



101 Midland Avenue, Basalt, CO 81621

Meeting Date: Tuesday, November 15, 2016

Location: Town Council Chambers

BASALT FINANCE COMMITTEE
SPECIAL MEETING

4:50 PM Basalt Finance Committee Meeting

1. Approve Minutes of the August 2, 2016 Finance Committee Meeting

5:00 PM Adjourn

Draft:

Basalt Finance Committee Minutes 8/02/2016

Meeting called to order by Mayor Jacque Whitsitt at 5 P.M., at Town Hall ending at 6 P.M.

Town Manager Mike Scanlon presented an update of Town Council Policy 110.

TACAW Discussion

The committee reviewed financial reports and accounting procedures used by the The Arts Campus At Willits (TACAW) board of directors.

Councilor Bernie Grauer concluded that TACAW did not have an acceptable accounting system that tied expenses back to the budgeted \$130,000 in Willits Real Estate Transfer Assessments (RETA) funds, which the council had authorized for start-up expenses itemized in Exhibit A of the Pre-Development Agreement.

He said that the board violated the agreement by authorizing about \$9,800 per month by hiring a general manager with the funds, when that expense was not budgeted in Exhibit A.

The TACAW board violated the Pre-Development Agreement, as well, by failing to provide monthly progress report to the town, said Judi Tippetts, C.P.A., and Town CFO. A number of TACAW reimbursement requests for expenses had no documentation, or were incomplete and had to be voided or charged back.

Grauer noted that Town Manager, Mike Scanlon, failed to inform the council when the unbudgeted salary for the general manager was fulfilled out of RETA funds. He said that he was not happy about that, but that the town staff were stretched too thin to micromanage TACAW's business affairs.

Scanlon did not comment.

Scanlon presented a spread sheet that allocated the Expenditure Categories in Exhibit A to the Actual spent by TACAW through June, 2016.

Councilor Schwoerer said she was particularly concerned about the use of town funds without a proper accounting. Mayor Whitsitt said she would think about giving the group some kind of second chance, but that this must not happen again.

Councilor Schwoerer and Mayor Whitsitt agreed with Grauer's assessments.

Councilor Grauer proposed a motion recommending that the Basalt Town Council immediately suspend all RETA reimbursements to TACAW and terminate the Pre-Development Agreement.

The motion carried unanimously.

Attending: Councilors Bernie Grauer and Katie Schwoerer, Mayor Jacque Whitsitt, TACAW board members, Michael Lipkin, Jeff Orsulak , attorney Jodie Edwards III and general manager Ryan Honey, Town Manager Mike Scanlon, Town CFO, Judi Tippetts and Town Planner Susan Philp.

Submitted by Bernie Grauer