



**BOARD OF MAYOR AND COMMISSIONERS
SPECIAL CALLED WORK SESSION**

January 31, 2018

5:30 p.m.

MINUTES

Members Present: Jonathan Elmore, Mayor
Brian Fisher, Mayor Pro Tem
Adela Yelton, Commissioner
Lisa Shortell, Commissioner
Lionel Laratte, Commissioner

Staff Present: Clai Brown, City Manager
Gina Hill, City Clerk
Ken Turner, Finance Director
Lynn Thomas, Police Chief
Bryan Armstead, Public Works Director

Item No. 1 Meeting Called to Order

Item No. 2 Adoption of Agenda
Commissioner Shortell moves to adopt. Commissioner Laratte seconds. All ayes.

Item No. 3 **Review of Draft 2018 Budget**

Mayor Elmore: I have no issue with the budget. I'm in favor of passing it as is.

Commissioner Shortell: There was talk about reducing the amount for town hall meetings. It's still in here as \$3,000.

Mayor Elmore: We talked about having town halls on other topics as well as education. And we moved that item to another category in the budget.

Commissioner Shortell: I'm ok with it.

Commissioner Laratte: I'm ok with it. One idea I have is making money given to the DDA a loan instead. But I do understand why it's there. I don't disagree with it. It's not a deal breaker.

Commissioner Yelton: I request a little more detail on some of the footnotes. Are some of the numbers from averaging actual amounts from two years?

Finance Director Turner: Actually from 22 months. Then it's divided by 24 to come up with a projection.

Commissioner Yelton: Could we put that in the footnotes just so anyone who picks up the budget can figure it out? I would also like to see the numbers from December but I know they're not ready yet. Otherwise, I'm fine with it. Regarding the DDA, I'm ok with putting wording in the IGA to allow flexibility with leftover funds at the end of the year going towards the public realm.

Finance Director Turner: If we loaned the DDA money then we would have to charge interest even if it's not much.

Mayor Pro Tem Fisher: I want to recap that a cost added to the budget was preventing insurance costs from going up for employees. And also raises for the public works employees. We cut the sidewalk budget. We should be careful with the town hall meetings budget and sanitation budget. I'm fine with the DDA budget what it is.

Commissioner Laratte: I think the value of what we put into the DDA will be higher than the dollar amount we give them.

Hoyt Young/3140 Majestic Cir: Why can't it be a loan?

Mayor Pro Tem Fisher: We wouldn't give them any money until we have an IGA in place.

Marti Schallern/48 Clarendon Ave: I want to thank Mayor Pro Tem Fisher for being sensitive about the education town hall meetings. Commissioner Yelton did visit me recently and I appreciate that. I asked her if the Board would be willing to present receipts for their stipends. I think she said it wasn't the law.

Commissioner Yelton: I said that was private and I wasn't required to do that.

Marti Schallern/48 Clarendon Ave: I think you should consider that for transparency.

Mayor Elmore: I would not. Part of the reason we did a stipend was to avoid the hassle of a lot of receipts.

Commissioner Shortell: We'll take it under consideration.

Lyda Steadman/3118 Majestic Cir: I don't consider us having a balanced budget if you're taking money out of reserves to cover the

shortfall. I think the DDA should give the City the \$100,000 in matching funds for the US 278 redesign.

Ed Reiker/3267 Wiltshire Dr: I don't agree with using \$188,000 of the general fund to balance the budget.

Larry Minnix/99 Berkeley Rd: I suggest using some ratios or something from other cities our size that can be made public a couple of times a year that show how we're doing financially.

Candace Jones/9 Fairfield Dr: I agree with Ms. Steadman and Mr. Reiker. I don't think we should give the DDA extra money this year.

Dave Deiters/DDA: I invite you to come to our next meeting. We are still in negotiations with the DJJ building and nothing is certain. We would appreciate public input on the list of priorities we're making. We're also trying to figure out if the DDA territory of the central business district (CBD) includes US 278.

Mayor Pro Tem Fisher: As a reminder, the DDA can only spend funds in the CBD.

Commissioner Shortell: There is direct investment, like building a sidewalk, and there is indirect investment that gives back over the long term. We shouldn't be short-sighted about that.

Kathy Kingsbury/817 Stratford Rd: LCI grants are reimbursable so where are we getting the money to put up front for those? That's something to think about for future budget cycles.

Item No. 4

Review Draft Fund Balance Policy

Finance Director Turner: This specifically has to do with unassigned fund balance. It's to protect the financial integrity of the City. It's pretty self-explanatory.

Mayor Elmore: I'm fine with it.

Mayor Pro Tem Fisher: I think it's a good policy.

Commissioner Yelton: I think it's the right move.

Commissioner Laratte: I have questions about the percentage at which the Board gets notified.

Finance Director Turner: The 17% triggers more action than just that. You do get notified if it goes below 25%.

Commissioner Laratte: Ok, it works for me.

Commissioner Shortell: I think it's the right thing to do. I prefer if it was at four months instead of three.

City Manager Brown: You really just had to decide on the percentages and then we can vote on it in a regular meeting.

Joe Anziano/3242 Wiltshire Dr: I agree with Commissioner Shortell. Also, timing is important as to when our funds flow in and out.

Candace Jones/9 Fairfield Dr: I agree that four months would be better. The City doesn't make decisions very quickly.

Ed Reiker/3267 Wiltshire Dr: I think this is a good thing to do. I think citizens should be able to see this number every month.

Mayor Elmore: That is something we plan on doing.

Finance Director Turner: I also put in here that replenishment shall not exceed five years.

Commissioner Laratte: Five years seems like a long time.

Finance Director Turner: The operative wording is "not to exceed".

Commissioner Laratte: Is there anything in government finance like current ratio?

Finance Director Turner: No. Those deal more with entities that have an inventory or are in the corporate world.

City Manager Brown: If you are ok with the numbers, you can vote on this at a special called meeting or the next regular meeting.

Mayor Elmore: Let's put it on the next work session and regular meeting agendas.

Ed Reiker/3267 Wiltshire Dr: Do you know if in 2018 we've dipped below the threshold? Or will we in June or July.

Finance Director Turner: We always dip but I don't have a 2018 budget yet. What will the final numbers be in the policy?

Mayor Elmore: We'll talk about that at the next work session.

Item No. 5

Agreement with Clifton, Lipford, Hardison & Parker, LLC to Audit the Financial Statements for the Year Ended December 31, 2017

Finance Director Turner: This is the standard agreement we've had for years.

Commissioner Yelton: I know we have a good relationship with them but I think we should consider opening this up for an RFP and see what else is out there. I would like that to be considered next year.

We also need to look at controls to prevent agreements being entered into without full disclosure.

Finance Director Turner: I think I know what agreement you're talking about an unfortunately I was unaware of it. According to my research, it didn't need to be listed as a liability anyway. However, I could've set aside money for it had I know about the agreement.

Commissioner Yelton: I just think maybe an auditor could add another layer of protection.

Finance Director Turner: The City Manager and I sign a letter every year saying we know of no issues out there that could impact the financial health of the City. I take that very seriously.

Commissioner Laratte: It looks good to me.

Mayor Elmore: I agree with Commissioner Yelton.

Larry Minnix/99 Berkeley Rd: I agree as well.

Donna Fay/3243 Kensington Rd: I agree as well.

Item No. 6 Public Comment: None

Item No. 7 Adjournment
Commissioner Laratte moves to adjourn. Commissioner Yelton seconds.
All ayes.

APPROVED THIS 23rd DAY OF APRIL 2018


Jonathan Elmore, Mayor

ATTEST:



Gina Hill, City Clerk