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MINUTES

GENERAL GOVERNMENT AND FINANCE (GGAF) ADVISORY SUBCOMMITTEE OF THE CITY OF GEORGETOWN, TEXAS

The General Government and Finance (GGAF) Advisory Subcommittee met at **2:30 p.m.** on **Monday, November 23, 2009**, in the **City Hall Main Floor Conference Room**, located at **113 East 8^h Street**, Georgetown, Texas.

Members Present: Keith Brainard, Chair, Patty Eason

Members Absent: Dale Ross

Staff Present: Micki Rundell, Director of Finance and Administration, Lorie Lankford, Accounting Manager

Keith Brainard called the meeting to order at 2:40 p.m.

1. Review and approve minutes from previous meetings – Danella Elliott

The September 28, 2009 minutes were approved.

The October 28, 2009 minutes were approved.

The October 5, 2009 minutes were approved with the following change: Item 2 in the minutes are corrected as follows (in red). “Keith views this initial process as a guide. He would like **City Staff** to have interviews with more qualified people and allow them give demos and explain what they have to offer and to see if they can beat the current provider, and to include the current provider. He would like to involve the Employee Benefits Committee in the selection. Kevin asked Keith to send a list of providers”.

2. Consideration and possible action to recommend selection of National Service Research (NSR) for \$19,500 to conduct the 2010 City of Georgetown Quality of Life Survey- Micki Rundell

Micki explained that this item will be on the 11/24 Council agenda. She informed the committee that In October 2009, an RFP process to conduct the City’s fifth biannual survey was undertaken.

This RFP, which was reviewed by the General Government and Finance Subcommittee (GGAF) at their September 28, 2009 meeting, was sent to over 30 firms and 6 proposals were received. A selection committee, consisting of Kimberly Garrett, Parks and Recreation Director, Keith Hutchinson, PIO, Micki Rundell, CFO and Mr. Don Anderson, a citizen from District 3 reviewed and scored the proposals. The committee is unanimously recommending the selection of National Service Research (NSR) from Fort Worth to conduct this year's survey.

NSR has conducted numerous surveys throughout Texas and is considered to be highly qualified to undertake this assignment. References were checked and verified. All cities contacted, including the City of Richardson and Farmers Branch, were more than pleased with NSR. In addition, NSR will be able to meet the requirements set forth in the RFP which include the ability to continue the trend analysis and comparison to the City's previous surveys and the time lines for inclusion in the 2010/11 budget process.

The 2010 survey will consist of approximately 50 to 60 questions and require about 15 minutes to complete. NSR will conduct both a telephone and on-line survey; provide analysis, reports and presentation to City Council. The survey will provide a 95% confidence level within a margin of error +/- 5%, which is similar in scope to previous surveys. NSR staff will meet with City staff and others to create the survey instrument. The survey will also be reviewed by GGAF and City Council prior to being undertaken. The survey will be conducted in January and presented to the Council in March 2009.

The previous 4 surveys were conducted by Ampersand Agency from Austin. Ampersand did not bid on this year's survey. Micki explained that they probably didn't bid because they might be tired of us, as well as, it being an election year and their workload increases during this time. The survey has been a useful tool in providing feedback to the City Council on community needs and issues, as well as, a gage for determining future projects. The results from this survey will continue to provide feedback, as well as, benchmarks for on-going programs and services.

Total cost for this survey will be \$19,500. The 2009/10 budget included \$23,000 in the Finance Administration Special Services account. The cost of the 2008 survey conducted by Ampersand was \$20,000. If the contract is approved at Tuesday's Council Meeting, Micki and Paul Brandenburg will meet with NSR next week.

Patty and Keith are in agreement that since this item has already been to this GGAF Committee, they do not see the need for Micki to bring it back before going to Council. Micki will visit with Dale to make sure he is in agreement with this recommendation, and if so, then it will move forward to Council.

3. Overview of the September 30, 2009 year end preliminary financial information – Micki Rundell

Micki gave an overview and explained that this year end financial report and information will be on the 11/24 Council Agenda as well.

Overview:

This report compares the preliminary year end balances as of 9/30/09 to the balances that were projected during the budget process. Year ending fund balances are projected during the budget

process to establish an estimated beginning fund balance for the upcoming year. Projections are made conservatively, in order to provide assurance that the upcoming budget will begin with a fund balance that will support the new year.

Variance Explanations: The following information provides explanations to the variances in the projected fund balances.

- **General Fund:**

Overall, the General Fund's balance is \$397,938 higher than projected in the budget. Revenues ended the year with 14.2% overall higher than 2007/08, primarily due to the new property in the tax base as well as increased revenues from the expansion of the Recreation Center. Development and building activity was 31.7% lower than prior year. The decrease is due to the slowdown in the economy and overall housing market. Expenditures were lower than anticipated in all areas except Transportation. This variance relates to the timing of street projects.

- **Other Major Funds:**

The Electric Fund working capital is \$3.4 million higher than anticipated. While the revenues were within 1% of projections, costs were lower than anticipated, primarily due to purchased power contract savings. Micki commended Jim Briggs on his ability to manage the power contracts making it more cost effective.

Water revenue was 3% higher than projected, while Wastewater revenues were within 1% of projections. Tap fee revenue, however, was over \$497,000 lower than originally projected due to housing starts. The working capital balance for the Water Services Fund is \$4.5 million higher than anticipated, primarily due to the timing of capital projects. A budget amendment will be needed for projects from the prior year that need funding in the current year, including the San Gabriel parallel line and the Southlake Water Treatment Plan r project.

- **Internal Service Funds:**

The Facilities and Fleet internal service funds both had operational savings resulting in slightly higher working capital balances. The Information Services fund working capital was \$93,386 lower than anticipated, resulting from the timing of network improvement projects that were able to start earlier than anticipated. The Joint Services fund working capital is \$125,172 less than anticipated, due to reduced allocation revenue from lower departmental costs.

- **CVB Fund:**

Hotel Occupancy Tax revenue was over \$64,204 less than the prior year, however was over \$50K more than projected. This resulted in a higher fund balance than anticipated. Ending fund balance was \$446,749. ***Keith asked that Micki send the committee the State Law information regarding use of Hotel Motel Occupancy Tax fund use.***

- **Airport Fund:**

The Airport Fund working capital balance is \$28,993 higher than anticipated, primarily due to the expense savings, as well as the timing of the capital improvements partially funded through state grants.

Special Revenue Funds were discussed, and ***Keith asked that Micki send the committee the number of actual donations, actual number of donors and the largest single donation made to the Animal Shelter for the previous year.***

Micki explained the difference between “frozen” positions and “open” positions, as well as, provided information on restricted accounts.

Micki explained that we ended the year on a positive note, based on how we began the year in an economic downturn.

The meeting adjourned at 3:20 p.m.