

Minutes of the Fairhope Financial Advisory Committee

October 5, 2017

The Fairhope Financial Advisory Committee met Thursday, October 5, 2017 at 4:00PM at the Nix Center, 1 Bayou Dr., Fairhope.

Members present: Will Newberry, Tim Rosson, Page Stalcup, and Charles Zunk.

Election of officers: By unanimous vote Charles Zunk was elected Chairman and Page Stalcup was elected Vice-Chairman.

“Open Meeting” obligations: Charles Zunk presented a summary overview of Alabama state requirements for compliance with the Open Meeting laws.

Mission Statement: The FAC reviewed its Mission Statement and the related City Council Resolution. [See items attached]

Priority list: The FAC reviewed and agreed to an initial priority list for analysis opportunities, and also agreed with the Mayor Wilson’s suggestion to add “purchasing procedures” to the list. [See item attached]

FY2018 Budget: The FAC members each received a copy of the proposed FY2018 Budget; they agreed to make the Budget review the first project to be accomplished.

Future meetings: The FAC agreed to have a Special Meeting on November 2, 2017 4:00 p.m. at the Nix Center to conduct a review of the proposed FY2018 Budget. The FAC also agreed to have its next Regular Meeting on November 9, 2017. Unless otherwise stated, all Regular Meetings henceforth will be on the second Thursday of each month, 4:00 p.m. at the Nix Center.

Public Participation: The Chairman opened the floor for public participation.

Adjournment: After Public Participation the meeting was adjourned.

The mission of the Fairhope Financial Advisory Committee is to investigate and analyze all aspects of City finances including assets and liabilities, income and expenditures, cash flow, financial policies and procedures, and purchasing policies and procedures; special emphasis shall be placed on current and future potential debt, and upon future potential investments in large assets. Having investigated and analyzed, the Financial Advisory Committee shall make appropriate recommendations to City Council.

September, 2017

RESOLUTION NO. XXXX-XX

WHEREAS, the City Council has established the Financial Advisory Committee with the mission to investigate and analyze all aspects of City finances including assets and liabilities, income and expenditures, cash flow, financial policies and procedures, and purchasing policies and procedures; and

WHEREAS, the City Council has directed the Financial Advisory Committee to place special emphasis on current and future potential debt, and upon future potential investments in large assets; and

WHEREAS, having investigated and analyzed such matters the Financial Advisory Committee is directed to make appropriate recommendations to City Council; and

NOW THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF FAIRHOPE, that all anticipated or requested expenditures for capital purchases, matching funds for grants, land purchases, donations, community development projects, increases in debt, or expenditures not included in the City's current fiscal year budget be submitted to the Financial Advisory Committee for analysis and recommendation(s) before being submitted to City Council for consideration; except that, if either the President of City Council or any other two Members of City Council shall determine that such anticipated or requested expenditure is an emergency which cannot be delayed, such requested expenditure may be submitted directly to City Council for consideration.

Adopted on this XXth day of September, 2017

Karin Wilson, Mayor

Attest:

Lisa A. Hanks, City Clerk

FINANCIAL ADVISORY COMMITTEE
SUGGESTED STARTING POINTS 10/5/2017

Initial priority list for analysis opportunities:

1. FY2018 Annual Budget.
2. Utilities – Rate and usage Analysis.
3. CAPEX – ST/LT identified “maintenance”; unidentified deferred maintenance; expansion.
4. Impact fees.

Initial priority list for FY2018 Annual Budget (for each business unit):

1. Revenue assumptions and sensitivity analysis.
2. Reconciliation of accounting method changes (i.e., re-classifications, consolidations, etc.).
3. Reconciliation of headcount and employee expenses vs. FY2017 actual, tied to totals.
4. Analysis of impact fee revenue and spending.
5. Analysis of debt repayment assumptions and use of reserve funds.
6. Analysis of capital spending.
7. Analysis of transfers from the respective utilities to the City’s GF.
8. Analysis of large year-over-year changes in non-employee expenses.
9. Analysis of deferred liabilities and other balance sheet items.