

**MINUTES
ORO VALLEY BUDGET AND FINANCE COMMISSION
REGULAR SESSION
TUESDAY JUNE 18, 2019
HOPI CONFERENCE ROOM
11000 N. LA CAÑADA DRIVE**

CALL TO ORDER – Chairman Beasley called the meeting to order at 4:00 p.m.

ROLL CALL

PRESENT: James Beasley, Chairman
John Latchford, Vice Chairman
Chuck Kill, Commissioner
David Newell, Commissioner
Cathy Solverson, Commissioner

STAFF PRESENT: Joseph C. Winfield, Mayor
Mary Jacobs, Town Manager
Stacey Lemos, Administrative Services Director/CFO
Wendy Gomez, Senior Budget Analyst

CALL TO AUDIENCE

No speakers

AGENDA

1. APPROVAL OF MAY 14, 2019 MINUTES

MOTION: A motion was made by Vice Chairman Latchford and seconded by Commissioner Solverson to approve the May 14, 2019 minutes as written.

MOTION carried, 5-0.

2. REVIEW AND DISCUSSION OF FINANCIAL STATUS UPDATE THROUGH APRIL, 2019

Ms. Lemos discussed the April financials with the Commission.

There was discussion regarding the construction project of a new entrance at the First Avenue/Tangerine Safeway plaza. Commissioner Kill asked who would be paying for the new road and why was it needed. Ms. Jacobs stated the Town would be adding a

new right in right out entrance off of Tangerine due to the number of accidents at the intersection.

Ms. Lemos stated that in the Community Center Fund, the contracted revenues are estimated to end the year 1.9% over budget, largely due to outside golf play.

Chairman Beasley asked if the golf line item was all outside golf. Ms. Lemos stated yes.

3. DISCUSSION OF DRAFT PENSION FUNDING POLICY AND POSSIBLE ACTION REGARDING RECOMMENDATION TO TOWN COUNCIL

Discussion ensued between the Commission and Staff regarding the interest rate and the minimum contribution to the PSPRS as well as additional payments.

Chairman Beasley stated he believed the actual pension liability is significantly understated, and it is understated because the interest rate is too high.

Ms. Jacobs mentioned she would not recommend to the Council that they choose an interest rate that is not substantiated by our own actuarial analysis.

Commissioner Solverson mentioned additional payments need to be made sooner rather than later, and not wait until the bill is due.

Vice Chairman Latchford stated that he would like to see this be overfunded rather than underfunded.

Commissioner Solverson asked if it becomes a situation if you don't comply with the policy.

Ms. Jacobs stated the policy has to be readopted every year by Council.

Ms. Lemos informed the Commission that statute specifically requires the Council to formally accept the assets liabilities and current funding ratio based on the most recent actuarial evaluation.

MOTION: A motion was made by Commissioner Newell and seconded by Vice Chairman Latchford to maintain status on the recommended draft policy as presented by staff and to include budgeting for an additional annual payment toward the unfunded liability, in addition to the required minimum employer contribution in each budget year.

MOTION carried, 5-0.

4. REVIEW AND DISCUSSION ON STAFF'S FINANCIAL PROJECTIONS FOR GOLF COURSE OPTIONS

Chairman Beasley asked if the consulting group that did the study and recommendations for the golf course in 2017 be brought back, so an update to the study can be discussed in order for the Commission to make a current recommendation to the Council regarding the golf course.

Commissioner Newell stated he believed there were a number of errors missed in the report, including a \$250,000.00 service contract that was to expire and he could not support having them back.

Vice Chairman Latchford asked what the cost was for the report.

Ms. Lemos stated around \$50,000.00

Discussion ensued between Ms. Jacobs and the Commission regarding no golf and the options of natural desert, refined desert, groomed desert and park along with costs associated with each option.

Mayor Winfield stated the Town Council has a special meeting, opened to the public on July 24, 2019, at the Church of the Nazarene on this topic.

5. COMMISSION LIAISON COMMENTS – MAYOR WINFIELD

Mayor Winfield handed out a Strategic Leadership Plan brochure along with a Census flyer.

Mayor Winfield informed the Commission that the FY19/20 budget was adopted unanimously.

FUTURE AGENDA ITEMS

Chairman Beasley asked for golf to be placed on the agenda.

Commissioner Solverson mentioned the Pension Policy.

May Financials

Chairman Beasley asked that the August meeting be placed on the agenda to discuss whether it should be canceled.

NEXT MEETING: July 16, 2019 in the Hopi conference room

ADJOURNMENT

MOTION: A motion was made by Commissioner Newell and seconded by Vice Chairman Latchford to adjourn the meeting at 7:26p.m.

MOTION carried, 5-0.

Prepared by:

A handwritten signature in black ink, appearing to read "V. Cabbage". The signature is fluid and cursive, with the first letter "V" being particularly large and stylized.

Veronica Cabbage
Senior Office Specialist

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular session of the Budget and Finance Commission of Oro Valley, Arizona held on the 18th day of June, 2019. I further certify that the meeting was duly called and held and that a quorum was present.