



STAFF REPORT

DATE: January 8, 2019

REGULAR

TO: Honorable Mayor and City Council
FROM: Sue Iverson – Finance Director
AGENDA ITEM: Finance Committee Operating Policies & Procedures
REVIEWED BY: Kristina Handt – City Administrator

BACKGROUND:

Staff has reviewed the Finance Committee Operating Policies & Procedures and has recommended revisions based on changes in City staff, changes in how processes are being done, and committee composition.

ISSUES BEFORE THE CITY COUNCIL:

- 1) Should the City Council to adopt the revised Operating Policies & Procedures as drafted?

DISCUSSION:

The current operating policies and procedures were adopted when the City was starting to develop and was just starting to draft policies and look at financial projections. Staff has revised the policies and procedures to more correctly reflect how the committee has been functioning. Staff is recommending the committee composition be changed from 5 to 3 members with 2 alternates as the committee has been functioning with only 3 people for the last few years and sometimes does not have a quorum to conduct business if only 2 members are present. The Finance Committee discussed this at its November 20, 2018 meeting as we only had two members present and we were not able to hold a meeting. Staff and the Finance Committee recommend having 2 alternates to continue to promote recruitment of members to this committee.

FISCAL IMPACT:

None.

OPTIONS:

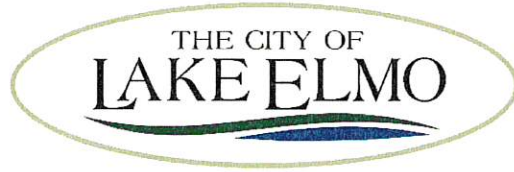
- 1) Approve the Finance Committee Operating Policies & Procedures as drafted.
- 2) Amend and then approve the Finance Committee Operating Policies & Procedures.

RECOMMENDATION:

- 1) Motion to approve the Finance Committee Operating Policies & Procedures.

ATTACHMENTS:

- 1) Red-lined Finance Committee Operating Policies & Procedures



Finance Committee Operating Policies & Procedures

Scope & Purpose: To aid the City Council in the administration of financial operations of the City of Lake Elmo through the review financial policies, the monthly review of financial statements, the annual review of the audit report and the review of the annual operating budgets.

Committee Duties:

- A. Review ~~monthly~~ quarterly financial statements and budget to actual performance;
- B. Receive draft of the annual audit report from the City Auditors (Comprehensive Annual Financial Report - "CAFR"), discuss issues and recommendations related to compliance with GASB and internal control policies, and approve the audit report for presentation to the City Council;
- C. In conjunction with Administrator, Department Heads & the Finance Director, review and approve the annual budget for presentation to the City Council. This involves review of the draft for the preliminary levy certification in September each year ~~as well as the final draft for the annual TNT public hearing and final levy certification in December;~~
- D. Review ~~bonding proposals, including project amount being financed, rates, terms and repayment schedules~~ and recommend Long-Range Financial Plans and ProForma;
- E. Review and recommend the establishment / renewal of user and license fees – including utility fees each year as proposed by City staff for the following year fee sheet;
- ~~F. Review requests for non-budgeted or emergency expenditures and make recommendations to the full City Council;~~
- ~~G. Review any proposed changes in the City's insurance coverage and risk management program;~~
- H. Periodically review Finance related policies and recommend changes as needed (ie: Debt Service, Investing, Purchasing, Internal Controls etc).

Meeting Schedule: Monthly or as needed.

Committee Composition: ~~Five~~ Three Lake Elmo Residents (with a background in business or finance who volunteer) and two alternates.