Brevard City Council Finance & Human Resources Committee

December 8, 2015

The City Council Finance & Human Resources Committee met on Tuesday December 8^{th} at 9:00 AM in the Administrative Conference Room at City Hall.

Members Present:	Gary Daniel, Vice Chair Jim Fatland, City Manager & Finance Director Derrick Swing, Human Resources Director
Members Absent:	Charlie Landreth, Chair
Staff Present:	Jill Murray, Human Resources Tom Whitlock, Finance
Others:	Dan Mullinix, Gould Killian CPA Group, Principal Travis Keever, Gould Killian CPA Group, Manager

A. Welcome & Call to Order

Committee Vice Chair, G. Daniel, called the meeting to order at 9:05 AM.

B. Certification of Quorum

It was certified that a quorum was present.

C. Organization of the City Council Finance and Human Resources Committee

1. **Purpose/Mission** (Resolution No. 2015-15 and Resolution No. 2015-21)

J. Fatland provided an overview of the history and development of the Finance and Human Resources Committee. He described the purpose and mission of the Committee as an in depth advisory board for City Council.

2. **Membership** – Five Members

J. Fatland gave a brief explanation of the committee's design/organization. He explained that the two Council Members of the committee are C. Landreth as Chair and G. Daniel as Vice Chair. He further outlined his own presence as City Manager & Finance Director as well as the presence of D. Swing as Human Resources Director. He explained that having a citizen present on the Committee is optional and recommended the tabling of that decision until a future meeting with both Council Members present. J. Fatland stated that the Mayor is an Ex Officio member and reminded the Committee that he is not counted in determining a quorum and further stipulated that he is a non-voting member.

3. **Term Limits**

J. Fatland corrected the meeting's agenda by stating that Council Members have a 2 year term limit (not the 3 stated on the agenda). He further reviewed that the Citizen term limit is 2 years and that staff members are permanent Committee members.

4. **Meeting Schedule**

The Committee decided to table discussion of the meeting schedule until both Council Members were present. It was determined that the Committee likely would not meet on a monthly basis.

5. **Minutes**- Action minutes by a staff member or their representative.

D. Annual Audit- Year End June 2015

J. Fatland introduced D. Mullinix and T. Keever to the Committee. D. Mullinix gave an overview of the auditing process and the services which Gould Killian CPA Group have and will provide for the City of Brevard. He thanked the Committee as well as J. Fatland for the opportunity to serve as the City's auditors. He reported that the contract time was exceeded due to several grants received from DENR . This resulted in an additional cost of $7500. J. Fatland concurred with the additional cost and recommended amending the contract.

D. Mullinix then proceeded to explain to the Committee that they issued unmodified opinions and reported no material weaknesses in internal control. He further stated that Gould Killian Group found no material noncompliance with laws and regulations. D. Mullinix then referenced the 3 documents he provided for the meeting. These documents were the *June 30th, 2015 Report to City Council* (Copy on File), the *City of Brevard Financial Statements for the year ended June 30th, 2015* (Copy on File), and the *2015 Annual Financial Report Audit Committee* (Attached).

D. Mullinix began his presentation with an overview of Gould Killian Group's services to the City which can be found on pg. 4 of the *Report to City Council*. He then explained the audit process as outlined in the *Annual Financial Report Audit Committee* document. Next he discussed the financial statements as prepared by Gould Killian. He further elaborated on the checks and balances performed on the financial statement and commended J. Fatland's review of the documents.

D. Mullinix explained the breakdown of the Financial Statements as 'Government- wide', 'Fund', and 'Notes'. The document progresses from a summary based approach into details. He overviewed each section making note of the General Fund, explaining Assigned and Unassigned Fund Balance percentages, and providing examples. D. Mullinix stated that the unassigned fund balance was 38.3% which was an improvement over last year's 30.5%. He next explained that for the most part the City is in the positive as far as its finances are concerned. J. Fatland informed the Committee that two loans were paid off this year including the Sewer Annexation Loan and the City Hall Renovation loan. He further stipulated that the Wayfinding Loan is almost paid off and that most of the City's loans are low interest. J. Fatland also explained the Powell Bill and stated that no salaries come out of that money.

Next D. Mullinix presented the Committee with new accounting standards, including: changes to the Pension Plan (GASB Statement No. 68), Discount Rate and Postemployment Benefits other than Pensions (GASB Statement No. 75). For additional information refer to the *2015 Annual Financial Report Committee Document*.

E. Discussion of Future Committee Agenda items

D. Swing listed two future discussions for the Committee. These were: a) improvements to the medical plan and (b) improvements to personnel policy.

F. Other

J. Fatland also explained Human Resource's role in the implementation of a new security system at City Hall.

G. Adjourn

There being no further business, the Committee adjourned at 10:32 AM on Tuesday, December 8, 2015.

____

Charlie Landreth, Chair

____

Kerry Lindsay, Acting Secretary