



MINUTES IN BRIEF
CITY OF RENO
FINANCIAL
ADVISORY BOARD
February 4, 2021 3:30 PM

Teleconference via Zoom

PRESENT:	Teela McCullar, Chair Kenneth Becker Richard Jay	Daren McDonald Karen Vibe
ABSET:	Steve Anderson Gosia Clark	Jim Proctor

1. **Call to Order** – The meeting was called to order at 3:42 pm.
2. **Public Comment (Limited to No More than Three (3) Minutes)** – Ken McNeil submitted public comment concerning a proposed, developer-related special assessment district.
3. **Approval of the Agenda for March 4, 2021 (For Possible Action)** – It was moved by Board member Becker and seconded by Board member Jay to approve the agenda. Motion carried with members Anderson, Clark, and Proctor absent.
4. **Approval of Minutes February 4, 2021 (For Possible Action)** – It was moved by Board member Jay and seconded by Board member McDonald to approve the minutes for February 4, 2021. Motion carried with members Anderson, Clark, and Proctor absent.
5. **Comments and Announcements from Council Liaison Devon Reese (Item for general announcements and informational items only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** – Councilman Reese was available for questions from the Board. There was none.
6. **Presentation, discussion and potential direction to staff regarding FAB Work Plan:**
 - a. **Interim Financial Report/Budget Update, including a presentation on the Fiscal Year 2021 Second Quarter budget augmentations and revisions. (Informational item only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** – Finance

Director Deborah Lauchner gave a presentation for the financial update. CTAX numbers for December 2020 came in over 10% higher than for the previous December. The most recent augmentation primarily related to the use of the CARES Act funds. Also in the augmentation, the \$7 million in fund balance that City Council had committed as of 06/30/20 for possible FY 2021 cuts was put back in the General Fund to cover revenue short falls. The augmentation also included funding the event center bond payments with CTAX revenue.

- b. **Debt Update. (Informational item only. No deliberation or action will be taken on this item. Items of interest will be placed on a future agenda for potential action.)** – Finance Director Lauchner informed the board she is working on refunding some sewer bonds that would save approximately \$140,000 each year in interest costs.

 - c. **Status of Proposed Collective Bargaining Contracts, including presentation of proposed collective bargaining contracts and tentative agreements for applicable bargaining units. (Informational item only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** – Finance Director Lauchner informed the board that she has been meeting monthly with each bargaining group separately to update them on the status of the budget. There are several tentative agreements for which the changes are non-financial. Direction from City Council has not been given yet for potential salary increases for the various groups.

IAFF negotiations are to start on March 15. The following week IAFF is in arbitration over the PERS split. General discussion over potential arbitration issues and associated costs ensued.

 - d. **Update on annual risk assessments of City departments, activities and processes performed by the City’s Internal Auditor. (Informational item only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** – Internal Auditor Emily Kidd reviewed current projects, and reported that she has been tasked with auditing the IT Department’s controls over asset inventory and purchasing processes. The next operational audit will be payroll. The workers’ compensation audit will be reviewed once the new HR director is apprised of the current findings. Other audits initially proposed for FY 2021 include council donations and cash procedures in Parks and Rec, and they will either be attempted to be completed in the current year or will be replaced with other audits.
7. **Presentation and discussion related to Parks and Recreation Department operations and Senate Bill 73 (SB 73) regarding a potential ballot initiative to fund capital projects and ongoing operational costs for parks and recreational facilities and related services, the preservation of open space, and the protection of the Truckee River and other natural resources in the City of Reno. (Informational item only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** –

Senior Management Analyst Calli Wilsey and Parks & Recreation Director Jaime Schroder presented SB73 to the Board. The presentation included a history of why the bill was submitted by the City of Reno and reasons why the bill is needed. Ms. Schroder presented the current needs of the Parks & Rec Department. Ms. Wilsey reviewed what is included in SB73 and how it would affect Reno residents.

General discussion was had by the FAB about the need for additional funds for Parks and Recreation. There was also a discussion about funding for projects and how different tax types/funding methods would affect residents and businesses.

8. **Presentation and discussion of the Single Audit Report for the fiscal year ended June 30, 2020, from the City's external audit firm of BDO USA. (For Possible Action) -** Item moved to the April meeting.
9. **Formal distribution of the Internal Audit Annual Reporting – 2020 memo to inform the Financial Advisory Board of the audit reviews and audit memos issued during the 2020 calendar year and to communicate audit staff milestones. (Informational item only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** – Internal Auditor Emily Kidd reviewed the audits that were completed during fiscal year 2020. She also reported that she is now a certified fraud examiner.
10. **Discussion and possible direction to staff regarding the follow-up for the 20-02 Deposit Assistance Program Audit Report. (For Possible Action.)** – Internal Auditor Kidd reported that all findings have been adequately addressed and the audit is now closed. It was moved by Board member Jay and seconded by Board member Becker to accept the report. Motion carried with members Anderson, Clark, and Proctor absent.
11. **Discussion and possible direction to staff regarding the fifth and final follow-up for the 18-01 Management Policies and Procedures Audit. (For Possible Action.)** – Internal Auditor Kidd reported that all findings have been adequately addressed and the audit is now closed. It was moved by Board member Jay and seconded by Board member Becker to accept the report. Motion carried with members Anderson, Clark, and Proctor absent.
12. **Identification of items to be placed on a future agenda for discussion and/or possible action. (Informational item only. No action will be taken on this item. Items of interest will be placed on a future agenda for possible action.)** – Worker's Compensation internal audit in May; Waste Management Transfer audit is in process; Request for Proposal for Audit Services; Single Audit.
13. **Public Comment** – None
14. **Adjournment** - Board member Jay moved, and Board member Becker seconded the motion to adjourn. Motion carried with members Anderson, Clark, and Proctor absent. The meeting adjourned at 4:53 pm.

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