

MEMORANDUM

TO: Finance and Administration Committee of City Council

FROM: Jeremy Craig, Director of Finance and Administration

DATE: August 18, 2004

SUBJECT: FINANCE AND ADMINISTRATION COMMITTEE MEETING

The Finance and Administration Committee met Wednesday, August 18, 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, and Director of Finance and Administration Jeremy Craig. Also in attendance were Mike Williams and Donna Hoover from Hochschild Bloom & Co. who serve as the City's auditors. The meeting was called to order by Chairperson Brown at 5:30 p.m.

1. Approval of Minutes – July 21, 2004

Councilmember Geiger made a motion to approve the minutes from July 21, 2004 and Councilmember Durrell seconded the motion. The motion was approved 4-0.

2. Receipt of Audit Report

Mr. Craig presented the Comprehensive Annual Financial Report (CAFR), Schedule of Federal Awards and Management Letter to the Committee. He noted that this was the first year the City was audited by Hochschild Bloom & Co. and that the process had gone very smoothly. Mr. Craig then introduced Mike Williams who provided a brief overview of the reports.

Mr. Williams noted that the City received an "unqualified opinion" which is the highest level of assurance an auditing firm can provide to a client. He also noted that the City continued to receive the Government Finance Officer's Award of Excellence for its CAFR, which is a sign of the quality statements prepared by the City. He pointed to the Management Discussion and Analysis in the CAFR as a great starting place to understanding the results for the City. The F&A committee members asked several questions about the financial statements that Mr. Williams answered.

Mr. Williams discussed the Schedule of Federal Awards, noting the majority of grant dollars was from one highway grant. He noted that the federal awards had been reviewed for compliance and that there were no exceptions or issues to report to the Committee.

Finally, Mr. Williams discussed the Management Letter. He explained the document was used to communicate any issues or opportunities the auditors identified while working on the audit. He provided the Committee with a brief overview of the five comments. Mr.

Craig noted that the City appreciated the Management Letter as an opportunity to have someone look in from the outside and offer enhancement options. Mr. Craig further stated that City Management had no issues with the comments and have either already made or are in the process of making changes to address the comments.

Ms. Brown thanked the auditors for their work and their time with the Committee this evening. Mr. Williams and Ms. Hoover left at this point of the meeting. Ms. Brown noted she report the receipt of the Audit to the Council at the next meeting.

3. Paperless Packets

Mr. Craig presented a brief summary of the memo included in the F&A packet. A Councilmember had approached Staff about the possibility of receiving the Council packets in an electronic format to save paper and reduce staff time and production costs. The MIS staff had reviewed the issue and mapped out an implementation plan summarized in the memo. The first two steps would involve Staff time only (no funds) but after that point, additional resources would be needed.

Mr. Casey indicated he liked the idea of eliminating paper in the organization wherever possible and would like to see the possibilities with the Council packet.

Mr. Geiger indicated he was very cool to the idea because he liked the physical presence of the packet to refer to and upon which to make notes. Ms. Durrell agreed with Mr. Geiger, stating she used and preferred the paper packet.

Ms. Brown indicated she would like to see Staff proceed with the first few phases to evaluate the proposed solution and then review it for potential Council use at that time. Ms. Brown suggested a good first step would be for Council to begin receiving correspondence and other routine items electronically, in lieu of paper copies.

After a lengthy discussion, Mr. Casey motioned and Ms. Durrell seconded supporting Staff proceedings with the first two parts of the proposed project. In addition, it was determined Ms. Brown would bring to the Council, for discussion, a proposed policy to begin receiving all correspondence electronically in lieu of paper.

4. 5-Year Forecast

Mr. Craig indicated the five-year process was wrapping up and would be sent out to the Committee as soon as he had reviewed it with the City Administrator. This would be the only topic for an F&A Committee meeting in September.

5. Other items

Ms. Brown asked to discuss the procedures used to coordinate Committee appointments. She noted that the current process is inefficient and creates confusion for the City Clerk and

Council members. With that in mind, she suggested a new procedure be introduced for this process:

For Nonstatutory Committees, the City Clerk will contact the Chair of the Committee with a list of members whose terms will be ending and ask whether these individuals wish to be reappointed and whether the Chair feels they should be reappointed. The Chair would respond to the City Clerk, who would forward the information to the Mayor for his approval and appointment.

For Statutory Committees, the same process would be followed with one additional step. Once the Chair responded to the City Clerk, the City Clerk would forward the information to the Council members for their review and comment. The Chair's comments and Council comments would then be forwarded to the Mayor, for his review and appointment.

After discussion, the Committee agreed to add this for discussion as part of the Committee report at the next Council agenda review.

Ms. Durrell asked if Staff could provide more detailed information about Parks expenditures, in light of the upcoming ballot issue. Mr. Craig stated that Staff is always ready to reply to questions from Council members and any questions should be directed to him; his Staff would prepare any requested information and forward it the Council, seeking clarification from Mr. Geisel if necessary.

The Committee then discussed a meeting date for September and determined the third Wednesday of the month (the 15th) would be tentatively set and the Finance Department Executive Secretary would send out an email to confirm that this date indeed works for all the members.

There being no further business to discuss, Ms. Brown adjourned the meeting at 7:40 p.m.