

1 Minutes of the Centerville City Council **work session** held Tuesday, February 2, 2016 at 5:00
2 p.m. in the Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

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4 **MEMBERS PRESENT**

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6 Mayor Paul A. Cutler

7
8 Council Members Tamilyn Fillmore
9 William Ince
10 Stephanie Ivie
11 George McEwan
12 Robyn Mecham

13
14 **STAFF PRESENT**

15 Steve Thacker, City Manager
16 Blaine Lutz, Finance Director/Assistant City Manager
17 Lisa Romney, City Attorney
18 Jacob Smith, Assistant to the City Manager
19 Katie Rust, Recording Secretary

20 **VISITORS**

21 Ed Erickson, Hansen Bradshaw Malmrose & Erickson

22 **ANNUAL FINANCIAL REPORT FOR FY 2015**

23
24 Ed Erickson, audit partner with Hanson Bradshaw Malmrose & Erickson, presented the
25 audit of the City's Annual Financial Report for FY 2015, and stated that a clean opinion was
26 issued. Mr. Erickson discussed State retirement benefits with the Council, and explained that
27 GASB standards now require auditors to include the City's share of the unfunded liability of the
28 retirement system to be included in the annual financial statements. Mr. Erickson also
29 presented a two-year comparison of City revenues and expenses, explained much of the
30 content in the Comprehensive Annual Financial Report, and answered questions from the
31 Council. Blaine Lutz, Finance Director, updated the Council regarding City debt, and Mr.
32 Erickson explained UTOPIA/UIA obligations. Councilwoman Fillmore pointed out a potential
33 conflict with both the Wasatch Integrated Waste Management District and the South Davis
34 Sewer District considering the possibility of expanding into the food waste market, and
35 expressed a desire for the City to follow-up and remain informed. Mr. Erickson presented audit
36 findings, which included a deficit in the Parks Capital Improvement Fund. Staff explained timing
37 issues that resulted in the Parks Capital Improvement Fund deficit shown in the Financial
38 Report, and confirmed that the Fund currently has a positive balance due to park impact fees
39 received soon after the close of FY 2015.

40
41 Mayor Cutler asked Mr. Erickson for his opinion of what the City does well in terms of
42 financial processes, and what could be improved compared to other cities. Mr. Erickson
43 responded that Centerville runs a fairly lean shop in terms of manpower compared to cities of
44 comparable size. He said the City financial staff is efficient, but fewer adjustments might be
45 necessary at year end with additional financial staff. Mr. Erickson stated the City has good cash
46 disbursement processes, and added his impression that the Centerville City Council is more
47 involved in financial oversight than other Councils. Mr. Erickson concluded that the current
48 segregation of duties is good with existing staff, but suggested that duties could be segregated
49 further with one or two additional financial staff members.

50
51 Mr. Lutz explained the General Fund balance as of June 30, 2015, noting that after
52 taking into account several adjustments, the fund balance is similar to the prior year.

ADJOURNMENT

Mayor Cutler thanked Mr. Erickson for his time, and adjourned the work session at 6:53 p.m.

Marsha L. Morrow
Marsha L. Morrow, City Recorder

2-16-2016
Date Approved

Katie Rust
Katie Rust, Recording Secretary

