



# CITY OF GERMANTOWN TENNESSEE

1930 South Germantown Road • Germantown, Tennessee 38138-2815  
Phone (901) 757-7200 Fax (901) 757-7292 [www.germantown-tn.gov](http://www.germantown-tn.gov)

## Financial Advisory Commission

Tuesday, February 12, 2013 – 6.00 p.m.  
Blue Room

Economic & Community Development, 1920 S. Germantown Road

1. Call to Order
2. Establishment of quorum
3. Consideration of Minutes from January 29<sup>th</sup>, 2013
4. Review of Financial Policies, Fiscal Indicators
5. Any Other Business
6. Adjournment

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## Financial Advisory Commission Minutes

Tuesday, February 12, 2013, 6.00pm  
Blue Room, 1920 S Germantown Rd

**Members Present:** Alderman John Drinnon, Sudhir Agrawal, Glenda Brock, Eddie Cox, Rik Ditter, Sharon Hammer, Clinton Hardin, Russell Johnson, Julie Klein, Mark Kooker, Walter Krug, Howard Lasley, Frank Markus, Christine Menzel, Frederick Miller, Julius Moody, Paul Mosteller, Harold Steinberg, Richard Wagoner and Leslie Wolfgang

**Members Absent:** Vincent Correale, Thomas Harrison and Paul Volpe

**Staff Present:** Patrick Lawton, Kristen Geiger, Ralph Gabb, Michael Stoll, Adrienne Royals, Sherry Rowell and Ida Griffiths

**Others:** Alderman Rocky Janda

### Call to Order

Chairman Hardin called the February 12, 2013 Financial Advisory Commission meeting to order at 6:05 p.m.

### Roll Call & Introduction

Kristen Geiger called roll and announced a quorum was present.

Staff were asked to introduce themselves to the commission.

Chairman Hardin again thanked the Commission members present for their dedication and service to the City

### Approval of Minutes

Chairman Hardin called for approval of the minutes from the January 29, 2013 FAC meeting.

#### **\*\*MOTION\*\***

Julie Klein moved to approve the minutes from the January 29, 2013 FAC meeting with amendments. Sharon Hammer seconded and the motion passed unanimously.

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### **Investment Sub-Committee**

Chairman Hardin stated that the FAC needed an investment sub-committee to review investments. Michael Stoll spoke briefly about the investments of the City stating that basically all of the investable funds are pooled together as a single group. The State Investment Pool is paying 15-18 basis points and has a 80-120 day term.

Clinton Hardin, Walter Krug, Howard Lasley and Frank Markus were appointed to the investment sub-committee.

### **Review of Financial Indicators**

Kristen Geiger and Ralph Gabb discussed the change in fund balance as required by GASB 54. In addition, the \$50,000.00 for contingency fund would be removed from general fund and shifted to the CIP. The CIP contingencies would change from \$200,000.00 to \$250,000.00. In addition, the Utility retained earning policy would set requirements for cash balances and debt.

Kristen referred to the handouts and reviewed at length the Financial Policies, and stated that these indicators would be reviewed on a yearly basis and through the budget process they are reviewed by the BMA.

After much discussion a motion was made to approve the revisions to financial policies as presented.

Richard Wagoner made the motion to approve the revisions to financial policies as presented, Paul Mosteller seconded. The motion passed unanimously.

### **Fiscal Indicators**

Kristen Geiger referred to the handouts and reviewed the Fiscal Indicators, stating that the indicators mirror what the ICMA uses. The City uses two other indicators as part of the debt service policy, debt service to general fund expenditures and the debt per capita.

Ralph Gabb stated that the City had made great strides regarding the pension and the OPEB as these fall under different constraints. The liability for 2010 was \$2.269m; 2011 \$2.227m and in 2012 it was \$2.306m, as the return of the market is coming back. A RPAC work session was planned for the following week.

Patrick Lawton stated that the indicators would be presented to the BMA as well as some of the environmental indicators.

### **Any Other Business**

A discussion ensued regarding the ambulance service and what would have happened had the vote been in favor of in-house service at the February 18<sup>th</sup> 2013 BMA.

Patrick Lawton stated that the City was going to continue this last year with the county contract, but last year, the BMA had directed staff to look at two other options in addition to the county and that was an in house proposal and the other was a separate contract for service just for Germantown with an outside vendor.

Patrick said that the question was if the City was going to get into the ambulance business, would we budget for ambulances in the FY13 budget. Patrick stated that the budget would have been amended in early spring of calendar year 2013 and to have those funds available to purchase the ambulances.

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**Any Other Business (Cont'd)**

Patrick said that he did not want the FAC to think that they had been bypassed in these discussions. Since the adoption of the FY13 budget this has been seen as a policy decision to be made by the BMA as in whether or not we are going to get in to the ambulance business.

Patrick noted that there had been a work session with the BMA where the options were presented. This was followed up with a BMA retreat in January. The direction from Administration and the BMA was that this was a policy decision made by the BMA and that's the point that was considered at the February 11<sup>th</sup> 2013 BMA meeting.

The options now are to continue with the county contract or start with a new provider and look at the bids that have been received. Patrick stated that the FAC would be informed of any further developments.

**Adjournment**

Upon hearing there was no further business; Chairman Hardin called adjournment of the meeting at 7:50pm.