

Finance Committee Proceedings
City of Superior
January 12, 2017

Members Present: Jack Sweeney, Mike Herrick, Graham Garfield and Keith Kern
Staff Present: Chris Bronson, Jean Vito and Linda Cadotte
Others Present: Esther Dalbec, Brent Fennessey, Warren Bender, Ruth Ludwig, Steve Panger, Mark Carlson, Eric Thomas
Members Excused:

Jack Sweeney called the meeting to order at 4:34 pm with a quorum present. Attendance was done by sign in.

1. Approval of the December 8, 2016 Finance Committee meeting minutes

Motion was made by Mike Herrick, seconded by Graham Garfield and carried to approve the December 8, 2016 Finance Committee Minutes.

2. Approval of the December 13, 2016 Special Finance Committee meeting minutes

Motion was made by Mike Herrick, seconded by Graham Garfield and carried to approve the December 13, 2016 Finance Committee Minutes.

3. Discussion of Golf Course consultant findings and recommendations – held in committee from December 8, 2016 meeting.

Committee Chair Sweeney began the discussion by stating there is still much information to be reviewed and considered before making any decisions and recommended the item be held in committee.

Motion was made by Graham Garfield, seconded by Mike Herrick and carried to hold Golf Course consultant finding and recommendations in committee.

A question and answer period with Mark Carlson followed.

4. Review and approve the Government Finance Officers Association (GFOA) best practices – held in committee from December 8, 2016 meeting.

- a. Long Range Planning: Finance Director Vito recommended holding long range planning in committee for further review.

Motion was made by Mike Herrick, seconded by Graham Garfield and carried to hold long range planning policy in committee.

- b. General Fund Reserve Policy: Finance Director Vito presented a General Fund reserve policy with the objective of providing adequate working capital for cash flow and contingency purposes, while maintaining the City's AA bond rating. A question and answer period followed. Finance Director Vito presented the policy recommendation to maintain a General Fund unallocated fund balance/reserve

level of **32 percent** of the annual General Fund Operating Budget

Motion was made by Mike Herrick, seconded by Graham Garfield and carried to approve the General Fund Reserve Policy.

Motion was made by Graham Garfield, seconded by Mike Herrick and carried to move agenda item 7 b. next on the agenda.

5. General Financial Overview – Other financial matters

Finance Director Vito explained the bond rating process and how the City's debt and Capital Improvement Program (CIP) funding affect the rating.

Finance Director Vito began a discussion on Priority Based Budgeting and the City's plan to adopt this new methodology for the 2018 or 2019 General Fund budget process. A question and answer period followed. Director Vito will continue to collect information on the process and is planning to make a presentation to Council on February 7, 2017 to provide an update on the process.

Finance Director Vito informed the committee that she has asked the City's investment advisor from Smith Barney to attend the February 9, 2017 Finance Committee meeting to provide an update on the City's investments.

Finance Director Vito explained that she will be introducing a revised CIP budget to Council which includes projections through the year 2022. Having a 5-year capital projection is critical to maintaining the City of Superior's AA bond rating.

Motion was made by Mike Herrick, seconded by Graham Garfield and carried to receive and file the other financial matters overview report.

Motion was made by Mike Herrick, seconded by Graham Garfield and carried to hold agenda items 5, 6, and 7 a. in committee.

Having no other business, **motion** was made by Mike Herrick, seconded by Graham Garfield and carried to adjourn the Finance Committee Meeting at 6:05 pm.