



CAPITAL OF KENTUCKY

Layne Wilkerson, Mayor

Kelly May, Commissioner

Leesa Unger, Commissioner

Katrisha Waldrige, Commissioner

TO: Laura Hagg, City Manager
FROM: Alicia Boyd, Finance Director
SUBJECT: Commission Agenda Item: NEW Order Establishing Finance Committee
DATE: March 28, 2022

INTRODUCTION

The purpose of this agenda item is to seek Commission (BOC) approval to establish the City of Frankfort Finance Committee and to authorize the Mayor to sign all related documents

BACKGROUND AND DISCUSSION

A Finance Committee is a practical way for the BOC to provide oversight on the government's financial resources and liabilities, annual audits, and any other conditions that may pose a threat to the financial resources of the City. It is also a good mechanism to suggest services designed to best utilize, protect, and grow not only the funds of the City of Frankfort but the City as a whole. A Finance (or Audit) Committee is very common in organizations that have Board oversight and is recommended by industry professionals.

The Finance Committee will serve as an extension of the full BOC; meet periodically to discuss important financial topics; receive financial information; and report back to the full BOC. The Finance Committee will not directly supervise the Finance Director and the Director will retain autonomy to handle day to day operations of the City's finances and financial reporting.

The City is on the verge of potential historic growth and change as evidenced by future build-out of Parcels B and C, the first ever issue of Industrial Revenue Bonds, transformational changing infrastructure grants from the Federal Government, Federal Consent Decree City Sewer work, and continued work on multiple plans (Downtown, Parks, Comprehensive). The City has also experienced a recent major shift in the amount of revenue received from the Commonwealth of Kentucky through occupational taxes that will most surely impact many fiscal years to come beginning with FY2024.

It is more important than ever that a collective effort by city staff, city leaders and the BOC be made to ensure the City continues to move forward into the future with the type of leadership and growth the citizens of Frankfort expect and deserve. A critical, important step is the creation of the Finance Committee.

RECOMMENDATION

We recommend the BOC approve the order that establishes the City of Frankfort Finance Committee.

ACTION STEP

Staff will proceed with the appropriate actions once we are provided guidance by the BOC.

ATTACHMENTS

DRAFT Order

cc: Laura Ross, City Solicitor
Chermie Maxwell, City Clerk

cc: Finance

Approved by Commission

3-28-22
Chermie Maxwell

City Clerk

ORDER NO. 6, 2022 SERIES

AN ORDER ESTABLISHING THE CITY OF FRANKFORT FINANCE COMMITTEE

WHEREAS, good stewardship of taxpayer funds is one of the most significant duties of City government; and

WHEREAS, the Board of Commissioners of the City of Frankfort recognizes the critical importance of establishing, evaluating and managing various financial policies and projects in a fiscally responsible manner; and

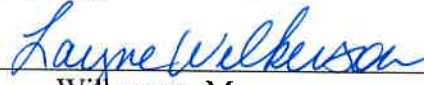
WHEREAS, the Board of Commissioners believes establishment of a Finance Committee will provide valuable guidance and services designed to best utilize, protect, and grow the funds of the City of Frankfort;

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF COMMISSIONERS OF THE CITY OF FRANKFORT, KENTUCKY, that:

- 1) There is hereby established a Finance Committee of the City of Frankfort, composed of the Finance Director, City Manager or designee, and two members of the Board of Commissioners chosen by vote of the Board at a public meeting. Any designee of the City Manager must be another non-elected officer of the City.
- 2) In accordance with applicable federal, state and local laws, regulations, ordinances, orders, policies and procedures, the duties of the Finance Committee shall include, but not be limited to, the following:
 - a. Monitor the overall financial health of the City;
 - b. Oversee the City investments and provide recommendations to the policy, as needed or required;
 - c. Oversee the City bonds and debt services program and provide recommendations as needed
 - d. Oversee the annual City audit process and any other audits the City chooses or is required to complete;
 - e. Oversee any other financial situations that may pose a threat to the City's financial condition, as needed.
- 3) The Finance Committee shall make recommendations related to its duties above to the appropriate authority, including the Finance Director, City Manager, or Board of Commissioners. The City Finance Director shall maintain day-to-day authority for all transactions, maintenance of the accounting ledgers, and dealings with individuals or entities outside of the City relating to or arising out of the duties of the Finance Committee.
- 4) The Finance Committee shall have the authority to invite outside experts or other interested parties to any scheduled meetings of the Committee if the situation so warrants.

- 5) The Finance Committee shall meet quarterly at City Hall at 10:00am on the third Mondays of February, May, August and November of each year. The Committee may call special meetings as needed.
- 6) The Finance Committee shall be considered a public agency for purposes of the Kentucky Open Records and Open Meetings Acts and shall conduct its business in accordance with these statutory requirements.
- 7) The Finance Committee shall provide or cause to be provided reports to the Board of Commissioners as needed, but at least quarterly.

Adopted on the 28 day of March, 2022.



Layne Wilkerson, Mayor

Attest:


City Clerk