

GOVERNMENT PERFORMANCE & FINANCIAL MANAGEMENT

Meeting Record

Meeting Date: April 16, 2018

Convened: 2:04 pm

Adjourned: 3:30 pm

Committee Members Present:

Jennifer S. Gates, Chair
Scott Griggs, Vice Chair
Sandy Greyson

Philip Kingston
Tennell Atkins
Lee Kleinman

Kevin Felder

Committee Members Absent:

Other Council Members Present:

Staff Present:

Elizabeth Reich
Akilah McLaughlin
Lane Sehorn
Jenifer West
Jack Ireland
Janette Weedon

Chan Williams
Mike Frosch
Connie Tankersley
Barbara McAninch
Adelia Gonzalez
Tony Aguilar

Renee Hayden
Casey Burgess
Zarin Gracey
Bill Finch
Sheila Delgado
Rachael Berry

Yesenia Valdez
Gale Salzman
Clarissa Orona
Daniel Genz

Others Present:

AGENDA:

Call to Order

1. Consideration of the April 2, 2018 Minutes

Presenter(s): N/A

Information Only: _

Action Taken/Committee Recommendation(s): *Approved*

Motion was made to approve the April 2, 2018 minutes. Motion passed unanimously.

Motion made by: Tennell Akins

Motion seconded by: Kevin Felder

2. Consideration of Upcoming Agenda Items for April 25, 2018 City Council Meeting

Presenter(s): N/A

Information Only: _

Action Taken/Committee Recommendation(s):

There were questions about the MWBE Participation percentages for Items 22, 23, and 26. The Office of Business Diversity will provide information regarding these items.

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Briefings

3. Communications Related to the FY 2017 Audit

Presenter(s): Dan Barron, Partner, *Grant Thornton*; Juliet Williams, Experienced Manager, *Grant Thornton*, Aftab Hemani, Experienced Manager, *Grant Thornton*;

Information Only:

Action Taken/Committee Recommendation(s):

For fiscal year 2017, the City received an unmodified "clean" audit opinion on the financial statements. The audit of the fiscal year Comprehensive Annual Financial Report (CAFR) was completed on March 30, 2018. The CAFR includes this opinion, along with the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for fiscal year 2016, the City's eleventh consecutive year to receive this recognition. The fiscal year 2017 CAFR has been submitted to the GFOA for continued participation in the CAFR award program, and we believe this year's report continues to conform to the program requirements.

The Single Audit is separate from the CAFR and covers federal and state grant funds. There were questions regarding the single audit current year findings, specifically whether the deficiencies that had been found by Grant Thornton were the same as the deficiencies found by the city auditor. Grant Thornton noted that the scope of the audit could be different than what the city auditor was testing.

There was discussion of Continuum of Care grants. The City is a grantee, and also manages the funds, and is seeking to outsource the grants. A question was asked as to the oversight of the grants where deficiencies have been found. Ms. Reich clarified the departments that receive grant funding are responsible for the financial management and oversight of the grants.

There were questions asked as to whether Grant Thornton identified any misuse of grant funds. No questionable costs were found in the audit. The deficiencies Grant Thornton found were related compliance, contracts, and documentation, not finances.

Motion made by: N/A

Motion seconded by: N/A

4. FY 18 Appropriations Adjustments

Presenter(s): Jack Ireland, Director, *Office of Budget*

Information Only:

Action Taken/Committee Recommendation(s):

This is Item 35 on the April 25 Council agenda.

The briefing outlined proposed changes to FY 2017-18 appropriations ordinance that is scheduled for City Council consideration on April 25. The changes include (1) transfer of appropriations between four General Fund departments, (2) an increase in the General Fund budget of \$3.7 million from excess revenues, (3) an increase in four enterprise and internal service funds from excess revenues or fund balance, (4) adjustments to 15 grant, trust, or special revenue funds, and (5) an increase in five Tax Increment Financing District funds. Additionally, the briefing provided an update of the FMPC requirements related to General Fund reserves. The City has continued to increase our reserve balance since recovery from the recession.

The committee asked questions about ambulance payments, whether they go directly to the general fund or if they go to DFR. The revenues go to the general fund. The Office of Budget will coordinate with DFR to provide clarifying information to Council on ambulance billing and the supplemental payments.

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The committee also requested a sources and uses chart summarizing the changes. The Office of Budget will provide the information.

Motion was made to move forward to the City Council without a recommendation. Motion passed unanimously.

Motion made by: Philip Kingston

Motion seconded by: Lee Kleinman

FYI

5. **Financial Forecast Report Information as of February 2018**

Presenter(s):

Information Only:

Action Taken/Committee Recommendation(s):

Motion made by: N/A

Motion seconded by: N/A

6. **Rockwall Central Appraisal District**

Presenter(s):

Information Only:

Action Taken/Committee Recommendation(s):

This is item 20 on the consent agenda on April 25, 2018.

Motion made by: N/A

Motion seconded by: N/A

7. **Oncor Application for Increased Electric Rates**

Presenter(s):

Information Only:

Action Taken/Committee Recommendation(s):

This item will be on the May 9, 2018 agenda.

Staff recommends rejection of increased rates.

Motion made by: N/A

Motion seconded by: N/A

Adjourn

Jennifer S. Gates, Chair
Government Performance & Financial Management