



**A Meeting of the Waco
City Council Budget & Audit Committee or
A Meeting of the City Council, Acting as
The City Council Budget & Audit Committee**

Public Notice

Regular Meeting

Tuesday, February 14, 2017

1:30 PM

City Hall - 3rd Floor Conference Room
300 Austin Ave, Waco, TX 76701

AGENDA

I. Call to Order

II. Minutes Approval

Consider and Approve Budget and Audit Summary Notes of January 24, 2017

III. Discussions

1. Discussion and update of procurement of Professional Auditing Services
2. Discussion and update of Creative Waco Match Program and Budget
3. Discussion of the acceptance of Prosper Waco Guidelines
4. Discussion and update of Background Checks
5. Discussion of Bond Issuance
6. Discussion and update of City of Waco Records Management Program
7. Discussion of City Council 2017-2018 Budget Priorities

IV. Request for Future Agenda Items and Next Meeting Date

The Committee/City Council may go into Executive Session on any item listed on the Agenda in accordance with Chapter 551 of the Government Code, specifically including Sec. 551.071(2) (attorney-client privilege/relationship).

Jack Harper II, Assistant City Manager

It is the opinion of the City Attorney's Office that this agenda complies with the requirements of Chapter 551 of the Texas Government Code.

Jennifer Richie, City Attorney

I hereby certify that this notice was posted at Waco City Hall on the ____ day of _____ at ____ AM/PM.

Esmeralda Hudson, City Secretary

Note: Persons with disabilities who plan to attend this meeting and who need auxiliary aides or services should contact the City Secretary's Office, at (254) 750-5750 at least twenty-four (24) hours before this meeting so that appropriate arrangements can be made.



**Meeting of the Waco City Council, acting as
The Budget & Audit Committee
Regular Meeting**

Draft Summary Notes

Tuesday, January 24, 2017

2:04 PM to 4:05 PM

City Hall - 3rd Floor Conference Room
300 Austin Ave, Waco, TX 76701

I. Call to Order

Mayor Kyle Deaver called the meeting to order at 2:04 PM

Council Member Present: Kyle Deaver, Alice Rodriguez, John Kinnaird, and Jim Holmes

II. Minutes Approval

Consider and approve December 13, 2016 Budget and Audit Committee Summary Notes

Approved with Corrections

III. Standard B&C Items

1. Discussion of the FY2015-16 Financial Audit with Jaynes, Reitmeier, Boyd, and Therrell, P.C. (JRBT) and staff

Katie King, with JRBT, made a presentation and provided an overview of audit report and the required communication. Presentation is on file in the City Secretary's Office.

Presentation included:

- Major programs tested
- Results of single audit
- Comparison of expenditures
- Opinion of compliance for each Federal and State Program
- Financial audit results
- Audit expected to be presented to Council on February 7, 2017
- Monitoring of internal controls

Janice Andrews, Finance Director, explained as soon as draft reports are ready they will be e-mailed to the Council. A report on the major funds and general funds was also provided.

2. Discussion of procurement of Professional Auditing Services

Janice Andrews provided an update on the procurement of professional auditing services. A recommendation should be ready by the next Budget and Audit Committee meeting. The scope will include high priority review of risk management, establishing an employee hotline, and quotes for future projects that would include HUD.

3. Discussion and update of the City's Enterprise Resource Planning (ERP) Project with Tyler Technologies

Staff provided an update on the City's ERP Project and an overview of critical issues that have delayed implementation and stretched resources. Preparations to work with a new project manager are underway and implementation is moving forward. Significant work has been done and will continue in

order to implement all financial application, training, and developing interfaces. Staff also reported that Tyler has been responsive to their needs. Full implementation is expected within three years.

4. Discussion on financing the Chimney Hill drainage and utility improvements
Chuck Dowdell, Public Works Interim Director, provided an update. A presentation is on file in the City Secretary's Office.
5. Discussion and update on the Barron's Branch drainage and utility improvements
Chuck Dowdell provided an update and the presentation is on file in the City Secretary's Office.
Discussion included options for sewer water litter traps.
6. Discussion and update on the Barron's Branch Apartments Project
Melett Harrison, Housing and Economic Development Director, provided an update on the presentation is on file in the City Secretary's Office. Staff was asked to provide a follow-up on the lease holder information.
7. Discussion of utilization of the competitive sealed proposal method for procuring investment management services.
Rusty Hill, Assistant Finance Director, provided an overview on the process to procure an investment management services and the services that are provided. Services are contracted for two years with an option for three one-year renewals. An agenda item is scheduled for the February 7, 2017 Council Meeting to approve the use of the competitive sealed proposal method. First Southwest Asset Management currently provided these services.
8. Discussion of proposed funding priorities for outside agencies, CDBG, and HOME funding

Presentation included:

- Action Plan deadline of August 2017
- Reducing the amount of contracts
- Review of programs funded
- Review of the Consolidated Plan goals and funding
- Concerns with monitoring of programs
- Action Plan recommendations

Discussion included youth services and children services and considering a targeted approach to funding that supports leveraging additional funds. Staff recommends notifying agencies that contracts will be reduced to five to give them adequate time to prepare. Committee discussed the possibility of a minimum contract award rather than limiting the number of contracts or categories.

Funding for outside agencies was also discussed including a review of the agencies that were funded last year. Staff was asked to evaluate what percentage of the general fund has been allocated to fund outside agencies and to include the percentage in the funding chart. Also staff was asked to clarify that the Cove was a one-time funding award.

Items to consider are how to evaluate additional requests for funding and establishing an annual amount for awards without restricting core city services.

IV. Request for Future Agenda Items and Next Meeting Date

The next meeting is scheduled for February 14, 2017, immediately following a 1:30 p.m. meeting of the Boards and Commissions Committee.

Future agenda items include:

- Creative Waco Match Program
- Procurement of professional auditing services
- Background Check
- Update on Records Management Program
- 2017-18 Budget Priorities

The meeting was adjourned at 4:05 p.m.

Approved on _____

Esmeralda Hudson, City Secretary

Kyle Deaver, Mayor