

City of Alpine
Special City Council Meeting
Wednesday, March 29th, 2017, 5:30 P.M.

MINUTES

1. Call to Order, Invocation and pledge of allegiance to the flag –

The meeting was called to order at 5:30 PM by Mayor Pro Tem Rick Stephens.

The invocation was led by Mr. Dick Zimmer.

In Attendance: Rick Stephens, Lucy Escovedo, Jim “Fitz” Fitzgerald, Cynthia Salas, Nancy Antrim, Erik Zimmer – City Manager, Kalea Cotton – City Secretary.

Not in Attendance: Andres “Andy” Ramos

2. Determination of a quorum and proof of notice of the meeting –

A quorum was determined, and the notice was posted at 10:15 A.M. on March 17th, 2017.

8. Discuss and consider approving Resolution 2017-03-16, accepting the FY 2015/2016 (year ending September 30, 2016) audit from Gibson, Ruddock and Patterson, LLC, City of Alpine Auditors.

Erik Zimmer – Mr. Zimmer stated that he had emailed the draft last Friday, March 24, 2017, to the City Council, and introduced Craig Gibson and Marlene Strickland to present their findings and overview from the FY 2015/2016 audit to the City Council.

Craig Gibson – Mr. Gibson went through the PowerPoint presentation that was given to City Council starting with the first graph, explaining that it was the comparison of governmental revenues. He stated that if Council looked at last year’s report and compared it with this year’s they would see an improvement in the report. He stated that this year his firm conformed to standard reporting practices. The second graph displayed the general fund, and Mr. Gibson stated to the Council that if they were to compare numbers they would notice very little change, and that this is clearly a result of the City Council, controlling the budget; and management implementing the budget. The third graph displayed the general fund equity. The difference between the negative in 2013, to where the City of Alpine is this year, Mr. Gibson stated he was thrilled to see this improvement. The fourth graph displayed the summary of water, sewer, and sanitation fund. The increase was primarily due to the road repair charges and the increase in collection fees.

Erik Zimmer – Mr. Zimmer stated that this was also a reflection of charging back to different funds.

Craig Gibson – Mr. Gibson agreed with Mr. Zimmer and continued with the presentation with the fifth graph, which displayed the gas utility fund. He pointed out that the reduction in revenue would be due to a warmer winter. That the expense stayed about the same but other expenses went up and offset it. This is mostly due to payroll and retention costs. Mr. Gibson also explained that this fund is different from water because this fund also made a \$450,000 fund transfer to the general fund. The funds that operate a business, they are accounted for like a business. Regulations and laws are material to the operation and internal control. Mr. Gibson stated that the previous year FY 2014/2015 there were four finding. He expressed to City Council that these findings have been cleared up and the City of Alpine had shown significant improvement. This year their firm had zero findings for the FY 2015/2016 audit. His firm listed the City of Alpine as having a CLEAN OPINION, and that they issue separate letter including recommendations for improvements. He also stated that the prior year's comments had been addressed and that management had responded to all.

Jim "Fitz" Fitzgerald – Stated that it was highly unusual to get an audit this clean, and thanked the auditors for all of their efforts.

A motion was made by Jim "Fitz" Fitzgerald by Resolution No. 2017-03-16 to accept the FY 2015/2016 (year ending September 30, 2016) audit from Gibson, Ruddock and Patterson, LLC, City of Alpine Auditors.

The motion was seconded by Dr. Nancy Antrim.

Discussion: During discussion Councilman Stephens provides his summary of the key points of the audit: The City net assets grew last year by \$1.4 million to \$26.3 million, debt was reduced to \$6.4 million, the tax rate in Alpine is the lowest of any city in Texas of its size, the City continues to have a positive cash balance, the pension plan for the 127 current and former employees is fully funded, and that this is the first time in 4 years that there have been no findings.

The motion unanimously passed with a vote of 5-0.

9. Councilmember Comments and Answers – No discussion or action may take place.

Nancy Antrim – Thanked the finance department for doing an excellent job cooperating with the audit firm, and that she felt it was phenomenal that there were no findings.

Cynthia Salas – Thanked City Manger Erik Zimmer, and Finance Director Megan Antrim. She also thanked the audience for coming to the meeting.

Jim "Fitz" Fitzgerald – Thanked Mr. Waters from the media, for attending, and that he felt Mr. Zimmer was a business man, and that Ms. Antrim was very professional.

Lucy Escovedo – Stated that she was glad there were no findings.

Rick Stephens – Thanked Mr. Zimmer and Ms. Antrim, and stated that the bar had been set high for the financial department and future audits.

12. Adjournment –

A motion was made by Cynthia Salas to adjourn the meeting. The motion was seconded by Jim “Fitz” Fitzgerald. Motion unanimously passed with a vote of 5-0 to adjourn the meeting at 5:57pm.

Attest:

Rick Stephens – Mayor Pro Tem

Kalea Cotton – City Secretary