

## MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING

TUESDAY ~ OCTOBER 4, 2016 ~ 6:00 P.M.

### FORT SMITH PUBLIC SCHOOLS SERVICE CENTER

The meeting was called to order by Mayor Sandy Sanders, presiding. Invocation was given by Director Don Hutchings, followed by the Pledge of Allegiance. On roll call the following members of the Board were present: Directors Keith Lau, Mike Lorenz, George Catsavis, Tracy Pennartz, Kevin Settle and Don Hutchings; absent - Director Andre' Good. The Mayor declared a quorum present.

Mayor Sanders inquired if any Board member had any item of business to present that was not already on the agenda. There was none presented.

The minutes of the September 20, 2016 regular meeting was presented for approval. Hutchings, seconded by Lorenz, moved approval of the minutes as written. The members present all voting aye, the Mayor declared the motion carried.

With regard to the time limit policy for persons wishing to address the Board, the Mayor communicated that five (5) minutes per side would be granted for controversial items with three (3) minutes for rebuttal per side, and two (2) minutes for comments only.

Item No. 1 was an ordinance rezoning identified property and amending the zoning map (*from Not Zoned (NZ) to a Planned Zoning District (PZD) by classification at 6901 Wells Lake Road*).

Director of Development Services Wally Bailey briefed the Board on the item advising such is per the request of Ron Brixey, agent for Johnny N.T. Nguyen and Chao M. Do. The purpose of the requested rezoning is to place a planned zoning district (PZD) on fourteen (14) acres allowing for the construction of a multi-family residential

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development consisting of fifty (50) duplexes and a proposed eighteen (18) unit apartment building. The subject development also includes a proposed office/clubhouse building and an area of approximately 0.8 acres for future commercial development. The duplex housing portion of the site will be proposed as a retirement village with the intent of attracting residents over the age of fifty-five (55). The proposed development maintains access and egress on Veterans Avenue and Wells Lake Road. A neighborhood meeting was held September 6, 2016 with no neighboring or surrounding property owners in attendance. The Planning Commission held a public hearing on September 13, 2016 with no individual present to speak in opposition to the request. The Planning Commission amended the request to make approval subject to the following:

- ▶ Compliance with the submitted project booklet and the development plans as approved by the Planning Commission.
- ▶ A development plan for the eighteen (18) unit apartment complex, the office/clubhouse, and the future commercial development shall be submitted for Planning Commission review and approval prior to the issuance of any building permit for these phases of the development.

The Planning Commission approved the amended request by vote of nine (9) in favor and zero (0) opposed.

Pennartz, seconded by Lau, moved adoption of the ordinance. The motion included suspending the rule to allow the three (3) full readings of the ordinance to be by caption and for the readings to occur on the same date. The City Clerk read the ordinance for its readings.

Prior to the vote, Director Lau conveyed concern with the design of the proposed development, i.e. the non-existence of neither sidewalks nor overflow parking, the inclusion

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of low-rent housing being next to a retirement community, and that the final design has not been presented or fully reviewed by the Fort Chaffee Redevelopment Authority (FCRA) Design Review Committee prior to the Board's consideration. He further inquired if the retirement community is a guaranteed inclusion within the development or if such may be reconsidered as the development progresses.

Mr. Bailey advised developers typically do not expend funds for final design of a development until the zoning is approved by the Board as the project is typically dependent upon Board approval. He further clarified that no building permit will be issued until all aspects of the development have been thoroughly vetted by all interested parties.

Agent Ron Brixey addressed the Board and confirmed Mr. Bailey's comment that the final design is not complete because the applicant does not wish to expend the funds for such until the Board approves the proposed rezoning. With regard to the concern for sidewalks, he conveyed no objection to relaying the request to his client for inclusion. Regarding the non-existence of overflow parking, due to the preliminary design and in order to address such, the Fire Department has recommended that on-street parking be prohibited on one (1) side of the street. Regarding confirmation of the inclusion of the retirement area, the PZD project booklet identifies the area will be marketed for retirement use and he foresees no intent to amend the proposed usage. The development contains multiple buildings; therefore, he advised he anticipates the structures will be constructed ten (10) buildings at a time.

Director Settle questioned if it would better for the matter to be reviewed by the FCRA Design Review Committee first. Concern was expressed the proposed development

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will push traffic to surrounding streets creating a traffic problem and that the noise from a nearby business may create a disturbance for the residents residing within the retirement area of the development. He further inquired if the subject development is anticipated to create any drainage issues. Due to the numerous concerns with the preliminary design, he questioned if the item should be tabled until all concerns can be addressed. Some of the duplexes include garages and some do not; therefore, he recommended the plan be amended that garages be included for all duplexes.

Mr. Bailey advised that, in most instances, it's better for the matter to be considered by the City of Fort Smith first so utility and drainage issues can be addressed prior to review by the FCRA Design Review Committee. With regard to traffic concerns and drainage issues, the Engineering Department and Fire Department have reviewed the preliminary plans for the development and have determined no foreseeable issues.

Regarding the inclusion of garages on all duplexes, Mr. Brixey expressed concern with such citing the development is intended into include apartments for low-rent house, duplexes without garages for mid-level income residents and duplexes with garages for higher-level income residents. If garages are included for all duplexes, he fears they may not have "*as many*" renters within the development.

With regard to tabling the matter, Mayor Sanders requested confirmation that all aspects of the development will be presented to the Planning Commission for additional approval.

Mr. Bailey advised only the duplex area of the development requires no additional approval; therefore, everything else within the proposed development will go back to the

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Planning Commission for approval. He further noted that in the event traffic issues arise within the development, i.e. speeding, because the roadways are “internal streets”, traffic calming devices can be an option to address such.

Lau, seconded by Hutchings, moved to table consideration of the item pending review by the FCRA Design Review Committee.

Prior to the vote, Director Catsavis inquired if tabling the matter will adversely effect the developers timetable to move forward with the development.

Mr. Brixey advised the development must still go before the FCRA Design Review Committee, as well as the aforementioned additional approvals required by the Planning Commission; therefore, he stated, *“a month is probably not going to kill us.”*

Mayor Sanders inquired if Mr. Brixey can meet prior to presentation to the FCRA Design Review Committee to possibly address the aforementioned concerns.

Mr. Bailey advised he actually serves as chairman for the FCRA Design Review Committee and advised additional information will be required from the developer before the FCRA Design Review Committee can make their final determination. He further clarified that no building permit will be issued until such approval is received.

Director Pennartz questioned if Mr. Brixey has met with the FCRA Design Review Committee whereby Mr. Brixey responded *“no”*; however, he forwarded the preliminary design to FCRA and conveyed acknowledgment of FCRA’s design requirements.

Director Lau, with concurrence of Director Hutchings who provided the second to the current motion on the floor, rescinded the motion to table consideration of the item.

Lau, seconded by Lorenz, moved to amend the ordinance to include a provision that

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the design be reviewed and approved by the FCRA Design Review Committee. The members present all voting affirmatively, the Mayor declared the motion carried the ordinance stood amended.

Settle, seconded by Lorenz, moved adoption of the ordinance as amended. The members present all voting affirmatively, the Mayor declared the motion carried and the ordinance was adopted and given Ordinance No. 62-16.

Item No. 2 was an ordinance rezoning identified property and amending the zoning map (*from Residential Multifamily Medium Density (RM-3) to Residential Single Family Medium/High Density (RS-3) by extension located at 2200 - 2230 South "X" Street; 2117 - 2230 South "Y" Street; 2115, 2119, 2209, 2213, 2219, 2223 & 2229 South "Z" Street; 2500 - 2620 South 22nd Street; and, 2621 & 2601 South 21st Street*).

Mr. Bailey briefed the Board on the item advising such is per the request of Walter Johnson, agent for the Parkhill Subdivision neighborhood. The purpose of the proposed neighborhood rezoning is to ensure the area, which is currently developed with single family homes, is sustained for single-family use. The current zoning of residential multifamily (RM-3) permits duplexes and apartments. The subject area contains thirty-nine (39) single family homes with only two (2) properties that have more than one (1) dwelling units, i.e. 2209 South "Z" Street and 2222 South "Y" Street. Upon approval of the proposed, the two (2) aforementioned structures will become nonconforming properties because the lots have more than one (1) principle structure on them. The Planning Commission held a public hearing on September 13, 2016 with Mr. Don Tate, owner of a nearby duplex, expressed concern regarding his ability to rebuild his duplexes if they were

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to be destroyed. It was determined that Mr. Tate's property was not included within the proposed rezoning area. The Planning Commission approved the proposed rezoning by a vote of nine (9) in favor and zero (0) opposed.

The following individual was present to address the Board:

- Les L. Johnson  
Fort Smith, Arkansas

Re: Advised she is a resident of the subject area citing such is a historic neighborhood and the residents wish to preserve such for single-family homes; therefore, she recommended approval.

Catsavis, seconded by Settle, moved adoption of the item. The motion included suspending the rule to allow the three (3) full readings of the ordinance to be by caption and for the readings to occur on the same date. The City Clerk read the ordinance for its readings.

Prior to the vote, Director Lau moved to amend the ordinance by removing the two (2) non-conforming properties, i.e. 2222 South "Y" Street and 2209 South "Z" Street. No second was offered; therefore, the Mayor declared the motion died for lack of a second.

The original motion remaining on the floor, the members present all voted affirmatively with the exception of Director Lau, who voted "no." The Mayor declared the motion carried and the ordinance was adopted and given Ordinance No. 63-16.

Item No. 3 was presentation of 2015 Audit (*Comprehensive Annual Financial Report - CAFR*)

Mr. George Moshner, Chair of the Audit Advisory Committee, addressed the Board advising an electronic copy of the CAFR was previously provided to the Board prior to the

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meeting. The audit report was prepared by BKD, LLC and has been reviewed by the Audit Advisory Committee (AAC); therefore, she introduced George Moschner, Chair of the AAC.

Mr. Moschner addressed the Board and provided a written report of his comments to each member of the Board, which is attached as Exhibit A.

Mayor Sanders and Directors Lau, Pennartz and Settle extended much appreciation to the AAC and Finance Department staff for their efforts to ensure a clean, annual audit.

Director Lau recommended the AAC charter be amended to include an additional member with human resources experience. He further noted that past recommendations of the AAC have not be presented to the Board for approval and merely considered at the administrative level. Due to such, he requested any recommendation of the AAC be presented to the Board for approval whereby Directors Settle and Pennartz noted concurrence that the aforementioned (additional member and Board approval) be accomplished.

Item No. 4 was an ordinance amending Appendix A, Section XVI of the Fort Smith Municipal Code regarding the City of Fort Smith Education Reimbursement Policy ~ *Pennartz/Lorenz placed on agenda at the September 27, 2016 study session ~*

City Administrator Carl Geffken briefed the Board on the item advising he recently spoke with Dr. Paul Beran, Chancellor for the University of Arkansas Fort Smith (UAFS), who has offered recommended amendments to the proposed policy; therefore, in order to review such, he urged the Board to table consideration of the item to the November 1, 2016 regular meeting.

Lorenz, seconded by Catsavis, moved to table consideration of the item to the

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November 1, 2016 regular meeting. The members present all voting affirmatively, the Mayor declared the motion carried.

Item No. 5 consisted of the following Capital Improvement Programs (2017-2021):

- A. Resolution approving and authorizing implementation of the Five Year (2017-2021) Sales Tax Program for streets, bridges and related drainage improvements ~ *Lorenz/Pennartz placed on agenda at the September 27, 2016 study session ~*
- B. Resolution approving and authorizing implementation of the Five Year (2017-2021) Capital Improvement Program for the 1/8% Sales and Use Tax (Parks) ~ *Lorenz/Pennartz placed on agenda at the September 27, 2016 study session ~*
- C. Resolution approving and authorizing implementation of the Five Year (2017-2021) Capital Improvement Program for Water & Wastewater Systems and Maintenance & Improvement ~ *Lorenz/Pennartz placed on agenda at the September 27, 2016 study session ~*

Regarding Item No. 5A, Director of Engineering Stan Snodgrass briefed the Board on the item as reviewed at the September 27, 2016 study session. The Streets, Bridges and Associated Drainage Capital Improvement Plan Advisory Committee reviewed the proposed CIP and unanimously approved such for recommendation to the Board of Directors at their August 24, 2016 meeting.

Pennartz, seconded by Hutchings, moved adoption of Item No. 5A. There being no Director wishing to comment and the members present all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-145-16.

Regarding Item No. 5B, Mayor Sanders advised there were minor errors within the CIP information included within the board packet; however, the necessary corrections have

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been made and such was presented to the Board prior to the meeting. Due to the noted revisions, the motion to adopt the resolution should include “*as revised.*”

Director of Parks and Recreation Doug Reinert briefed the Board on the item as discussed at the September 27, 2016 study session. The Parks and Recreation Commission reviewed the proposed CIP and approved such to be presented to the Board of Directors for consideration.

Pennartz, seconded by Hutchings, moved adoption of Item No. 5B as revised.

Prior to the vote, Director Settle requested confirmation that the project entitled, *Riverfront Drive Property Improvements*, is the soccer fields on Riverfront Drive whereby such was confirmed. Regardless, he expressed concern that personnel is approximately eleven percent (11%) of the budget, which he feels is too high, and such should be reduced to make more funds available for parks projects.

Director Pennartz conveyed much appreciation to the Parks Department for their efforts in obtaining multiple grants to fund parks projects, which allows City funds to be devoted to other projects. Although she conveyed concurrence with the aforementioned comments of Director Settle, she alleged such “*may be unrealistic*” citing necessary funds should be available to maintain all the parks, which in reality means hard supplies/equipment and personnel.

The motion remaining on the floor and the members present all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-146-16.

Regarding Item No. 5C, Interim Director of Utilities Bob Roddy briefed the Board on

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the item as discussed at the September 27, 2016 study session. The vast majority of the projects are associated with Consent Decree compliance. He forewarned the numbers associated with the Massard Wastewater Treatment Plant are merely placeholder numbers. A higher amount is included due to staff concern with potential changes in regulatory requirements that 'could' create a higher expense; however, he conveyed the some assurance that the noted amounts will most likely be less than anticipated.

Hutchings, seconded by Lau, moved adoption of Item No. 5C.

Prior to the vote, Pennartz, seconded by Lau, moved to amend Item No. 5C to consider the CIP's for water and wastewater as separate items. The members present all voting affirmatively, the Mayor declared the motion carried.

Mayor Sanders clarified Item No. 5C will now consist of two (2) resolutions, which will be renumbered and considered as follows:

- 5C1. Resolution approving and authorizing implementation of the Five-Year (2017-2021) Capital Improvement Program for Wastewater Systems
- 5C2. Resolution approving and authorizing implementation of the Five-Year (2017-2021) Capital Improvement Program for Water Systems

Director Settle expressed discontent that the Board was not advised of the potential that the Massard Wastewater Treatment Plant would require improvements, noting understanding that such is not the fault of current staff, but due to additional regulatory requirements. Due to such, he conveyed great concern with the financial impact such will have on the residents of the city of Fort Smith, who are currently "*struggling*" to make ends meet.

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Mr. Roddy noted concurrence with Director Settle and in the event the potential regulatory requirements come to fruition, he highly recommended the City take the position that such requirements were not included within the Consent Decree Order.

Pennartz, seconded by Lau, moved adoption of Item No. 5C1 as amended.

Prior to the vote, Director Pennartz alleged approximately ninety-seven percent (97%) of the proposed are related to the Consent Decree and requested confirmation.

Mr. Roddy confirmed such is a very high percentage, but noted such is closer in range of eighty (80) to ninety (90) percent.

The motion remaining on the floor, the members present all voted affirmatively with the exception of Director Settle, who voted “no.” The Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-147-16.

Lorenz, seconded by Hutchings, moved adoption of Item No. 5C2 as amended.

Prior to the vote, Director Lau expressed great concern with the inclusion of projects within the proposed Wastewater CIP without a definitive funding source. Due to such, he conveyed his intent to vote “no” on the item. With regard to the 2017 CIP, he inquired if funding is available for said projects whereby Mr. Roddy responded affirmatively.

Director Pennartz commented that according to the proposed CIP, increased and/or greater funding will be needed in the later years to move forward with the CIP projects. Great concern was expressed with the necessity of a water rate increase in the future citing its financial impact on residents, especially when the wastewater rates have recently been increased. She further conveyed concern that such will adversely effect the affordability factor of living in Fort Smith, which will in turn effect the City’s ability to bring viable jobs to the community.

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Due to the concerns expressed, Mr. Roddy advised the Utility Department is currently in process of financial review, which is close to completion. Upon completion, he intends to bring any change to the proposed numbers back to the Board for amendment.

Lau, seconded by Pennartz, moved to amend Item No. 5C2 to adopt only the CIP for Year 2017. The members present all voting affirmatively, the Mayor declared the motion carried and the resolution stood amended.

Director Catsavis reiterated concern with the aforementioned and anticipated water rate increase and inquired if future funding sources are being considered.

Administrator Geffken reiterated the Utility Department staff is currently looking into the matter and will such will be brought back to the Board in the near future. He reminded all the subject item is the first time the Utility CIP has been brought to the Board citing was long "overdue."

Mr. Roddy conveyed assurance the Utility Department staff has scrutinized the projects and associated costs to ensure budgetary needs are adequately conveyed to the Board.

Director Pennartz noted that if circumstances arise that constitute a change within the CIP, she recommended such be presented to the Board of Directors.

Lau, seconded by Pennartz, moved adoption of Item No. 5C2 as amended. The members present all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-148-16.

Item No. 6 consisted of the following millage ordinances:

- A. Ordinance fixing the rate of and levying five (5.0) mills upon all taxable real and personal property in the city of Fort Smith, Arkansas for the year 2016 for general purposes

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- B. Ordinance to levy one (1) mill tax upon each dollar of assessed value of taxable real and personal property to be used for maintenance of a public-city library pursuant to the provisions of Amendment No. 30 of the Constitution of the State of Arkansas of 1874 adopted November 5, 1940, and for other related purposes
- C. Ordinance to levy one (1) mill tax upon each dollar of assessed value of taxable real and personal property for Police Retirement and Pension Fund, pursuant to the provisions of Amendment No. 31 of the Constitution of the State of Arkansas of 1874 adopted November 5, 1940, and for other related purposes
- D. Ordinance to levy one (1) mill tax upon each dollar of assessed value of taxable real and personal property for Fire Retirement and Pension Fund, pursuant to the provisions of Amendment No. 31 of the Constitution of the State of Arkansas of 1874 adopted November 5, 1940, and for other related purposes

Administrator Geffken briefed the Board on the items advising the annual ordinances contain no change and is a continuation of the existing millage rates. With the exception of the millage for the public city-library, the millage rates are currently at the maximum allowed by State law. Upon approval, the ordinances will be certified to the Sebastian County Clerk for presenting to the Quorum Court at their November meeting when considering the millage for all cities in Sebastian County.

Lorenz, seconded by Pennartz, moved adoption of the ordinances. The motion included suspending the rule to allow the three (3) full readings of the ordinances to be by caption and for the readings to occur on the same date. The City Clerk read the ordinances for their readings. There being no Director wishing to comment and the members present all voting affirmatively, the Mayor declared the motion carried and the ordinances were adopted and given Ordinance No. 64-16 through 67-16 respectively.

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Item No. 7 was a resolution accepting the project as complete and authorizing final payment to Norman Company, Inc. for the Renovation and Furnishings of the Library Annex Building for use as Office Space (\$430.71 / Utility Department / Budgeted - 2015 Revenue Bonds) • Consent Decree Item

Mr. Roddy briefed the Board on the item advising staff has reviewed the final invoice for the project and agrees the contractor has satisfactorily provided all components of Group B and Group E (case goods and meeting chairs) of the subject contract; therefore, he recommended approval of the item.

Settle, seconded by Hutchings, moved adoption of the resolution. There being no Director wishing to comment and the members present all voting affirmatively, the Mayor declared the motion carried and the resolution was adopted and given Resolution No. R-149-16.

The consent agenda (Item No. 8) consisting of the following items was presented for consideration:

- A. Resolution adopting annual audit requirements and retaining BKD, LLP as external auditors
- B. Resolution authorizing partial payment to S.J. Louis Construction of Texas, LTD for the construction of the Lake Fort Smith Water Transmission Line - Phase I (\$1,333,170.92 / Utility Department / Budgeted - 2012 Sales and Use Tax Bonds) ♦ Future Fort Smith item
- C. Resolution setting public hearing date on petition to vacate a portions of Kinkead Avenue, North 51st Street and North 53rd Street located in the City of Fort Smith, Arkansas

Hutchings, seconded by Settle, moved adoption of all consent agenda items.

Prior to the vote and regarding Item No. 5C, Mayor Sanders noted the public

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hearing is scheduled for the November 1, 2016 regular meeting and such will be on the regular portion of the agenda.

Administrator Geffken also conveyed everything is in order to proceed with the proposed closure citing the City is thankful to be working so collaboratively with the University of Arkansas Fort Smith.

The motion remaining on the floor, the members present all voted affirmatively on all items with the exception of Item No. 8C whereby Director Pennartz abstained citing she serves as an adjunct instructor for the University of Arkansas Fort Smith. The Mayor declared the motion carried and the resolutions were adopted and numbered R-150-16 through R-152-16 respectively.

The Mayor opened the Officials Forum with the following comments offered:

- Mayor Sanders

- Re:
1. Announced the Ward 4 Neighborhood Meeting is set for 6:00 p.m., Thursday, October 6, 2016 at the John P. Woods Elementary School Cafeteria, 3201 Massard Road.
  2. Announced the bi-annual citywide cleanup is scheduled for October 15 - 22, 2016 advising four (4) locations will be available for residents to drop off household items.

- Administrator Geffken

- Re: Announced the Board will hold a special study session at 12:00 Noon, Monday, October 10, 2016 at the Elm Grove Community Center, 1901 North Greenwood Avenue to review third party administrator services proposals for employee insurance coverage. The newly hired Director of Human Resources will be in attendance.

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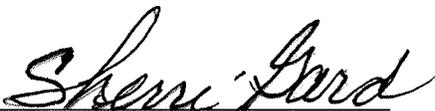
Mayor Sanders noted the monthly Town Hall meeting will be held immediately following adjournment and encouraged those wishing to address the Board to sign up at the City Clerk's desk.

There being no further business to come before the Board, Hutchings moved that the meeting adjourn. The motion was seconded by Settle and the members present all voting aye, the Mayor declared the motion carried and the meeting stood adjourned at 7:38 p.m.

**APPROVED:**

  
MAYOR

**ATTEST:**

  
CITY CLERK

City of Fort Smith, Arkansas  
2015 Audit Reports Presentation Notes  
October 4, 2016

by George E. Moschner, Audit Advisory Committee Chairman

*Presented to the Board  
by George Moschner  
at the 10/4/2016 regular  
meeting*

1. Audit reports presentation includes:
  - a. Independent Auditor's Report (pages 16 – 19)
  - b. The various financial statements and supplementary information (pages 32 – 49 and 126 – 155)
  - c. Compliance with certain state statutes (page 184)
  - d. Single Audit Reports and Schedule of Expenditures of Federal Awards – separate report.
  - e. Comprehensive report covering the City and all of its component units
  - f. Certificate of Achievement for Excellence in Financial Reporting (year 2014) (30<sup>th</sup> consecutive year this award has been received)
2. Required management letter communications
3. Audit advisory committee meeting on 9/26/2016 consisted of:
  - a. Review of each report and management letter in detail
  - b. Comments from the City finance staff
    - i. Certain new accounting standards adopted during the current year. GASB 68 adoption, Accounting and Financial Reporting for Pensions – page 24: \$45.8 M negative adjustment and Note 14, page 123. Other standard adoptions did not have a significant effect on the financial statements
    - ii. Several new standards will be implemented in the future and their effect on the financial statements has not yet been determined.
    - iii. The City was in compliance with the required water and sewer bond debt service coverage ratio of 110%. See operating income of \$7.3 M on page 44.
  - c. Presentation by independent external auditors – BKD, LLP
    - i. Presented their reports and made comments
    - ii. Unqualified opinions were issued for each report.
    - iii. Management letter comments and findings:
      - Fixed asset accounting and the recording of depreciation expense – repeat – significant deficiency – adopting new software and implementing new controls during 2016.
      - Lack of proper year end accounts payable cutoff and accrual
      - Two prior year findings were resolved
      - 7 general comments
      - LOPFI fund balance comments
      - Other Postemployment Benefits (OPEB) Liability
      - New GASB standards
  - d. Committee members' questions and comments were addressed and resolved
  - e. Both finance department and auditors agreed in private meetings that the audit process went well. There are no comments to report from either of these meetings.
4. Three adjustments were proposed:  
Accumulated depreciation, accounts payable and open reserve liability.
5. The audit report doesn't address all the good things the City and its staff accomplished.