



Finance Committee Meeting
June 27, 2016 – 8:00 a.m.
Executive Chambers – Board Room

Minutes

1. CALL TO ORDER

Chair Sportsman called the meeting to order at 8:00 a.m. A quorum was present.

- **Members Present:** Chair Marc Sportsman, Vice Chair Dave Rittman, Diane Driver and Robert Lock
- **Other Aldermen present:** Jim Werner
- **City Staff Present:** City Administrator Lauren Palmer, Public Works Director Alysén Abel, Community Development Director Stephen Lachky, Police Chief Kevin Chrisman, Finance/Human Resources Director Matthew Chapman, City Treasurer Steve Berg, Assistant to the City Administrator Tim Blakeslee and City Clerk Melissa McChesney
- **Others Present:** Michael Keenan and David Cochran, Cochran Head Vick & Co., P.C.

2. FINANCIAL UPDATES

3. ACTION ITEMS

A. Approve the minutes from the June 13, 2016, meeting

Diane Driver moved to approve the June 13, 2016, minutes. Robert Lock seconded; motion passed 4-0.

B. Accept the audited financial statement for fiscal year 2015 as prepared by Cochran Head Vick & Co., P.C.

Finance/Human Resources Director Matthew Chapman stated that the auditors had issued an unmodified opinion since the first review of the audit at the May 9 meeting.

David Cochran, Cochran Head Vick & Co., stated that the 2015 audit included a draft communication and management letter. He thanked City Administrator Lauren Palmer and the City staff for their work on the 2015 audit. Michael Keenan explained that the audit was of the basic financial statements of the City in 2015 that included an infrastructure report and an adjustment for special assessments. He noted that the City changed the accounting policy in 2015 related to the pension plan through the addition of Governmental Accounting Standards Board (GASB) statements 68 and 71 and adjustments were made to the beginning net position and fund balance.

The Finance Committee discussed changes to the audit process from prior years and noted it was more thorough than before. City Treasurer Steve Berg shared some of the issues that arose during the process. City Administrator Lauren Palmer discussed sewer write-offs, noting that there was discussion about a reasonable time to write off bad debt and engaging a collection service to collect older debt in the future. Palmer explained the issue with resolving the value of the land known as 45 Park Place, noting that staff reached out to the appraiser who confirmed that the April 2014 appraisal was still valid. The auditors accepted this confirmation.

Driver moved to recommend that the Board of Aldermen approve the audited financial statements for the fiscal year ending December 31, 2015. Rittman seconded; motion passed 4-0.

Chair Sportsman thanked the aldermen for their financial expertise and experience. Palmer noted that the City would have a consulting relationship with the auditors throughout the year. She also

said that the audit was delayed because of the appraisal issue and the timing of the judicial foreclosure and the sheriff's sale for 45 Park Place.

C. Approve a maintenance agreement with Blue Valley Public Safety Inc. for the outdoor warning sirens

Public Works Director Alysén Abel stated that the City maintained four sirens which were part of the Platte County Regional Tornado and Public Warning System. Maintenance was contracted annually with Blue Valley Public Safety Inc. who was the authorized representative for the region. She added that staff would contact the vendor to find out if a multi-year contract was an option instead of an annual renewal.

Driver moved to approve the maintenance agreement with Blue Valley Public Service Inc. for the outdoor warning sirens in the amount of \$2,808. Rittman seconded; motion passed 4-0.

Dave Rittman mentioned that the City had discussions in the past about adding sirens and Abel responded that none had been added. She noted that staff was aware of the issue and was working with intergovernmental partners to evaluate options for adding coverage. A recommendation will be made to the Board of Aldermen at a later time.

D. Approve a small construction agreement with Havens Construction for the River Hills Storm Sewer Reconstruction

Public Works Director Alysén Abel explained that in 2013 there was a small failure in the area adjacent to 10201 River Hills Drive, which was a different location than the problem that occurred in 2015. She added that the hole had been previously filled, but due to heavy rains in May a 15 foot sinkhole had appeared. Based on a recent inspection of the structure, staff did not find evidence that the pipe was properly grouted for a water-tight seal. Two contractors evaluated the storm sewer – Havens Construction worked on several properties in Thousand Oaks and Beemer Construction worked on the QuikTrip development. Havens Construction provided a more cost-effective alternative that would not require tree removal.

Further discussion focused on the quality of work being done, what it would look like from the ground and determining if other storm sewers in the city had the same issue.

Driver moved to approve a small construction agreement with Havens Construction for the River Hills Storm Sewer Reconstruction in an amount not to exceed \$5,000. Rittman seconded; motion passed 4-0.

E. Reject bids related to the Nature Sanctuary garden tractor

Assistant to the City Administrator Tim Blakeslee stated that the Nature Sanctuary Donation Fund budgeted for the purchase of a new garden tractor in 2016. A bid opening was held in June and one bid was received that was \$1,200 over budget. Blakeslee added that two other vendors were contacted to find out why they did not bid and one commented that they did not understand the bidding process.

Staff recommended rejecting the bid and rebidding the purchase with the removal of the mower deck to see if the new bid would fit within the budget. Rittman commented that the Parkville Rotary Club was looking to donate money for a City project and the tractor could be an option.

Driver moved to reject all bids and direct staff to reduce the scope by adding the mower deck as a bid alternate and rebid the equipment. Rittman seconded; motion passed 4-0.

The Committee discussed modifying the purchasing policy to increase the minimum for competitive bids because vendors were reluctant to bid for smaller purchases under \$2,500.

4. NON-ACTION ITEMS

5. OTHER BUSINESS

6. ADJOURNMENT

Chair Sportsman declared the meeting adjourned at 9:04 a.m.

Submitted by:

Melissa McChesney
Melissa McChesney
City Clerk

July 11, 2016
Approval Date