



Finance Administration
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Council Audit & Finance Committee
Minutes
3/19/12
10:00 to 12:00

Council Attendees: Mayor Karen Weitkunat, Ben Manvel, Kelly Ohlson
City Staff Attendees: Darin Atteberry, John Voss, Mike Beckstead, Steve Mason, Greg Temple, Amy Sharkey, Dee Toplyn, Mindy Pfeleger, Dan Coldiron, Heather Shepherd
Others: Dale Adamy

Approval of the minutes from the February 27, 2012 meeting.

Ben Manvel moved to approve the minutes and Mayor Karen Weitkunat seconded the motion. The February 2012 minutes are approved unanimously.

GERP Plan Review

Mike Beckstead reviewed the details of funding for the General Employee's Retirement. GERP was down over 3% at the end of 2011 due to returns set by the plan designated investment policy. This downturn is mainly due to European investments, stocks in the portfolio.

- 2011 Investment Return of -3.04% Increased
- Unfunded Liability to \$13.1M

At the current rates, the GERP would not have money for pay-outs by 2032.

*(The GERC approved a reduction from 7.5% to 6.8% at their March 8th committee meeting based on historical returns and the Actuarial model for future returns)

Options:

A—Increase in Contribution to \$1.12 million through 2031 required to close funding gap. (staff recommended option)

B—Increase in contribution to \$1.46 through 2031-closes gap with significantly less cash but same NPV.

More discussion and data will be brought to the Council Finance Committee in the near future and the topic will likely be presented at a City Council work session.

Rebate Programs--Summary and Recommendation

Staff gave a summary of the 2011 Grocery Tax, Property Tax/Rent, and Utility rebate programs:

Total applications received	1,161
Total qualified applications processed	1,126
Average amount rebated per application	\$123

Total Food Tax Rebate	\$82,901
Total Property Tax/Rent & Utility Rebate	\$55,753
Total rebate amount for 2011	\$138,654

Staff also made the following recommendations for Improvements to the program beginning in 2012:

- Update Grocery Sales Tax rebate amount from \$40 to \$54 based on actual local CPI since 1998
- Index Grocery Sales Tax rebate to the local CPI and update annually
- Update Utility rebates based on 2011 actual averages and update annually
- Update City Code to reflect application filing dates of August 1, through October 31.
- Document program process and details and include within Accounting Policies

The Committee asked how the two different qualifying income limits originated, and whether data can be gathered showing how many eligible households exist in Fort Collins, compared to how many currently apply.

City staff will conduct research and report back to the Committee and City Council. Staff will also prepare data to codify the following at the next Council meeting:

- Annual adjustment of the dollar amount refunded for all rebates, and qualifying income levels tied to the Consumer Price Index.
- Change wording in the City Code to reference the 2011 change in application timeframe each year from August 1 through October 31.

Staff also has plans to work with the Community and Public Information office for new ways to promote and advertise the program(s) each year.

Audit Findings Summary

John Voss presented a summary of the findings. Finance will ensure that suggested changes will be implemented.

Available online at <http://www.fcgov.com/council/finance.php>

The Committee discussed whether this level of detail is needed for the Audit Findings going forward. Ben Manvel suggested that the Committee have access to the detailed account, but each item may not need to be a discussion topic.

The Finance staff will also revise reporting of the Audit findings so that the status of each area is more clearly defined, such as 'completed', 'in-process', etc.