

MEMORANDUM

TO: Finance and Administration Committee of City Council

FROM: Jeremy Craig, Director of Finance and Administration

DATE: July 21, 2004

SUBJECT: FINANCE AND ADMINISTRATION COMMITTEE MEETING

The Finance and Administration Committee met Wednesday, July 21, 2004. Those in attendance included: Chairperson Mary Brown Ward IV, Councilmember Jane Durrell, Ward I, Councilmember Bruce Geiger, Ward II, Councilmember Mike Casey, Ward III, City Administrator Michael Herring and Director of Finance and Administration Jeremy Craig. Also in attendance was Mr. Brian Calderwood. The meeting was called to order by Chairperson Brown at 5:30 p.m.

1. Approval of Minutes – March 10, 2004

Councilmember Geiger made a motion to approve the minutes from March 10, 2004 and Councilmember Durrell seconded the motion. The motion was approved 4-0.

2. Appointment of Committee Liaisons

The Committee discussed Committee liaisons and approved the following slate unanimously (Motion by Councilmember Geiger; seconded by Councilmember Casey):

Vice-Chair F&A – Councilmember Durrell
Historical Commission – Councilmember Durrell
MIS Citizen Advisory Committee – Councilmember Casey
F&A Citizen Advisory Committee – Councilmember Brown
Human Rights Commission – Councilmember Casey

3. Mid-year Financials

Mr. Craig presented a brief summation of the mid-year report, previously provided to the Committee. He noted that City revenues have exceeded Budget through the first six months of the year and expenditures were being monitored and minimized. Mr. Craig also noted that telephone revenue was a concern, as it has continued to steadily decline over the past three years. Mr. Herring noted that packaging of phone/cable/and internet services has reduced the amount of telephone revenues, in addition to the growing use of cell phones for long-distance calls. Mr. Herring reminded the Committee that the City is involved in a class-action lawsuit, to require cell phone companies to assess and collect the City's phone tax on all customer billing statements.

Mr. Geiger commented that this information was the first positive revenue news for the City in three years and he welcomed it. Mr. Casey noted that he liked the clear presentation of the information and recommended the City include the information in its citizen newsletter. Mr. Casey also asked about business license fees. Mr. Herring stated that Mr. Craig had recently directed his Staff to conduct an “audit” and had discovered approximately \$30,000 in previously unpaid and/or new license fees. He commended Mr. Craig for those efforts. However, Mr. Herring pointed out that the total amount collected from this source is very small and, as requested by City Council, he has directed Mr. Craig to have his Staff prepare a comparative analysis of our current business license fee structure to other those in place in other cities. This information will be provided to F&A at a future meeting.

4. Parks Sales Tax

Mr. Herring noted that Staff had prepared a brief summary of the timing of a bond issue if the parks sales tax would pass in November. He indicated to the Committee that he wanted to clearly explain the timing of sales tax receipts and when it would be possible to actually issue bonds and use them for property acquisition and/or the construction of new facilities/capital improvements. If passed in November, the City would begin receiving sales tax revenue in June of the following year and could issue bonds at that time, if deemed necessary.

5. Contribution request

Mr. Craig explained to the committee that the YMCA contribution request had created some confusion at the last Council meeting and Staff had clarified the issue. The request for Acoustic Café funding was from the YMCA directly and not the Drug Abuse Task Force, even though the Task Force is cooperating with the program. The Task Force indicated that they would submit a request for a different purpose, later in the year. After this explanation, Mr. Casey motioned to fund the YMCA’s application re: the Acoustic Café for \$3,000 and Ms. Durrell seconded. The motion passed unanimously.

Ms. Durrell asked if it would be possible to change the contribution request form to include information about why the City funding is essential and what the requestor’s financial status is at the time of application. Mr. Casey felt such a form would be against the spirit of the contribution program, as the money was to fund worthwhile events for the City good and not based upon finances. There followed additional discussion. Mr. Geiger noted the application for contribution was long and too complicated. He made a motion and it was seconded by Mr. Casey to ask Staff to review the form to reduce its size and possibly amend the process. The motion passed unanimously.

6. FLSA Update

Mr. Herring noted that the Department of Labor has issued revisions to the Fair Labor Standards Act that has a major impact on the City, with regard to the issue of overtime. A letter from City Attorney Doug Beach, addressing these issues, was included in the packet for this meeting. City Staff is reviewing those impacts at this time, but Mr. Beach has

indicated that the City may need to hire the services of a labor attorney to ensure its pay practices and personnel forms and manuals are in compliance with the new guidelines. The Committee accepted this as information.

7. **City Administrator Evaluation,**

Mr. Geiger asked if the Committee could take another look at the form used by City Council for evaluation of the City Administrator. Additional discussion followed and all members of the Committee indicated support for this. Mr. Herring indicated that he would be happy to prepare an amended form and submit same to the Committee, for review/approval.

There being no further business to discuss, Ms. Brown adjourned the meeting at 6:45pm.