



Finance Committee Report

January – March 2020

The Finance Committee shall serve solely in an advisory capacity to the City Council. Among other matters that may be requested from time to time by the Council, the Finance Committee may review and make recommendations to the City Council regarding the following matters:

- quarterly financial reports,
- comprehensive financial annual report (CAFR),
- long term debt capacity of the Town,
- engagement of independent accounting firms to audit the financial statements,
- review the adequacy and implementation of any internal audit function.

Finance Committee members as of March 2020:

- Tom Braun, Mayor Pro-Tempore
- Ivan Hughes, Council Member
- Marlin Willesen, Council Member

This document covers the topics discussed by the Committee from January to March 2020.

January 13, 2020

Topic	Discussion
Quarterly Finance Committee Report	Draft Fiscal Year 2020 1 st Quarter Finance Committee Report. This report was on the February 25 th , 2020 Council meeting.
Comprehensive Annual Financial Report (CAFR) Update	Staff indicated that the audit firm was nearing completion and the final document would be made available to the Committee when available.
Quarterly Financial Report Suggested Edits Discussion	<p>The Committee and Staff reviewed the current format and content of the Quarterly Financial Report. Based on this discussion, it was determined to make some minor edits to the Report. These included:</p> <ul style="list-style-type: none"> • Footnotes were added at the bottom of each page instead of consolidating them in the beginning of the document. • The colors red, yellow, and green were changed in certain locations so they retain a consistent meaning throughout the document. • Minor changes were made to the title of charts, descriptions, etc. to make the document more user friendly- especially for a first-time reader. • The staffing table was reformatted, and additional information was added at the bottom regarding public safety staffing.



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Topic	Discussion
	<ul style="list-style-type: none">• Economic Development data was relocated so the document flowed better.• Updates were made to the colors, page breaks, and graph types used in the report for consistency and appearance.

Attendees: Tom Braun, Ivan Hughes, Marlin Willesen, Wes Pierson, Bill Hawley, John Crawford, Amanda Turner, Kristen Solares

February 10, 2020

Topic	Discussion
1st Quarter Financial Report Review (ending December 31, 2019)	The Committee and Staff reviewed a draft of the Quarterly Financial Report that incorporated the changes discussed at the January 2020 Finance Committee Meeting. The changes were positively received. The report was presented at the February 25 th , 2020 Council meeting.
Comprehensive Annual Financial Report (CAFR) Update	The Committee was advised that receipt of the draft CAFR is anticipated scheduled in late February.
Sales Tax Discussion	The Committee and Staff discussed a proposed change by the Texas Comptroller regarding how sales tax is allocated for certain remote and internet-based purchases. Staff explained that the proposed change would negatively impact Addison's sales tax receipts. Staff was in the process of determining the size of the possible loss in revenue. Staff discussed the timeline for the Comptroller's action and the probability of legal action by cities as an attempt to block the change.

Attendees: Tom Braun, Ivan Hughes, Marlin Willesen, Wes Pierson, Bill Hawley, Nathan Parras, John Crawford, Amanda Turner, Kristen Solares



Finance Committee Report

January – March 2020

March 23, 2020

Topic	Discussion
Comprehensive Annual Financial Report (CAFR) Presentation	Audit results presented by BKD. Senior Audit Manager Rachel Ormsby stated that the Town received an unmodified “clean” opinion. Staff created the CAFR in-house and it was reviewed by the auditors. Staff informed the Committee that the CAFR will be submitted to the Government Finance Officer’s Association (GFOA) for consideration for the Certificate of Achievement in Financial Reporting. This would be the 44 th consecutive year the Town had received the award. Reviewed Councilmember Ivan Hughes’ questions related to CAFR and staff’s answers to those questions.

Attendees: Tom Braun, Ivan Hughes, Wes Pierson, Steven Glickman, Rachel Ormsby, John Crawford, Amanda Turner