FINANCE COMMITTEE

CITY COUNCIL

MONDAY, MARCH 15, 2010
CITY COUNCIL OFFICE
5:00 p.m.

Committee Members: F. Acosta, Chair; D. Reed; J. Waltman

I. Monthly Review of Financial Statements

II. Monthly IT Update

A. Update on Data Cleansing Initiative

III. Update

A. Collection Report for Delinquent Misc Fines & Fees

B. Collection Report for Delinquent Trash and Recycling Fees

IV. Budget Modification Request

A. Traffic Engineering & Liquid Fuels

B. Trash & Recycling

V. Update - snow removal and associated costs (equipment, labor, overtime & supply overruns)

VI. Operation and Implementation Plan for Ord. to Revoke Business Licenses - Update

VII. Online Banking (C. Geffken)

VIII. Response to Council Presidents Budget Questions (Jan Memo)

CITY COUNCIL

Finance Committee

Meeting Report
Tuesday, February 16, 2009

Committee Members Attending: F. Acosta, Chair; D. Reed; J. Waltman

Others Attending: V. Spencer, C. Younger, R. Hottenstein, D. Cituk, L. Kelleher, C. Geffken, C. Weidel, H. Tangredi

January Finance Reports

The Finance Reports (Expenses and Revenues – Budget v. Actual and Income Statement) sent on Monday, February 15th electronically were distributed to the Committee and reviewed.

Mr. Geffken explained that the report shows 1/12th of the annual budget per line item and the expenditures processed in January. He stated that the Finance Department plans to meet with various departments beginning in March to review spending patterns. He explained that the salary line items were miscoded at the beginning of the year as the adopted budget was not uploaded in USL. He stated that Police overtime has been kept in check. He noted that other coding issues need to be corrected throughout the budget. He also noted the need to find a new method that will minimize Fire overtime.

During the discussion on the cuts made in the Police and Fire budgets, Mr. Hottenstein noted that the majority of the cuts were made in the Police area; however, the police contract does not have minimum manning. The Fire Department was only reduced by two (2) men; however, the Fire contract has a 22 man minimum. The minimum manning need has contributed to the increase in Fire overtime.

Mr. Geffken stated that they will have a better handle on revenues and expenditures in March.

Mr. Waltman suggested a thorough evaluation of the projected revenues to attempt to drive better results where appropriate.

Mr. Acosta agreed and noted the need to encourage management to drive collection results, which will assist the Administration and Council in setting realistic revenue projections in the 2011 budget. He also stressed the need for open communication between Council and the Administration on the 2010 budget and forecasted 2011 budget.

Mr. Waltman suggested that the Finance Committee select five (5) to eight (8) revenue line items to be carefully and regularly monitored. He also noted the need for review of the post-retirement benefits at the March meeting.

IT Strategic Plan

Mr. Geffken distributed an update to the IT Action Plan originally distributed in December. He stated that the employee training sessions have started; however, the sessions are currently voluntary but may become mandatory in certain areas.

Mr. Acosta stated that in the private sector IT provides employee training, departmental service, etc. Mr. Geffken agreed and noted the need to rethink the delivery of IT services in a more collaborative method.

Mr. Geffken stated that Hansen training will be provided to a super user within each department who will be responsible for the training of internal staff. He noted that the first few training sessions are very basic and cover things like using the mouse and basic commands. The next training on troubleshooting will also be basic and cover things like learning to identify if the computer and monitor are turned on before calling Support for assistance.

Mr. Acosta inquired why City employees would be hired if they do not have basic computer skills. Mr. Geffken stated that this problem was uncovered in the Blue Ribbon Panel Report.

Mr. Waltman noted the need to define larger IT goals and develop the components required for implementation. Mr. Acosta agreed and stressed the need for accountability and ownership for IT employees.

CIP Amendment

Mr. Geffken stated that the proposed amendment will eliminate the purchase of the Dynamic Portal which would allow online payment and allow the purchase of the Trillium software, which will be used on site, for data cleansing. He explained that

purchasing this package before the Dynamic Portal is necessary, as it allows real time updating of Hansen. He noted that Hansen has an online payment component which is not used. He added that Trillium will be used in all City areas to cleanse data.

Mr. Tangredi explained that property data is received from the County Assessment Office. He explained the transfer of information between the Recorder of Deeds Office and the Assessment Office. He stated that the County information is based on the parcel, not the parcel owner. He stated that information updates come to the City in several areas and only the manager in the area has the ability to upload information. He stated that after the original clean-up, the Trillium software will be used quarterly.

Mr. Waltman suggested that a better defined process be developed. He also suggested the use of the cleansing process more frequently until all City users are better educated on entry processes. He stated that he is uncomfortable with the lack of proper controls in this area also.

Mr. Geffken noted the data quality issues when information is received from the Assessment Office. He explained that errors occur because, rather than accepting electronic data transferred from the Recorder of Deeds staff, the Assessment Office staff keys the data into a different system.

Mr. Acosta stressed the need for City and County staff to work together to resolve this issue. He also stated that Council has been hearing about these issues for far too long. He suggested issue resolution rather than continued and protracted discussion on the various IT issues.

Mr. Spencer inquired how data cleansing is used in other counties and cities and if other municipal entities experience these problems. Mr. Geffken stated that he is unsure if similar issues exist. He stated that other municipalities do not use Hansen. The closest user is White Castle, Delaware.

Mr. Waltman inquired about the cost of the annual maintenance contract for the Trillium software.

Mr. Acosta noted that the proposed amendment frees $30K of the capital funds. Mr. Geffken stated that the unused funds will be reserved for other projects.

Update Collection of Delinquent Misc. Fines and Fees

Mr. Geffken stated that staff is preparing information to transfer to Linebarger. The transfer is expected by the end of February. Per Capita information will be forwarded first.

Ms. Kelleher stated that Council would also like a report on how much has been collected to date.

Update Collection of Delinquent Trash and Recycling Fees

Mr. Sterner inquired if the collections in this area can go past the last three (3) years. Mr. Tangredi stated that collections in this area can go back further.

Ms. Kelleher stated that when they got their last update at the beginning of December, Portnoff reported that they collected approximately $200,000 within about three (3) months of collection activity. She stated that Council is seeking an update on the collections for these fees.

Budget Modification Request

Ms. Weidel explained that the Maintenance Sign Repair line item is a duplicate. She said that the proposed amendment will reprogram this duplication to the Street Lighting area. She also stated that social security funding in Highways will be moved to Trash and Recycling, as employees were transferred to this area.

Ms. Weidel stated that 20% of the Liquid Fuels Funding must be used for equipment. Therefore, funding will be used to purchase equipment and repair or purchase vehicles.

Ms. Weidel stated that it was also discovered that $662K was budgeted in Contracted Services for street lighting. The proposed amendment will transfer funds to the Street Lighting line item.

Snow Removal Costs

Mr. Geffken stated that costs for the recent snow events have not yet been tabulated. He stated that personnel from across Public Works, Sanitary Sewer and RAWA were pooled to assist. The City didn't hire independent contactors to assist.

2009 Bond Expenses

Mr. Geffken distributed a sheet detailing the General Fund Debt Service expenses and the closing statement for the 2009 $25M bond. He explained the budgetary impacts.

Business License Revocation Ordinance

Mr. Hottenstein stated that the Business Analyst is employing the HPO process to create an implementation plan. He stated that he has consulted with Ms. Kelleher about this issue. The plan is due March 31st.

Trash and Recycling Stratified Costs & Budget Modification

Mr. Geffken stated that the Trash and Recycling Enterprise Fund budget is $5.9M (collectively). He stated that the Recycling revenue has increased to $2.6M due to the collection of delinquent fees and the increased rate. The Trash program collects $3.3M.

Mr. Hottenstein explained that the Recycling fee increased as this program now covers yard waste collection, etc. Personnel to handle these additional tasks were transferred to this area.

Mr. Spencer inquired about the reduction in Waste Management costs. Mr. Geffken stated that the reduction is the result of refined expenses. He stated that collected revenues now cover expenses for both collection programs.

Mr. Waltman recalled the deficit in trash fee collections in 2008. Mr. Geffken stated that he is aware of the issue but unsure of the exact amount. He noted that the 2009 calculations have not been completed.

Mr. Waltman stated that the recycling fee cannot continue to escalate at the current rate. He suggested identifying an alternate model to contain costs.

Other Matters

Mr. Spencer stated that he has not received a response to his late January memo making budget inquiries.

Mr. Geffken stated that Gage Personnel was used to assist in the hiring process and charged to the individual user areas. Mr. Hottenstein stated that the Administration plans to prepare an RFP for personnel services as the costs exceeded the Charter limitation. Mr. Geffken stated that he will respond to the other issues separately.

Ms. Reed moved, seconded by Mr. Waltman, to adjourn the Finance Committee meeting.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

APPROPRIATIONS FROM VARIOUS PW BUDGETS AND POTENTIAL CHANGES

TRAFFIC ENG

	FROM	AMOUNT	TO	AMOUNT
A)	01-07-24-4412/ Maint/Repair Signs	-30,000	01-07-24-4409/ Maint/Repair Street Lighting	+30,000
B)	01-07-24-4000/ Traffic Eng Salaries	-46,313	01-07-52-4000/ Highways Salaries	+46,313
	01-07-24-4006/ Traffic Eng Overtime	-2,700	01-07-52-4006 Highways Overtime	+2,700
	01-07-24-4504/ Traffic Eng Uniforms	-750.00	01-07-52-4504/ Highways Uniforms	+750.00
	01-07-24-4900/ Traffic Eng Benefits	-16,231.00	01-07-52-4900/ Highways Fringe Benefits	+16,231.00
	01-07-24-4913/ Traffic Eng Social Security	-3,662.00	01-07-52-4913/ Highways Social Security	+3,662.00

LIQUID FUELS

	FROM	AMOUNT	TO	AMOUNT
C)	35-07-00-4800/ Land/Land Improvements	-200,000	35-07-00-4803/ Vehicles	+200,000
D)	35-07-00-4216/ Contracted Services	-662,000	35-07-24-4102/ Street Lighting	+662,000
E)	35-07-00-4216/ Contracted Services	-78,000	35-07-24-4409/ Maint/Repair Street Lighting	+78,000