

## MEMORANDUM

**TO:** Finance and Administration Committee of City Council  
**FROM:** Jeremy Craig, Director of Finance and Administration  
**DATE:** January 9, 2006  
**SUBJECT: FINANCE AND ADMINISTRATION COMMITTEE MEETING**

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The Finance and Administration Committee met on Monday, January 9, 2006. Those in attendance included: Chairperson Jane Durrell, Ward I, Councilmember Bruce Geiger, Ward II, Councilmember Dan Hurt, Ward III, Councilmember Mary Brown, Ward IV, Assistant City Administrator for Economic and Community Development Libbey Simpson, and Director of Finance and Administration Jeremy Craig. Also in attendance were Councilmember Mike Casey, Ward III, and Executive Secretary Caroline McDowell. The meeting was called to order by Chairperson Durrell at 5:30 p.m.

### **1. Approval of Minutes—October 27, 2005**

Councilmember Brown motioned to approve the minutes from October 27, 2005 and Councilmember Hurt seconded. The minutes were approved 3-0; Councilmember Geiger was not present for the vote.

### **2. Discussion of Senior Accounting Clerk Position (TDD/SRF)**

Mr. Craig provided a brief overview of the requested new position. He noted the creation of the TDD requires a collection function because the State will not collect the 3/8-cent sales tax for the district. Since the City is responsible for the TIF which will collect ½ of the TDD funds assessed, it appeared logical for the City to provide the collection function. There are currently 811 businesses in the district and it could potentially reach more than 1000 businesses over the 20-25-year life of the TDD. Given this volume of work, the City would need to add an additional staff person.

Mr. Craig noted that his division has been in need of someone to spend more time providing project accounting and tracking of the City's large special revenue funds. With TIF at \$15 mil., Capital Improvement Sales Tax at \$5mil and Parks Sales Tax at \$5mil, there are numerous projects and financing issues that would benefit for further accounting work. The creation of this new position would allow for more accounting support for these funds when it is not working on the TDD.

Mr. Craig explained the position would be funded from the TDD and these special revenues funds in accordance with the time spent on each function. It is anticipated the TDD will absorb (and therefore fund) ½ of the position with the remaining costs paid by the other funds in accordance to the work performed on each. The pay grade of the position would lead to a total cost for salary and benefits of approximately \$50,000. Note, no costs would be attributed to the General Fund of the City.

Councilmember Hurt expressed concern that staff knew of the potential for the position since November but did not include it in the budget. He said the City could save money by subcontracting collection duties to an accounting firm instead of creating a full-time in-house position. In the future, he would like notice on such issues in a timelier manner.

Councilmember Brown motioned to recommend to Council that a senior accounting clerk be hired within the Finance Department. Councilmember Geiger seconded and the motion passed 3-1. Councilmember Hurt disapproved the motion.

### **3. Policy to Request Fund Reserves Spending**

Chairperson Durrell explained that there is no policy dictating that unplanned spending from fund reserves be brought before the F&A Committee prior to Council. She asked the Committee to consider whether a policy is necessary and, if so, what qualifiers should be included.

Councilmember Brown suggested that as part of the request, impact on the budget be included. Councilmember Geiger noted that an advantage of having the F&A Committee review the requests would ensure proper justification for the expenditure.

The Committee agreed to discuss the issue further at the next meeting.

### **4. Next Meeting/Adjournment**

The next meeting is to be determined, tentatively in the beginning of March. The meeting was adjourned at 6:10 p.m.