

**MINUTES OF THE REGULAR MEETING
OF FINANCE COMMITTEE
OF THE CITY OF SUNSET HILLS, MISSOURI
HELD ON MONDAY, MAY 23, 2016**

Meeting convened at 5:37 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 Rich Gau, Member City Collector Michael Sawicki, Member Joe Stewart, Member Mike Fitzgerald, and Member Jeff Cammilleri along with IPM Administration Consultant Robert Heacock, Accounting Manager Bill Lehmann were personally in attendance. Member Alderman Thomas Musich was absent.

1) Approval of Minutes

The minutes of the April 25, 2016 Finance Committee meeting were distributed for review. A motion was made by Member Stewart to adopt the minutes as written. Member Camilleri seconded the motion, and it was passed unanimously.

2) Potential flood property buy-out financial implications

Mr. Heacock reported that the City has submitted an application to SEMA for assistance related to the one property eligible under the repetitive loss program. There was no update on the hazardous mitigation grant program. The Public Works and Parks Departments are working on supplying documentation to FEMA related to the public assistance grant program. Member Fitzgerald asked about the condition and maintenance of the private properties in question. Mr. Heacock indicated that he would obtain information about that and would report back at the next Committee meeting.

3) Standard & Poor's Rating Discussion

Mr. Heacock stated that staff is continuing to work in response to the December 2015 S&P report, which noted a number of deficiencies including the fact that the five-year Capital Improvement Plan had not been updated every year. Staff is working to address that and May 27th is an internal deadline for departments to send their five year project needs to Mr. Lehmann. Another focus area from the report dealt with overlapping debt. Mr. Lehmann reported that the information contained in the S&P report was outdated. Gilmore and Bell has provided updated information and the situation has improved. Compared to other jurisdictions, Mr. Lehmann concluded the City is in a good position.

4) Finance System Project Update

Mr. Lehmann stated that the go-live date for the new system is now projected for the end of the first quarter 2017. Once the audit data is received things can start to move forward. Mr. Heacock stated that there had been some complicating factors that staff has been dealing with, including with the server crashing. Some functions had to be researched that had been lost. Mr. Lehman stated he has contacted outside vendors regarding renting some server space, and evaluating options to determine what is the most cost effective approach. Mr. Heacock indicated that he and Mr. Lehmann had been working with representatives from Tyler Technologies to develop a detailed understanding of why the implementation has been delayed, and how that will impact the budget.

Mr. Heacock stated this will be discussed every month, and Mr. Lehmann will update the committee with more details on the factors that have impacted the implementation schedule. There was discussion about the type of financial reports that have been available in the past, and the benefits of the new system. Mr. Lehmann was asked to provide the committee members a copy of the contract with Tyler Technologies.

5) 2015 Audit-Update

Mr. Lehmann gave an update on the audit. He stated two outstanding items are left; one is to explain some variance elements and one to reconcile a general ledger account. He is working to complete those items before pulling the data for the Tyler conversion.

6) Annual Finance Committee work calendar-review

Mr. Heacock handed out the revised work calendar that the committee reviewed. Mr. Heacock commended Member Stewart on the format and members agreed to review this work plan monthly. Mr. Heacock reminded the members that the Capital Improvement Plan is coming up in August. There was discussion about how the Plan had been developed and the role of the review committee. Alderman Gau advocated for formalizing the Capital Improvement Committee, and there was consensus that he should move forward with developing an ordinance to that effect. That Committee would review the staff recommendation and then make comments to the Finance Committee in August each year.

7) Other Matters

Mr. Lehman distributed a memo for the committee regarding the City's health insurance. This is just an FYI. The City is trying to align both health care and dental renewal dates for October 1. Mr. Lehman explained the PPO and the HSA accounts. He suggested a pro-rated amount (of 4 months) be deposited in the HSA accounts. The City will have to decide on October 1 how much to put in the accounts due to the budget issues (advancing next year's money).

Motion was made by Member Sawicki to approve the prorated amount for the HAS accounts. Member Fitzgerald seconded the motion and it was unanimously passed.

Mr. Lehmann distributed an email and stated he met with the City's advisor Brad Lukins regarding investment funds. The recommendation was to reinvest in commercial paper on a short-term basis until November, providing it met with the City's policy. There was consensus from the Committee to move in that direction.

8) Adjournment

Member Sawicki made a motion to adjourn the meeting. Member Stewart seconded the motion and it passed unanimously. Meeting adjourned at 6:38p.m.

Recording Secretary – Dede Hendricks