

MEMORANDUM

TO: Michael G. Herring, City Administrator

FROM: Jan Hawn, Director of Finance and Administration

DATE: February 26, 2003

SUBJECT: FINANCE AND ADMINISTRATION COMMITTEE MEETING

The Finance and Administration Committee met Wednesday, February 26, 2003. Those in attendance included: Chairperson Bruce Geiger, Councilmember Jane Durrell, Ward I, Councilmember Dan Hurt, Ward III, Councilmember Connie Fults, Ward IV, City Administrator Mike Herring, Director of Finance and Administration Jan Hawn, and Executive Secretary Shirley Yost. Also in attendance was Brian Calderwood, Ward III candidate. The meeting was called to order by Chairperson Geiger at 5:30 p.m.

1. Approval of Minutes – November 6, 2002

Councilmember Geiger requested that the minutes of the November 6th meeting be amended. He requested that Item Number 5 be amended to delete the second sentence. He asked that the following sentence be added in its place: "He stated the more information the employees have, the better investment decisions they can make in their defined contribution plan." Councilmember Durrell made the motion to amend the minutes, as requested. Councilmember Fults seconded the motion. The motion was approved 4-0.

Councilmember Durrell made a motion to approve the minutes from November 6, 2002, as amended. Councilmember Fults seconded the motion. The motion was approved 4-0.

2. Fourth Quarter 2002 Financial Statement

Ms. Hawn provided the Committee with a brief Financial Report on Fourth Quarter 2002/Year End. She stated that General Fund revenues were slightly more than projected and expenditures were lower than projected. She stated that sales tax revenues were still soft, but the decline in utility gross receipts seems to be leveling off. She stated that the revenues and expenditures in the other funds were pretty much on target. The ½ cent capital improvement sales tax lagged expectations somewhat but the TIF Fund performed well. Discussion followed. The Committee accepted the information as presented.

3. Budgetary Adjustments

The Committee discussed setting a policy recommending budget review by Finance and Administration for items received by other Council Committees for inclusion in the next year's budget. Councilmember Geiger stated the intent is to review and understand the implication of these proposals to the budget. Secondly, the Committee discussed a

recommendation to require all requests for expenditures, not budgeted in the current budget, to be reviewed by the Finance and Administration Committee.

Councilmember Durrell made a motion to recommend a policy requiring that requests from Council Committees, for unbudgeted current expenditures, be forwarded by staff to the Finance and Administration Committee for a recommendation to Council. Councilmember Fults seconded the motion. The motion was approved 4-0.

Councilmember Durrell made a motion to recommend a policy requiring requests from Council Committees for new budget items, to be forwarded by staff to the Finance and Administration Committee. All such requests would be forwarded at the same time, probably in September or October. Councilmember Fults seconded the motion. The motion was approved 4-0.

4. Five-Year Budget Analysis

Chairperson Geiger discussed with the Committee potential five-year budget scenarios. He distributed to the Committee documents showing financial projections for a 2004 balanced budget and probable financial projections through 2008. He stated that he was concerned about some comments by Councilmembers that the deficit is a one-year occurrence. He stated that his projections showed that the City would need a 9.1% increase in revenue to balance the budget in 2004. The Committee discussed the information presented. Mr. Herring pointed out that the City can have the most impact on expenditures. He also noted that 12/31/02 numbers were better than projected, which would have a positive impact on all succeeding years.

5. Citizen of the Year Update

Chairperson Geiger updated the Committee on the Citizen of the Year Award. He stated that the Committee has made a decision and the announcement would be made at the March 17 Council Meeting. He commented that the new process seemed to be working well. He thanked Councilmember Fults for her participation.

6. City Administrator's Evaluation Process

Chairperson Geiger asked the Committee if they were interested in changing the City Administrator's Evaluation Process. The Committee discussed various possibilities. Discussion followed. Councilmember Hurt made a motion to use the current form with three to five specific questions under each category to be prepared by Mr. Herring. Councilmember Fults seconded the motion. The motion was approved 4-0.

7. Boards and Commissions Procedures

Mr. Herring presented to the Committee a letter by Dr. Politte with regard to Boards and Commissions. The letter had requested the City to provide training to Boards and Commissions on Robert's Rules of Order, record keeping, goals, officer elections process

and etc. The Committee discussed the request. Councilmember Hurt made a motion to direct staff to prepare an informational brochure. Councilmember Durrell seconded the motion. The motion was approved 4-0.

8. Other/Next Meeting

The Committee said their goodbyes to Ms. Hawn and thanked her for her many years of service to the City.

Councilmember Geiger asked Mr. Herring to update the Committee on how the replacement process was going. Mr. Herring stated that he had received 85 to 90 resumes for the position, but the majority of the applicants did not have the specific qualifications required. He stated that 15 to 20 of the resumes were being considered for further review and possible interview.

The meeting adjourned at 6:49 p.m.