MINUTES

COUNCIL FINANCE & HUMAN RESOURCES COMMITTEE

Thursday, February 9th, 2017 – 11:30 AM
Administrative Conference Room at City Hall

Members Present: Charlie Landreth, Chair, Council Member
Gary Daniel, Vice Chair, Council Member

Staff Present: Jim Fatland, City Manager
Kelley Craig, Human Resources Director
Tom Whitlock, Staff Accountant
Jill Murray, Deputy City Clerk

Others: Dan Mullinix, Gould Killian CPA Group, P.A.

A. Welcome & Call to Order

The meeting was called to order at 11:30 AM.

B. Certification of Quorum

Quorum was certified.

C. Review of the Minutes

Mr. Daniel moved, seconded by Mr. Fatland, the March 30, 2016 and April 28, 2016 meeting minutes be approved as presented. Motion carried unanimously.

D. Auditors' Report FY2016

Mr. Fatland introduced Dan Mullinix from Gould Killian CPA Group. Dan 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, Mr. Fatland for the opportunity to serve as the City's auditors. He stated there were really no concerns and felt that the audit went smooth, other than being delayed by the impact fee question. He mentioned the impact fee question delaying the process a bit. Mr. Fatland explained that the City Attorney has rendered an opinion that our impact fees collected in prior years should remain with the City.

Mr. Landreth, on the subject of internal control, asked if there are things that we're "living with" because we're small. Mr. Fatland explained that our cash collections and utilities are back-up for each other. The AP person does payroll but does not sign checks and Mr. Whitlock is the backup for the cash counter but does not do bank reconciliation because that is what a retired Finance Director does for the City.

Mr. Mullinix reiterated that the City is upgrading its software. Mr. Whitlock mentioned one of the many benefits of the new system is that credit card payments hit the bank immediately whereas before it would take two days.

Mr. Mullinix pointed out the general fund summary. The unassigned fund balance went down, but if you look at page 17, the goal is to have 30% of your unassigned fund balance to fund your operations for the year, which equates to about 3 months of expenses and the purpose is the timing with tax collections and things like that. In reality this is just an accounting number because of the state statute rule, you can't pay your bills with receivables. The money is there because we have funds that were from your water projects that the City collected after June 30th.

Mr. Mullinix provided a handout, the 2016 Annual Financial Report Audit Committee (Exhibit A) which explains the audit process, general fund summary, water and sewer fund and capital projects fund. He also referred to the Financial Statements for the year ended June, 2016. He referred to page 67 which shows the detail of the different capital projects and Mr. Landreth stated that he would like this slide shown at the next City Council meeting, to show that there's more than just water and sewer. Mr. Mullinix briefly went over page 92 which showed the schedule of expenditures.

Mr. Landreth requested that the auditor explain the cash flow impact on fund balance at the City Council presentation.

E. Set Date For Next Meeting

It was decided that the Committee would meet again when needed, likely in April or May, when the Human Resources Directory Kelley Craig has proposed changes to the Personnel Policy.

F. Adjourn

The Committee adjourned at 12:48 PM on Thursday, February 9th, 2017.

X

Charlie Landreth
Chair, Council Member

X Jill Murray

Jill Murray
Deputy City Clerk

Minutes Approved: 11/9/2017