



## MEMORANDUM

**To:** Mayor and City Council  
**From:** Jennifer Miller, Director of Finance  
**Date:** January 26, 2021  
**Reference:** Finance Department Staffing  
**2040:** Sustainable City Government

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### Introduction:

The position of Staff Accountant has been vacant since November 2019. This is an authorized position in the Fiscal Year 20-21 budget, and it is not a funded position. Currently the duties of that position have been spread among the various individuals of the department.

### Analysis:

The workload of the Finance Department has increased over the last year.

- Sales Tax Audit – Managing the project and coordinating with the vendor. To date this project has generated \$1,858,899 in additional sales tax collections. General Fund \$929,612. CRDC \$464,806, IMF \$232,403, Crime Control \$232,078.
- PIER Phase IV – Utility Billing. Finance and Accounting staff are involved since it interfaces with the General Ledger.
- Establishing the new Hotline – This is a recommendation of the Risk Assessment. A vendor has been selected and the web site is being created and must be monitored.
- CARES Act funding – Monitoring and submitting monthly reports. Tracking \$2,200,000 in revenue and expenditures.
- Single Audit – Due to receiving SAFER grant funds, the City is now required to have a Single Audit. This is the first Single Audit in at least 30 years. A Single Audit is an Organization-wide financial statement and awards audit of an entity that expends \$750,000 or more in federal funds in one year. It is in addition to a normal annual audit. A Single Audit is intended to provide assurance to the federal government that adequate internal controls are in place and the entity is in compliance with program requirements. Auditors require documentation over the controls indicating that 1) all federal grants are identified, 2) accounted for properly, 3) documented, 4) expenditures approved, 5) grant requirements met, 6) hiring documents support, 7) meeting minutes or agendas.

- Increased Governmental Accounting Standards –There was 1 standard issued in 2019 and 5 in 2020. We will be implementing the lease standard issued in 2017 in Fiscal Year 21-22. We are also implementing the Fiduciary standard issued in 2017 this fiscal year. There are 2 new standards that will be implemented in Fiscal Year 20-21.
- The Arts Center and Arts Foundation – Supporting the Arts Foundation’s Fund Development and Grant pursuits and the Arts Center programming revenue and expenditures, in alignment with Generally Accepted Accounting Principles.
- Bond Issues – Issued the 2020 bonds and will be scheduled to issue 2021 bonds. This includes completing the official statement, bond rating meetings and Council action items.
- Capital Asset Reconciliation – This was the major project that was being worked on by the Staff Accountant that resigned. Capital assets make up 62% of both the City’s assets and net position (\$400 million, per FY20 CAFR). These are assets that cannot be sold. It is important to report such a large asset accurately.

In addition to daily duties, this position would be assigned the following:

- Grants – Currently grants are assigned to whomever happens to be free when the grant is received. The SAFER grant is being supported by the Chief Accountant. The CARES Act is assigned to the Director of Finance. Assigning the grants to one position will allow uniformity and consistency in documenting and filing for grant reimbursements. This will also allow for the coordination and monitoring of expenditures to minimize the need for a Single Audit.
- Hotline and Suggestion Box – Once the hotline and suggestion box have been introduced into the organization, this position will be assigned the ongoing maintenance and promotion. To receive the maximum benefit from either the Hotline or the Suggestion Box, continued promotion and reminders must be done on at least a quarterly basis. There is also a public facing element that can be activated, which would also need monitoring.
- General Billing – This is when the City bills others for reimbursement or any type of miscellaneous billing. This task is currently being performed by the other Staff Accountant, who is also responsible for bank reconciliations. By reassigning this task, it will enhance the internal control of segregation of duties
- Payroll and debt service wires - This task is currently being performed by the other Staff Accountant, who is also responsible for bank reconciliations. By reassigning this task, it will enhance the internal control of segregation of duties
- Capital Asset Reconciliation – Transfer of this task from the Accountant back to the Staff Accountant.

I am requesting approval to advertise for this position and bring the budget amendment to Council after completion of the Fiscal Year 19-20 audit. The proposed source of funding for this position is Sales Tax Recoveries that had been received due to the audit that is being performed. The annual salary and benefits cost of the position will range from \$85,000 to \$90,000.