



**MINUTES OF THE AUDIT AND FINANCE COMMITTEE MEETING
FOR MONDAY, JUNE 10, 2019 AT 200 HIGHLANDS BOULEVARD DRIVE**

1. CALL TO ORDER

Chairman Bill Ward called the Audit and Finance Committee meeting to order at 5:37 pm.

2. ROLL CALL AND STATEMENT OF QUORUM

Roll call showed those present were Peter Bitzer, Alderman Baumann, Alderman Toben and Chairman Bill Ward. A quorum was present. Also in attendance were Ex-officio members Mayor Clement and City Administrator Larry Perney, Alderman Huether, Alderman Ottenad, support staff Director of Finance Donald Yucuis, City Attorney Paul Rost, Bond Counsel Shannon Walsh Creighton, and Financial Advisor Joy Howard..

3. ESTABLISHMENT OF ORDER OF ITEMS ON THE AGENDA

Chairman Ward made the motion to approve the order of items on the agenda. The motion was seconded by Alderman Toben and approved unanimously.

A. Chairmen Ward made a motion to approve the May 13, 2019 Audit & Finance Committee meeting Minutes, seconded by Alderman Baumann and approved unanimously.

B. A review of the Tax Increment Financing Refunding Memo dated June 7, 2019 ensued:

1. Shannon Walsh Creighton presented:

- i. PACE is the developer of record and have TDD Notes outstanding to repay costs of development. In 2010, PACE had \$5.9 million of notes outstanding and has grown to \$10.5 million.
- ii. PACE asked to refinance their notes in conjunction with the City's proposed refinancing of the outstanding TIF bonds (\$30.17 million), If the TIF bonds are refinanced the developer no longer is obligated to contribute the Transportation Development District (TDD) Source 5 revenue, which was in the original redevelopment agreement, to pay off

the TIF Bonds. The \$700 to \$800 thousand would remain with PACE to pay off their Notes. Any change to Source 5 revenue would require a negotiation between the City and PACE. The Economic Activity (EATS) TDD portion remains in place (called the Top Half) to pay off City bonds. The City would need to negotiate with PACE to stop contributing the \$352,000 City contribution.

- iii. The 1% TDD tax includes all businesses except for Costco.
- iv. The TIF District 1% tax includes all businesses except for Weekends Only and Randall's Liquor.

2. Joy Howard presented:

- i. The financial analysis summary data for
1.

C. The 2019 first quarter financial report ending March 31, 2019 was presented and reviewed.

- a. General Fund revenue was at 30.9% of budget and expenses were 25.5% of budget. Both positive at the first quarter 25% mark.
- b. All other funds were reviewed.

D. A DRAFT Investment Policy was presented for review and discussion.

a. Section 9 Policy Considerations

- i. 1 Exemptions- states that "investments currently held that do not meet the guidelines of this policy are exempt from the requirements of this policy". The City has investments that when approved by the Board of Aldermen would not meet the guidelines.
- ii. Adoption and Amendments- changed "reviewed from time to time" to "at a minimum annually".

Director of Finance Yucuis will present a Resolution for approval of the Investment Policy to the Board of Alderman at a regularly scheduled Board meeting.

E. Review Missouri Securities Investment Program (MOSIP) as another investment option for the City. Director of Finance Yucuis presented information regarding the Missouri Securities Investment Program as another option to invest City funds. Aldermen Toben directed Director of Finance Yucuis to finalize the MOSIP investment option by Ordinance at a formal Board of Alderman meeting.

F. Update of Investments-UMB TIF Holdings and analysis by Commerce of liquidating Investments additional investments. Director of Finance Yucuis presented a report from Commerce Bank on the book value, market value and potential profit/loss of selling twenty-four securities with original maturity dates between 2019 and 2042. After discussion and review of the report, a motion was made by Peter Bitzer, seconded by Alderman Toben to direct staff to liquidate twelve investments (lines 13-24 on the report) with maturities from 8/25/20126 to 10/25/2042 and was approved unanimously.

G. The next meeting is scheduled for Monday June 10, 2019 at 5:30 pm.

4. ADJOURNMENT

At 6:43 p.m., there being no further business, Chairperson Ward made a motion to adjourn, seconded by Alderman Toben and approved unanimously.

Respectfully submitted,

Donald J. Yucuis
Director of Finance

Note: This is a journal of the Audit and Finance Committee meeting of Monday, May 13, 2019 (summary); not a verbatim transcript.