



# *CITY COUNCIL*

## *Finance, Audit & Budget Committee*

**Monday, April 18, 2016**  
**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. Goodman-Hinnershitz, Mr. Slifko and Mr. Twyman

*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. Legislation Review – place saver**

**II. Response to Baker Tilly Report**

**III. Correcting 2014 External Audit Findings (attached)**

- PFM Recommendations:
  - 1<sup>st</sup> priority:** Reconciling the General Disbursement Account 2007-2014
  - 2<sup>nd</sup> priority:** Account reconciliations 2012-2014
  - 3<sup>rd</sup> priority:** Monitoring State Grants 2010-2014

**IV. Review Finance Reports**

- Review Expenditures/Revenues
- Review Bank Statement Activity

- Review Transfers
- Compliance with SEC Regulations

## **V. Update from City Auditor**

- Compliance-transfers
- Update on the status of all capital projects currently underway
- Define operational audits for 2016 i.e. Property Maintenance and Zoning
- Define general internal audits for 2016

## **Adjourn to Committee of the Whole in the Penn Room re Act 47**

### **I. PFM re Act 47 Update**

- Key findings in the 2015 year-end financial results
- EIT Revenue Growth
- Timeline for Receivership
- Cost of Employee Healthcare – retiree and active
- 2016 Budget re Variables and Impact

## **FOLLOW UP ISSUES**

### **March**

Staffing needs of Accounting/Finance

### **April**

Containing Legal Costs

Review of City's Investment Accounts (Quarterly)

### **May**

Quarterly update on correction of repeat audit findings

- PFM Recommendations:
  - 1<sup>st</sup> priority: Reconciling the General Disbursement Account 2007-2014
  - 2<sup>nd</sup> priority: Account reconciliations 2012-2014
  - 3<sup>rd</sup> priority: Monitoring State Grants 2010-2014

**June**

**July**

**SUMMARY OF FINDINGS FROM 2014 EXTERNAL AUDIT**

	Repeat
	New
	Removed

Account Reconciliations/Modified Accrual	2014	2013	2012	2011	2010	2009	2008	2007
Cash Disbursements - Segregation of Duties	2014	2013	2012	2011	2010	2009	2008	
Pension Reporting	2014	2013	2012	2011	2010	2009	2008	2007
Monitoring - State Grants	2014	2013	2012	2011	2010			
Preparation of SEFA	2014	2013	2012	2011	2010			
Preparation of Bank Reconciliations	2014	2013	2012					
Reporting of fixed assets	2014	2013						
Bank accounts not recorded on the general ledger	2014							
Filing of Required Forms (2012 payroll report, 2013 actuary report)		2013	2012					
Record Retention - FEMA Grant		2013						
Grant Receipts/cash mgmt		2013	2012	2011	2010	2009	2008	2007
Time Card Approval		2013	2012	2011	2010			
Federal Funding Accountability & Transparency Act		2013	2012					
Accounting for Program Income			2012					
Federal Grants ie cash disburse. & acct recon/cash mgmt			2012	2011	2010	2009	2008	2007
Pension Compliance			2012	2011	2010	2009	2008	2007
Purchasing Card Procedures				2011	2010			
Billing - Revenue/Accounts Receivable water/sewer				2011	2010			
Micro Loan Program Approval				2011	2010			
Federal Grants ie purchasing cards				2011	2010			
Real Estate Tax Revenue				2011				
Inadequate Documentation - CDBG Admin					2010			
Quarterly performance reports not filed timely - NSP2					2010			
Financial Reporting to Management					2010	2009	2008	
Compensated Absence Liability					2010			

	2013	2014	2015	2016	2017	2018	2019		
Unassigned GF balance	\$20,175,069	\$23,161,218	\$27,517,030	\$26,560,015	\$23,415,015	\$20,609,015	\$16,081,015	<i>The red cells just use the projections in the 2014 Rec</i>	
GF expenditures	\$76,110,237	\$81,278,441	\$84,124,909	\$89,546,341	\$89,066,322	\$90,451,869	\$91,870,934		
Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
GF expenditures w/ transfers	\$76,110,237	\$81,278,441	\$84,124,909	\$89,546,341	\$89,066,322	\$90,451,869	\$91,870,934		Fund balance target
GF balance as share of GF expenditures	27%	28%	33%	30%	26%	23%	18%		\$15,311,822

GF revenues	\$73,369,647	\$75,542,238	\$88,480,721	\$89,546,341	\$85,920,954	\$87,645,652	\$87,643,413	<i>The red cells just use the projections in the 2014 Rec</i>
Transfers in	\$7,970,000	\$8,170,000	\$0	\$0	\$0	\$0	\$0	
GF revenues with transfers	\$81,339,647	\$83,712,238	\$88,480,721	\$89,546,341	\$85,920,954	\$87,645,652	\$87,643,413	
GF balance as share of GF expenditures	25%	28%	31%	30%	27%	24%	18%	

Source	CAFR p7	CAFR p14	Year-end Preliminary results	2016 Budget			
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	2013 Actual	2014 Actual	2015 City Est	2016 City Est	2017 Illustration	2018 Illustration	2019 Illustration
General Fund reserves	\$20,175,069	\$23,161,218	\$27,517,030	\$26,560,015	\$23,415,015	\$20,609,015	\$16,081,015
				Use of Reserves in Act 47 Plan	\$3,145,000	\$2,806,000	\$4,528,000





