



CITY COUNCIL

Finance, Audit & Budget Committee

Monday, December 15, 2014
City Council Office
5:00 pm

The Budget and Finance Committee's responsibilities include Annual Budget Review, Capital Improvement Programs, Financial Reports, Taxes (Rates, exonerations and exemption appeals), Fee Assessments, Review of Budget & Financial Reports, oversight of the City's external auditing, internal controls and any other financial or business practices, and reviewing the work of the City Auditor.

Committee Members: Ms. Reed, Ms. Goodman-Hinnershitz (Co-Chairs) and Mr. Waltman

Although Council committee meetings are open to the public, public comment is not permitted at Council Committee meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the Committee Chair. All electronic recording devices must be at the entry door in all meeting rooms and offices, as per Bill No. 27-2012

I. Correction of 2013 External Audit Findings

- PFM Recommendations:
 - 1st **priority:**2013-007 (Reconciling the General Disbursement Account)
 - 2nd **priority:** 2013-001 (Account reconciliations)
 - 3rd **priority:** Grants management findings (2013-005, 2013-006, 2013-010, 2013-011, 2013-012)

II. Legislative Review

- Budget Amendments
 1. authorizing an amendment of the 2014 Budget by transferring a total of \$50,000 from the Contingency Fund to the Law Department Budget line item for Special Counsel Contracted Services (01-12-25-4216) to cover additional legal costs associated with legal service providers. **(Law) Introduced at the December 8 regular meeting**
 2. authorizing an amendment of the 2014 Budget by transferring a total of \$360,000 from the Contingency Fund to the Fire Department Budget to be split between

Suppression wages and EMS wages. **(Law) Introduced at the December 8 regular meeting**

3. authorizing an appropriations transfer with the Department of Public Works, Division of Solid Waste and Recycling in the amount of \$51,790 from salaries to contracted services for temporary wages **(Public Works) Introduced at the December 8 regular meeting**

III. Amendment of Amusement Tax (proposed ordinance attached)

- Pro forma on expansion of the application of the tax to venues for 500+

IV. Recovery Plan Amendments – Implementation Schedule

V. Review Finance Reports

- Review Expenditures/Revenues
- Review Bank Statement Activity
- Review Transfers
- Compliance with SEC Regulations

VI. Update from City Auditor

- Update re RFP Process for External Auditor
- Compliance-transfers
- Update on the status of all capital projects currently underway
- Define operational audits for 2015 i.e. Property Maintenance and Zoning
- Define general internal audits for 2015

VII. Define 2015 Topics and Timelines

FOLLOW UP ISSUES

2015 Finance Committee Topics

January

- Review Wheelchair Transport

February

- Review Wheelchair Transport

March

- Review Wheelchair Transport
- Collection Report re Delinquent Taxes, Fines and Fees

April

- Forestry Management
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May

June

July

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EXHIBIT A

§ 549 -- TAXATION Part 7 Amusement Tax

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§ 549-704. Imposition of tax.

- A. A tax is hereby imposed upon the admission to places of amusement as defined in §549-702, "Amusement" hereof, at the rate of 5% of the established price charged the general public, or a limited or select group thereof, but any producer for such admission, which shall be paid by the person acquiring the same.
- (1) With regard to any producer (as defined herein) that is required to report gross receipts for admissions to amusements to any franchiser, licensor or to any other party or entity to which said producer may be required to pay royalties, license fees or other charges based on admissions revenue, the tax imposed herein shall be calculated on the basis of the gross receipts so reported.
- B. This tax shall apply ~~only~~ to admission charges for amusements (as defined in § 549-702 Hereof), that are held at any stadium, facility, arena, convention center, civic center, theater or other ~~similar facility owned in whole or in part by the City of Reading or any authority to which the City of Reading has any power to appoint representatives or board members.~~ **place of assembly with a capacity of five hundred (500) or more persons.**
- (1) Any amusements for which the City of Reading ~~and/or,~~ the Reading School District ***and/or Berks Catholic*** shall act as producer shall be exempt from the tax imposed hereunder.
- (2) Any amusements taking place on any playground or other facility operated by ~~the Recreation Department of the City of Reading Public Works Department~~ **the Reading Recreation Commission** shall be exempt from the tax imposed hereunder.

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TO: City Council, David Cituk
FROM: Christian F. Zale, City Controller
DATE: December 2, 2014
SUBJECT: Schedule of Transfers -November 2014

The following transfers occurred in November 2014 as specified in the 2014 council approved budget: **(Changes to budget captioned in bold.)**

To General Fund (01):

Indirect Cost: CD (32) **\$31,666.00 for October & November...HUD funding is available (Budget \$15,833.00)**; Sewer (54) **\$96,691.17 (Budget \$96,786.00)**; Recycling (56) **\$36,862.00 (Budget \$20,851.33)**; Trash (56) **\$15,194.67 (Budget \$11,140.75)**; Water (50) \$0.00 (Budget \$0.00). **These transfers changed per the 2012 Maximus cost study. These amounts will be adjusted upon the completion of the 2013 Maximus cost study.**

Transfers: Sewer (54) \$250,000.00; Water (50) \$430,833.33

Water RAWA Act 47: \$125,000.00

Meter Surcharges: Water (50) \$141,666.67

To Water Fund (50):

Meter Reading Cost: Sewer (54) \$15,000.00; Billing Cost: Sewer (54) \$25,000.00

RAWA Lease Agreement: **From RAWA \$720,678.00.**

To Self Insurance (52):

Sewer (54) \$40,939.33; Water (50) \$6,331.25; General (01) \$211,807.92; Recycle \$5,986.67

Corrections:

Additional Transfers:

None

Other Transfers:

The City received \$593,679.06 from RAWA related to Recycle and Trash billings.

These transfers are reflected in November trial balance. Also, the related cash has been transferred among the various funds; thus, no impact in the DT/DF accounts. This activity has been confirmed by the City Auditor.