

**AUDIT/FINANCE COMMITTEE**  
**February 23, 2016**  
**Minutes**

After determining that a quorum is present, the Audit/Finance Committee of the City of Denton, Texas, met in a regular meeting on February 23, 2016, at 10:59 a.m., in the Finance Conference Room, at City Hall, 215 E. McKinney Street, Denton, Texas at which the following items were considered:

**PRESENT:** Committee Chair, Greg Johnson; Mayor, Chris Watts;  
Council Member, Joey Hawkins

**STAFF PRESENT:** George Campbell, City Manager; Bryan Langley, Assistant City Manager; Jon Fortune, Assistant City Manager; Chuck Springer, Director of Finance; Antonio Puente, Assistant Director of Finance; Harvey Jarvis, Controller; Nancy Towle, Budget Manager; Caroline Finley, Treasury Administrator; Kevin Ann Mullen, Assistant Controller; Cody Wood, Assistant Controller; Scott Lebsack, Business Develop & Admin Department Manager; Bradley Lahart, Fire Battalion Chief; Robin Paulsgrove, Fire Chief; Kenneth Hedges, Assistant Fire Chief; Emerson Vorel, Director of Parks and Recreation; Rande Klingle, Treasury Services Specialist; Tiffany Thomson, Assistant Customer Service Manager; Lorri Brighton, Municipal Court Administrator; and Kristy Odom, Recording Secretary.

The following items were considered:

**OPEN MEETING:**

**1. Consider approval of Audit/Finance Committee Minutes of November 17, 2015.**

Mayor Chris Watts made a motion to approve the minutes. Council Member, Joey Hawkins seconded the motion. Motion carried unanimously.

**2. Receive a report, hold a discussion, and give staff direction regarding the upcoming issuance of General Obligation Bonds and Certificates of Obligation.**

Chuck Springer, Director of Finance, explained the plans for Certificates of Obligation sales that requires a notice of intent resolution that will need to be presented to council in March, based on Audit Finance Committee recommendation. He addressed the recommended changes by the Bond Oversight Committee on the planned issuance dates of the 2014 bond program.

Springer, discussed options to eliminate the debt service tax rate increase. Options include extending the implementation of the 2014 bond election from six to seven years, reducing each

year sale by about 3 million, or cash funding some of the program instead of issuing debt. Springer also discussed the option to cash fund a portion of the City's annual vehicle replacement, instead of issuing debt for all of these replacements. Committee members asked questions and held discussion regarding the history of the City's vehicle replacements and the concept of a vehicle replacement fund.

Council member, Joey Hawkins made a motion to recommend the presentation on cash funding of city vehicles be presented to the full City Council. Mayor, Chris Watts seconded the motion. Motion carried unanimously

**3. Receive a report, hold a discussion, and give staff direction regarding a proposed contract with First Southwest Asset Management, LLC (FSAM) for investment advisory services.**

Tony Puente, Assistant Director of Finance, presented a recommendation to take the First Southwest Asset Management contract to City Council for consideration. This contract requires a renewal every two years. Other firms can provide investments, but not the security clearing services that First Southwest provides to the City.

Mayor, Chris Watts made a motion to recommend a proposed contract with First Southwest Asset Management for investment advisory services to City Council for approval. Council member, Joey Hawkins seconded the motion. Motion carried unanimously.

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**4. Receive a report, hold a discussion, and give staff direction regarding proposals for bank depository services (RFP #5962).**

Puente stated that every five years the City is required by state law to seek proposals for banking services. The current contract is with Wells Fargo bank. The City's received two proposals in the RFP process, one from Wells Fargo Bank and the other from JP Morgan Chase. Wells Fargo was the lowest cost in comparison of the two.

Mayor, Chris Watts made a motion to recommend to awarding bank depository services to Wells Fargo Bank to the City Council. Council member, Joey Hawkins seconded the motion. Motion carried unanimously.

**5. Receive a report, hold a discussion, and give staff direction regarding proposals for credit card and check processing services (RFP #5955).**

Puente gave a brief summary of the proposals received for credit card and check processing services. He explained the City's current credit card terminals do not have the newly required chip technology. Wells Fargo proposed that it will be the same equipment as used by major retailers, so customers will be familiar when using the machines. The City's current vendor Elevon did not submit an RFP response by the response deadline.

Council member, Joey Hawkins made a motion to recommend Wells Fargo for credit card and check processing services to the City Council. Mayor, Chris Watts seconded the motion. Motion carried unanimously.

6. Under Section 551.042 of the Texas Open Meeting Act, respond to inquiries from the Audit/Finance Committee or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting

AND

Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks congratulations or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

With no additional business to be addressed, the Committee adjourned at 11:54 a.m.

  
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JOEY HAWKINS  
COMMITTEE CHAIR  
CITY OF DENTON, TEXAS

  
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KRISTY ODOM  
RECORDING SECRETARY  
CITY OF DENTON, TEXAS