the City does have a fund balance policy that establishes a reserve target equal to 30 to 50% of the annual budget, and that the City far exceeds that target. He stated that he was comfortable with the City's budget and that the City is in great financial shape. Alderman Musich indicated that he understood but was interested in making sure that there was also a long-range outlook.

Mr. Heacock indicated that in light of changing position duties in Administration, that Mr. Montoya had provided direction to issue Visa purchasing cards for Lori Stone and Donna Barton. Currently, only Carol Lay has a card issued in her name for City purposes. After discussion there was consensus to consider issuing cards for Stone and Barton with limit amounts of \$1,000 and \$500 respectively. Mr. Heacock stated that he would look into whether that would be sufficient, and would report back.

The next Finance Committee meeting will be held February 22nd, 2016 at 5:30 p.m.

5) Adjournment

City Collector Sawicki made a motion to adjourn the meeting. Alderman Musich seconded the motion and it passed unanimously. Meeting adjourned at 6:40 p.m.

Recording Secretary - Robert Heacock