

## AGENDA

### MEETING OF THE BOARD OF DIRECTORS' FISCAL COMMITTEE AND/OR OF THE BOARD OF DIRECTORS

#### SAN ANTONIO RIVER AUTHORITY

April 6, 2009, 12:00 noon

*\*Estimated Meeting Length: 2 Hours*



#### **GENERAL AND CEREMONIAL ITEMS:**

*Estimated Presentation Time: 10 minutes*

1. **CALL TO ORDER BY THE CHAIRMAN, MR. GAYLON OEHLKE**
  
2. **PLEDGE OF ALLEGIANCE**
  
3. **ROLL CALL BY THE ASSISTANT SECRETARY, MR. STEPHEN GRAHAM**

- Terry Baiamonte
  
- A.D. Kollodziej, Jr.
  
- Hector Morales
  
- Jeff Neathery
  
- Gaylon Oehlke
  
- H.B. Ruckman III

4. **CERTIFICATION OF A QUORUM BY THE ASSISTANT SECRETARY**
  
5. **INTRODUCTION OF VISITORS**
  
6. **CITIZENS TO BE HEARD**

*\*Represents estimated presentation times of staff and routine Board member items; does not account for Board member discussions that may occur.*

- 7. APPROVAL OF THE MINUTES FOR THE FISCAL COMMITTEE MEETING HELD ON MARCH 9, 2009**
- 8. PRESENTATION, DISCUSSION AND APPROPRIATE ACTION REGARDING SELECTION OF AUDIT FIRM FOR THE FISCAL YEAR ENDING JUNE 30, 2009**
- 9. PRESENTATION AND DISCUSSION REGARDING THE OPERATING BUDGET FOR FISCAL YEAR 2009/10**
- 10. PRESENTATION, DISCUSSION AND APPROPRIATE ACTION REGARDING THE LEASE PURCHASE AND BUDGET AMENDMENT FOR THE PURCHASE OF A NEW FINANCIAL SYSTEM PACKAGE**
- 11. PRESENTATION AND DISCUSSION REGARDING ITEMS FOR FUTURE CONSIDERATION BY THE FISCAL COMMITTEE**
- 12. GENERAL MANAGER'S REPORT**
- 13. NEXT MEETING DATE**
- 14. ADJOURN**

Estimated Presentation Time: 2 Hours

SAN ANTONIO RIVER AUTHORITY  
General Statements

This meeting is wheelchair accessible. Accessible parking is located at 100 E. Guenther St. Requests for an interpreter for the hearing impaired must be received at least 48 hours prior to the meeting, or, to arrange for special assistance to attend this meeting, please call the Operator at 210-227-1373.

The Board of Directors' Fiscal Committee and/or the Board of Directors of the San Antonio River Authority may discuss and/or take action on any item listed in this agenda while convened in open session. The Board of Directors' Fiscal Committee and/or of the Board of Directors of the San Antonio River Authority may also meet in Executive Session, pursuant to Section 551.071 of the Texas Government Code, to receive advice from legal counsel on any item listed in this agenda.

**Fiscal Committee**

7.

**Date: 04/06/2009**

**Approval of the Minutes**

**Submitted By:** Lupe Moreno, Executive  
Offices

**Division:** Executive Offices

**Submitted For:** Suzanne B. Scott

**Department:**

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**Information**

**CAPTION**

**APPROVAL OF THE MINUTES FOR THE FISCAL COMMITTEE MEETING  
HELD ON MARCH 9, 2009**

**Presenter**

Mr. Oehlke, Fiscal Committee Chairman

**Recommendation**

Motion to approve the minutes from the Fiscal Committee meeting held on March 9, 2009, as presented to the Committee.

**Discussion**

**Vote**

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**Attachments**

Link: [March Fiscal Draft Minutes](#)

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**MINUTES**

**MEETING OF THE BOARD OF DIRECTORS' FISCAL COMMITTEE**

**SAN ANTONIO RIVER AUTHORITY**



March 9, 2009, 12:00 noon

***GENERAL AND CEREMONIAL ITEMS:***

1. **CALL TO ORDER WAS MADE BY THE CHAIRMAN, MR. GAYLON OEHLKE AT 12:30 P.M.**
2. **PLEDGE OF ALLEGIANCE WAS CONDUCTED**
3. **MR. NEATHERY CALLED THE ROLL IN THE ABSENCE OF THE SECRETARY, MS. TERRY BAIAMONTE**

*\*Board members present for this meeting are indicated with a checked box:*

- Terry Baiamonte
- A.D. Kollodziej, Jr.
- Hector Morales
- Jeff Neathery
- Gaylon Oehlke
- H.B. Ruckman III

4. **CERTIFICATION OF A QUORUM BY THE SECRETARY**

Staff member present were:

Steve Graham, Assistant General Manager  
Susan Eason, Director of Internal Resources  
John Chisholm, Director of Operations  
Larry Anderson, Director of Support Services  
Sharon McCoy-Huber, Finance Manager  
Karen Bishop, Executive Services Supervisor  
Lupe Moreno, Executive Assistant

Others present were:

David Ross, Legal Counsel  
Tom Weaver, Chairman of the SARA Board of Directors

**5. INTRODUCTION OF VISITORS**

Ms. Moreno announced that Mr. Weaver, Chairman of the San Antonio River Authority Board of Directors, was present.

**6. CITIZENS TO BE HEARD**

Ms. Moreno announced that no citizens were signed up to speak.

**7. APPROVAL OF THE MINUTES OF THE FISCAL COMMITTEE MEETING HELD ON OCTOBER 6, 2008**

Staff recommended a motion to approve the minutes as presented to the Committee.

Motion made by H.B. Ruckman III

Second made by Jeff Neathery

Motion passed unanimously

**8. PRESENTATION, DISCUSSION, AND APPROPRIATE ACTION REGARDING MERIT/PERFORMANCE INCENTIVE PROGRAM FISCAL YEAR 2009/10 COMPENSATION ADJUSTMENTS**

Staff recommended an annual salary adjustment of 4% of total salaries to be included in the 2009/10 Fiscal Year budget. Mr. Neathery made a motion to set the annual salary adjustment to 3.5%.

Motion made by Jeff Neathery

Second made by H.B. Ruckman III

Motion was approved although Mr. Morales voted against the motion.

**9. STATUS REPORT ON THE DEVELOPMENT OF THE FISCAL YEAR 2009/10 BUDGET AND FIVE YEAR FINANCIAL PLAN**

Mr. Anderson gave a brief status of the Budget and asked the Committee's input on a project book currently being developed.

**10. ITEMS FOR FUTURE CONSIDERATION**

After Committee discussion, it was decided that on April 6, 2009 at the next scheduled Fiscal Committee meeting, there shall be an Executive Session to discuss the General Manager's Annual Evaluation. A status report on the budget and the Request for Proposal (RFP) on the Audit firm will also be discussed.

**11. GENERAL MANAGER'S REPORT**

- UPCOMING EVENTS CALENDAR
- FUTURE BOARD AND/OR COMMITTEE MEETINGS
- MEETINGS INVOLVING THE ATTENDANCE OF ONE OR MORE BOARD MEMBERS

Details of the upcoming Special Joint Meeting with GBRA were discussed.

**12. NEXT MEETING DATE**

The next scheduled Fiscal Committee meeting was announced to be on April 6, 2009 at 12 noon.

**13. ADJOURN**

There being nothing further to report, Mr. Oehlke called the meeting adjourned at 1:39 p.m.

**PREPARED AND RECOMMENDED FOR APPROVAL BY THE MANAGER.**

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**SUZANNE B. SCOTT, General Manager**

**APPROVED BY THE BOARD OF DIRECTORS' FISCAL COMMITTEE AT THE MEETING HELD ON APRIL 6, 2009.**

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**GAYLON J. OEHLKE, Committee Chairman**

**ATTEST:**

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**STEPHEN T. GRAHAM, Assistant Secretary**

Date: 04/06/2009

## Selection of Audit Firm

**Submitted By:** Sharon McCoy-Huber,  
Support Services

**Division:** Support Services

**Submitted For:** Sharon McCoy-Huber

**Department:** Finance

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**Information****CAPTION****PRESENTATION, DISCUSSION AND APPROPRIATE ACTION REGARDING  
SELECTION OF AUDIT FIRM FOR THE FISCAL YEAR ENDING JUNE 30, 2009****Presenter**

Sharon McCoy-Huber

*Estimated Presentation Time: 30 minutes*

On March 9, 2009, the Contract Administrator published Requests for Proposals (RFP) on the State of Texas' "Electronic Business Daily" website and on the SARA website. Seven responses were received on March 27, 2009. One firm, Deloitte & Touche, LLP, responded with a letter indicating that they would not be submitting a proposal at this time. We received proposals from the following firms:

- Garza/Gonzalez & Associates
- Leal & Carter, PC
- Lockart, Atchley & Associates, LLP
- Reznick Group, PC
- Sandersen Knox & Company, LLP
- Thompson, Williams, Biediger, Kastor & Young, LC
- Weaver and Tidwell, LLP.

Staff consisting of the Controller, Director of Support Services, and Financial Services Manager have reviewed the technical elements of the proposals submitted which included:

- *Mandatory Elements:* All firms have independence from the San Antonio River Authority, license to practice in the State of Texas, external quality control review, and Federal/State desk review of field reviews.
- *Technical Requirements:* All the firms appear to have similar work plans and staffing plans. They differ in the comparable governmental audits, quality of personnel and support, and sampling.

Mrs. McCoy-Huber will bring to the meeting the completed Auditor Evaluation (blank form attached) with the staff recommendation based on qualifications only. She also will bring the sealed cost proposals. The Committee should discuss the firms on the technical proposals and then open the cost proposals.

**Recommendation**

Motion recommending to the General Manager an audit firm, to be named after discussion of this item, for contract negotiations with the San Antonio River Authority.

**Discussion**

**Vote**

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**Attachments**

Link: evaluation

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**SAN ANTONIO RIVER AUTHORITY  
AUDITOR EVALUATION**

Firm Name	Mandatory Elements				Technical Requirements							Cost
	Independence	TX License	Peer Review	Federal/State Desk Review	Comparable Gov't Audits	Quality of Personnel & Support	Single Audit Exp.	Audit Work Plan	Staffing Plan	Sampling	Total	
Deloitte & Touche Austin, TX	declined offer to submit proposal				20	20	5	15	10	5	75	25
Garza/Gonzalez & Assoc. San Antonio, TX											0	
Leal & Carter, PC San Antonio, TX											0	
Lockart, Atchley & Assoc. LLP Austin, TX											0	
Reznick Group, PC Austin, TX											0	
Sandersen Know & Co., LLP Sugarland, TX											0	
Thompson, Williams, Biediger, Kastor & Young, LLC San Antonio, TX											0	
Weaver and Tidwell LLP San Antonio, TX											0	

Date: 04/06/2009

2009/10 Budget

**Submitted By:** Sharon McCoy-Huber,  
Support Services

**Division:** Support Services

**Submitted For:** Sharon McCoy-Huber

**Department:** Finance

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**Information**

**CAPTION**

**PRESENTATION AND DISCUSSION REGARDING THE OPERATING BUDGET FOR FISCAL YEAR 2009/10**

**Presenter**

Larry Anderson and Sharon McCoy-Huber

*Estimated Presentation Time: 1 hour*

Staff will be presenting information on the following background materials that may be included and/or considered in the draft fiscal year 2009/10 budget:

- Projected ending balances for the current fiscal year ending June 30, 2009: To achieve accuracy in the preliminary budget, it is essential that ending balances for the current year be estimated based on reliable projections. Tables will be distributed and discussed for the General Fund, Park Services Fund, the SARA Wastewater Systems Fund and the SARA Water Systems Fund.
- Operating funds summaries for the fiscal year beginning July 1, 2009: The preliminary fiscal year 2009/10 operating budget includes the General Fund, Park Services Fund, the SARA Wastewater Systems Fund and the SARA Water Systems Fund. The General Fund information that will be presented will include the initial budget iteration numbers for revenues and expenditures. The management staff has met and made initial adjustments to establish a preliminary budget for this presentation. Summarized information will be presented at the meeting.
- Maintenance and operations tax rate for the 2009 tax year: There will be no growth projections in the estimated valuations. A table reflecting various scenarios for the 2009 tax rate will be discussed.
- Rates for the SARA Wastewater Systems and SARA Water System: Preliminary rates will be calculated and presented with the average single family resident monthly charge.
- Projects considered in the preliminary fiscal year 2009/10 budget: Project summary tables will be distributed with estimated funding requirements.

**Discussion**

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Date: 04/06/2009

Purchase of IFAS

**Submitted By:** Sharon McCoy-Huber, Support Services      **Division:** Support Services

**Submitted For:** Larry Anderson      **Department:** Finance

**Information**

**CAPTION**

**PRESENTATION, DISCUSSION AND APPROPRIATE ACTION REGARDING THE LEASE PURCHASE AND BUDGET AMENDMENT FOR THE PURCHASE OF A NEW FINANCIAL SYSTEM PACKAGE**

**Presenter**

Larry Anderson and Sharon McCoy-Huber

*Estimated Presentation Time: 10 minutes*

The San Antonio River Authority purchased the current financial system (Sungard Pentamation) in 1999. At that time the River Authority had been on an obsolete system that was purchased in 1983. The current financial system was a major improvement in the beginning and has been adequate over the past few years. However, the current financial system requires a lot of manual manipulation to get the information that is needed. It requires that funds/projects be balanced manually, requiring a large amount of staff time.

When the Finance Department began looking at the latest upgrade that Sungard was offering, staff noted that the upgrade would be the final one to this product, which is in the process of being phased out. When asked if Sungard had a different product that they were recommending to governmental entities, they directed SARA staff to look at their Integrated Financial and Administrative Solution (IFAS).

This product would allow the ease and flexibility that is needed in today's environment. It would enable the Finance Department to work smarter, not harder. Additionally, it allows for a more efficient use of the existing staff. The original price of this product was quoted at over \$800,000, but staff has worked diligently to bring the price to an acceptable amount.

At this time, staff is asking that the Fiscal Committee approve and recommend to the Board of Directors the approval of a five-year lease purchase agreement. The impact on the current year's budget is \$90,000 from ending fund balance. The total cost of the system is \$430,000.

<b><u>Budget Account Number</u></b>	<b><u>Current Budget</u></b>	<b><u>Proposed Amendment</u></b>	<b><u>Amended Budget</u></b>
<b><u>General Fund</u></b>			
<b><u>Information Technology</u></b>			
Equipment - 1011330-8141	520,500	430,000	950,500
Debt Payment - 1011330-7995	124,929	90,000	214,929
Capital Leases - 1011330-4995	(120,000)	<u>(430,000)</u>	(550,000)
<b>Net change to General Fund</b>		90,000	

**Recommendation**

Motion indicating Fiscal Committee support for and recommending to the Board of Directors a budget amendment approving \$90,000 for the first year lease payment as presented and a five-year Lease Purchase agreement in the total amount of \$430,000 to purchase software and equipment.

**Discussion**

**Vote**

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**Date: 04/06/2009**

**Items for Future Consideration**

**Submitted By:** Sharon McCoy-Huber,  
Support Services

**Division:** Support Services

**Submitted For:** Sharon McCoy-Huber

**Department:** Finance

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**Information**

**CAPTION**

**PRESENTATION AND DISCUSSION REGARDING ITEMS FOR FUTURE  
CONSIDERATION BY THE FISCAL COMMITTEE**

**Presenter**

Sharon McCoy-Huber

*Estimated Presentation Time: 5 minutes*

The following items will need to be presented to the Fiscal Committee/Board of Directors.

**May 2009**

- Fiscal Committee Meeting (if needed): Discuss Fiscal Year 2009/10 Budget, Monday, May 11, 2009

**June 2009**

- Special Board Meeting: Budget Workshop, Wednesday, June 3, 2009
- Regular Board Meeting: Adopt Fiscal Year 2009/10 Budget, Wednesday, June 17, 2009

**August 2009**

- Fiscal Committee Meeting: Discuss Tax Rate, Monday, August 10, 2009
- Regular Board Meeting: Vote to Publish Proposed Tax Rate, Wednesday, August 19, 2009

**September 2009**

- Special Board Meeting: Public Hearing and Adopt Tax Rate, Tuesday, September 1, 2009

**October 2009**

- Fiscal Committee Meeting: Presentation and Discussion on the Audited Financial Statements for the Year Ending June 30, 2009
- Regular Board Meeting: Presentation and Discussion on the Audited Financial Statements for the Year Ending June 30, 2009

**Discussion**

**Fiscal Committee**

**12.**

**Date: 04/06/2009**

**GM's Report**

**Submitted By:** Lupe Moreno, Executive  
Offices

**Division:** Executive Offices

**Submitted For:** Suzanne B. Scott

**Department:**

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**Information**

**CAPTION**

**GENERAL MANAGER'S REPORT**

**Presenter**

Suzanne Scott

*Estimated Presentation Time: 5 minutes*

**Discussion**

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**Fiscal Committee**

13.

**Date: 04/06/2009**

**Next Meeting Date**

**Submitted By:** Lupe Moreno, Executive  
Offices

**Division:** Executive Offices

**Submitted For:** Suzanne B. Scott

**Department:**

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**Information**

**CAPTION**

**NEXT MEETING DATE**

**Presenter**

Suzanne B. Scott

Unless otherwise decided by the Committee, the next Fiscal Committee meeting will be held on May 11, 2009 at noon.

**Discussion**

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**Fiscal Committee**

**14.**

**Date: 04/06/2009**

**Adjourn**

**Submitted By:** Lupe Moreno, Executive  
Offices

**Division:** Executive Offices

**Submitted For:** Suzanne B. Scott

**Department:**

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**Information**

**CAPTION**

**ADJOURN**

**Presenter**

Mr. Oehlke, Fiscal Committee Chairman

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