



CITY OF GERMANTOWN TENNESSEE

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

Financial Advisory Commission Minutes

Tuesday, February 7, 2012, 6.30pm
Blue Room, 1920 S Germantown Rd

Members Present: Chairman Clinton Hardin, Mike Agee, Vincent Correale, Eddie Cox, Thomas Harrison, Russell Johnson, Mark Kooker Walter Krug, Howard Lasley, Frank Markus, Frederick miller, Julius Moody, Ron Sklar, Harold Steinberg, Paul Volpe, Richard Wagoner, Jeff Weesner, Leslie Wolfgang, Ald. Mark Billingsley

Members Absent: Sharon Hammer, Donald Herring, Armando Quinn, Frank SanPietro, Brian White

Staff Present: Patrick Lawton, Kristen Geiger, Ralph Gabb and Michael Stoll

Call to Order

Chairman Hardin called the February 7, 2012 Financial Advisory Commission meeting to order at 6:35 p.m.

Roll Call & Introduction

Chairman Hardin called roll and announced a quorum was present.

Chairman Hardin began by thanking the Commission members present for their dedication and service to the City and welcomed new members. He then asked the members to introduce themselves and provide a little about their background.

Approval of Minutes

Chairman Hardin called for approval of the minutes from the August 2, 2011 FAC meeting.

****MOTION****

Richard Wagoner moved to approve the minutes from the August 2, 2011 FAC meeting as presented. Howard Lasley seconded and the motion passed unanimously.

Ethics Policy

Patrick Lawton began by stating that the City of Germantown takes great pride in the level of volunteerism that exists in our community. Describing the purpose of the FAC reminding returning members and informing new members the roll of this Commission was an advisory body to the Board of Mayor and Aldermen. Its primary role is to judge the soundness of the financial decisions being made by the City. Patrick reviewed the Code of Ethics and the importance that the BMA feels that there is on this document. Also noted was that the city tries to operate like a business, i.e. being very cost conscious.

Patrick described the upcoming school district issues and the impact that it will have on the budget. Stating that a sales tax increase of half a percent was thought to be the way to go forward. A discussion ensued regarding the school issues.

Patrick also spoke about the open meetings law also known as the "Sunshine" Law information wherein he briefly reviewed what the law covered. Ralph Gabb stated that he would email this law out to members the following day.

Nomination of Vice-Chairman

Chairman Hardin called for a motion to nominate Frank Markus to become Vice-Chairman of the Financial Advisory Commission.

****MOTION****

Harold Steinberg made a motion, seconded by Russell Johnson, to approve the nomination of Frank Markus to become Vice-Chairman of the Financial Advisory Commission. The motion passed unanimously.

Reviews

FY13 Budget Calendar Review

Kristen Geiger reviewed the entire FY13 Budget Calendar at length as approved by the Board of Mayor and Aldermen. Kristen also discussed in general the budget process to arrive at the FY13 Budget. A member asked if there was going to be any sub-committees this year. Kristen stated that the only sub-committee that would be needed this year would be an investment sub-committee, stating that this meets quarterly and if any members wished to serve on this committee then to please let the City know. Kristen also noted that binders were provided for new members.

FY12 Financial Update

Ralph Gabb gave a financial update of the first 6 months of the City. The financial update was for the months of July 1st through December 31st. Ralph stated that the general fund is the most used funds of all the government funds. The General Fund includes the revenue from property tax, represents 59% of the total General Fund revenue dollars. In addition to sales tax revenue which is the second largest revenue source after property tax. The general fund expenditures include the general government (human resource, administration, finance, and economic & community development to mention a few), public safety, transportation & public services, and community services. The City has special revenue funds and enterprise funds which will be covered in subsequent meetings. As can be seen from the general fund summary, total revenues are greater than the projected budget for the 6 month by \$554,081 or 2.0% greater. This is due to higher property tax collections, federal and state revenues and other revenues. In addition to the good news of higher revenues, total general fund expenditures are down by \$573,648. This equates to revenues over expenditures being positive by \$1,127,729. This is a great position to as we are 6 months into the City's fiscal year.

Ralph Gabb stated that the City completed its financial audit and was issued an unqualified opinion or stated another way a clean opinion was issued by the accounting firm of Watkins Uiberall. The accounting firm audited on a test basis the financial information and reviewed the internal controls of the City. In addition, the City was audited twice because of the amount of federal and state funds for various road projects. The members may remember the American Recovery and Reinvestment Act. This money was used for the Farmington Blvd. resurfacing. In addition, money for the Wolf River Blvd. to mention a few construction jobs included in the Single Audit. An unqualified opinion was issued on the Single Audit. The single audit ensures appropriated internal controls are in place, support documentation for spending and all other aspects are in compliance with the grantors requirements. With this said the City's financial statements for the fiscal year 2011 were sent to the State of Tennessee, Department of Municipal Audit and the Government Finance Officers Association.

Any Other Business

Investment Report

Michael Stoll, City Treasurer, then presented a summary of the foreclosures that occurred in Germantown during the quarter that ended December 31, 2011. Along with the summary he demonstrated the websites for searching Freddie Mac and Fannie Mae foreclosure property sales by zip code. Finally, briefly described the results of the City's issuance of general obligation bonds in September 2011 noting the low interest rates obtained during the online bidding by at least six underwriters. Kristen Geiger stated that the city of Germantown has been chosen to host the Vesta Home Show this year and it will be taking place at St James Place, which is located between Poplar Pike and Winchester. After questions from members regarding the half cents sales tax increase, another discussion regarding the schools ensued.

Adjournment

The meeting adjourned at 7.52 p.m.