

**MINUTES OF THE REGULAR MEETING
OF FINANCE COMMITTEE
OF THE CITY OF SUNSET HILLS, MISSOURI
HELD ON MONDAY, AUGUST 1, 2016**

Meeting convened at 5:33 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 Jeff Cammilleri, Alderman Thomas Musich along with Accounting Manager Bill Lehmann and City Administrator Eric Serman, were personally in attendance. Resident Frank Hardy was present. Absent Member Mike Fitzgerald

Approval of Minutes

The minutes of the June 27, 2016 Finance Committee meeting were distributed for review. A motion was made by Member Sawicki to adopt the minutes as written. Alderman Musich seconded the motion, and it was passed unanimously.

1) Review of 2009 Certificates of Participation

- Reagan Holliday and Chris Collier of Hilltop Securities both attended via conference call on a phone in the meeting room.
- Handouts provided by them were distributed to the committee members.
- The handouts and associated presentation focused on the potential benefit of refunding the 2009 Certificates of Participation by issuing new bonds at current lower rates, and using the proceeds to pay the original bonds off early.
- The handouts indicated that the City's current Average Interest Rate is 4.470% versus a new potential Average Interest Rate of 2.096%. This could produce an initial estimated Cashflow Savings to the City of \$1,087,719 with a Net Present Value of \$970,368 over the remaining life of the bonds (after fees are subtracted). Hilltop Securities fees are estimated at \$56,000. There would also be additional fees paid to other involved parties such as bond counsel, ratings agency, etc. The total fees are estimated to be slightly over \$100,000. All fees would be paid from the bond proceeds.
- If, for some reason, the bond refunding process was not completed, the City would not have to pay any fees other than approximately \$12,000 to Standard & Poor's in the event they were to issue a new rating.
- Motion was made by member Stewart and seconded by member Cammilleri to obtain an Engagement Letter from Hilltop Securities, to proceed with the initial steps in the refunding process, and to recommend such action to the Board of Alderman at their next meeting. Motion was unanimously approved.

2) Investment Policy Discussion/Review

Mr. Lehmann gave an updated on the meaning of the word “portfolio” in the investment policy. There are two possible scenarios; the total monies in our general fund whether that money is invested or not or just sitting in the checking account used for general funds. The second potential definition would be money that is actually in investments plus the money market funds. He also stated that the city probably has excess cash in the checking account. Mr. Lehmann suggested moving the excess cash into the money market account which would then be in fair play for investments. A suggestion was made to amend the ordinance to give a better definition of “portfolio” in the city’s investment policy. A discussion was held to change the policy and amend the ordinance to include money markets and investments. Motion was made by Member Sawicki to amend the ordinance and seconded by Alderman Musich and motion unanimously passed. Chairman Gau questioned the policy and Mr. Lehmann answered that the policy is impeded into the ordinance. This will carry over to the next Board of Aldermen meeting in September.

3) Income/Expense Variance Review

A review was included in the packets distributed to all finance members. Mr. Lehmann reminded the committee going forward until the end of the year this will be done quarterly with the September version used in drafting a 2017 budget. Question was raised regarding what is Zobrio. Mr. Lehmann answered it’s our computer support for fundware related issues. Chairman Gau asked Mr. Lehmann to display the totals regarding revenue on the next variance review handout.

4) Annual Finance Committee work calendar -review

July-August meeting items were reviewed- no comments.

5) Other Matters

Mr. Lehmann recapped the Capital Improvement plan which is ready to be presented to the Capital Improvement committee. That committee has 4 members made up of aldermen and it needs 10. The remaining six are made up of one from each ward and two from at large. Three appointment requests are on the agenda for the Board of Aldermen meeting on August 9.

City Health Plan Benefits –Coventry was bought out from Aetna and the comparison of plans between Coventry and Aetna resulted in not much of a change. JW Terrill is soliciting bids from other competitors.

Chairman Gau asked how involved is the Personnel Committee regarding the city’s health plan. Mr. Sterman stated the personnel committee has not met in a while and that they did have any future date planned. Mr. Sterman will review the ordinance regarding how often the Personnel Committee meets.

Chairman Gau asked Mr. Lehmann to review JW Terrill fee agreement regarding medical plan options.

6) **Adjournment**

Member Sawicki made a motion to adjourn the meeting. Alderman Musich seconded the motion and it passed unanimously. Meeting adjourned at 6:42p.m.

Recording Secretary – Dede Hendricks