CITY COUNCIL

Finance Committee

Meeting Report
Monday, March 15, 2010

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

Others Attending: T. McMahon, R. Hottenstein, C. Geffken, D. Kersley, C. Weidel, H. Tangredi, L. Kelleher

Mr. Acosta called the meeting to order at approximately 5:05 pm.

Resignation
Mr. Hottenstein stated that after consulting with his family, he decided to tender his resignation on Friday, March 12th, effective April 15th, 2010. He stated that he has been meeting with department directors to ensure a smooth transition. He stated that he has accepted a job in the private sector. Everyone present wished him success.

Mayor McMahon left the meeting at this time.

February Minutes
Mr. Geffken questioned a statement made by him in the February minutes, in the fourth paragraph, under the IT Strategic Plan heading. He stated that he does not recall saying "employees basic training needs were identified in the Blue Ribbon Panel Report." He also questioned the statement made by Mr. Acosta in the fifth paragraph regarding the need for ownership and accountability for IT employees. He stated that all employees must be held accountable and responsible. He stated that the Blue Ribbon Panel report refers to the need for data cleansing. He noted that it was his personal observation that certain City employees require computer training.

Finance Report Review
The Finance reports were distributed at the meeting.

Mr. Geffken stated that in the budget to actual statement, the Council budget shows

temporary wages over budget by $6,800 due to a miscoding. He stated that Council salaries were deducted from the temporary wage line item incorrectly and that will be corrected. He also stated that he has begun to hold monthly meetings with department directors concerning their budgetary spending as requested by PFM.

He stated that Public Works overtime costs were most likely associated to the February snowstorms. He stated that he will provide further follow up, after he has the opportunity review the figures submitted by the Public Works Director. He also stated that Police Patrol salaries are also over budget due to the sort out between lay-offs and the receipt of the employee's last paycheck. He also noted that this also could be combined with miss-posting of crossing guard salaries. He stated that he will provide further review and explanation. He added that some of the Police Patrol salary overage could also be caused by redeployment of some officers to Patrol after layoffs.

Mr. Waltman suggested also including a high-level monthly overview that provides summary points of the various issues identified.

Mr. Acosta noted Police personnel statements to the public blaming slow response times and reports on City Council as they cut Police positions.

Mr. Cituk explained how pay out occurs to police officers when they either retire or are laid off. He also noted that the month by month look offers a somewhat skewed impression.

Mr. Acosta inquired if Police salaries will be over budget at the end of 2010. Mr. Cituk stated that the salaries could even off until the year end. Mr. Waltman agreed noting the spikes caused by layoff and retirement could level off moving forward. Mr. Geffken stated that the City will employ 174 sworn police officers at the end of the first quarter.

Mr. Geffken stated that the budget amendment ordinances have been drafted and submitted to the Council office for introduction at the March 22nd regular meeting of Council. He stated that other amendments may come forward as we move throughthe 2010 budget year.

Mr. Spencer inquired where the funding for the Mayor's assistant is located. Mr. Geffken stated that until a grant or donation is located, it will be funded through the General Fund Budget. He noted that if private or grant funding is not located, the General Fund Budget will cover the salary. Mr. Spencer inquired how the budget allocation was made. Mr. Geffken stated that the salary was budgeted under grant revenues and expensed to the Mayor's budget. The full-time position ordinance for

the Mayor's office authorizes the Mayor, secretary, assistant, and the gun coordinator in 2010.

Mr. Waltman clarified that salary comes out of the Mayor's office expenses; however the revenue is programmed as a grant.

Ms. Reed inquired about the high overtime in Fire Suppression. Mr. Geffken stated that he will need to review the issue further. Ms. Kelleher stated that the overtime spike may be caused by the snow emergency that required double staffing of fire stations.

Ms. Reed inquired about the Pennsylvania League of Cities Dues expense at $26K. Mr. Acosta questioned the value of membership. Mr. Geffken stated that he would need to review further. Ms. Kelleher stated that dues for associations like this are usually based on population. She noted that Chamber dues are based on the number of employees in the organization. Mr. Cituk recalled that the $26K expense is in range with prior years.

Ms. Kelleher inquired about the transfer line item showing $283K in transfers as of February 28th on the General Fund Income statement. Mr. Geffken stated that this money is transferred in from other City funds. Ms. Kelleher stated that she recalls that all transfers, even fund to fund, require Council approval. Mr. Waltman expressed the belief that this transaction is okay if it's approved within the budget adoption process. Ms. Kelleher questioned the Agency line item shown on the revenue sheet. Mr. Cituk stated that this fund holds UDAG funds, stained glass window monies, etc.

Ms. Kelleher inquired if revenues are brought into this fund annually. Mr. Cituk replied affirmatively. Ms. Kelleher stated that it would be helpful to see the monthly transactions that occur in this account. Mr. Spencer agreed saying that it would be helpful to see how expenditures and income occur on a monthly basis.

Ms. Kelleher questioned the line item transfer from Capital Reserve City. Mr. Cituk replied that this is interest posted at year end.

IT Update

Mr. Tangredi distributed the February update to the Committee.

Mr. Acosta inquired if the documents distributed could be provided with the agenda, so there's ample time for review prior to the meeting. Mr. Geffken apologized for getting the reports to Council after the agenda was completed. He promised to improve this process moving forward.

Mr. Geffken reviewed the IT monthly report and the project plan outline.

There was discussion on scheduling and scoring the IT training courses. Mr. Geffken stated that management has identified some employees who require more intensive computer training. Mr. Acosta noted the need to make management responsible for making sure staff is properly trained.

There was discussion on the failure of some employees to attend IT training courses that they register for.

Mr. Acosta stated that employees working in the private sector are required to work very hard. He suggested adopting that philosophy here in City Hall. Mr. Tangredi noted that having a job is not an entitlement.

There was next a discussion on team players versus non-team players in the City Hall atmosphere.

Mr. Waltman noted the need to develop a goal based budget that will drive the performance of departments and the City overall. Mr. Waltman inquired about the cancellation of data integrity. He stated that although the purchase of the software was cancelled, the need to address the data integrity cannot be cancelled. Mr. Geffken stated that the Administration presented their best plan to achieve the best result; however lack of Council approval has tied one hand behind the Administration's back. Mr. Waltman noted the need to find an alternative way to address the data cleansing issue.

Mr. Waltman stated that the Administration withdrew the ordinance to purchase the Trillium software. Ms. Kelleher replied affirmatively. Mr. Acosta recalled the sequence of events, noting that the ordinance was withdrawn after Council received the memorandum from PFM freezing discretionary spending. The committee next discussed revisiting the purchase of Trillium software. Mr. Tangredi noted the need for data cleansing and improved business processes.

Mr. Waltman expressed concern that there is a lack of a defined control point after the data cleansing occurs. He stated that without control points to address data entry information integrity will never be assured. Ms. Reed also questioned the cost of the annual fee for the Trillium software. She expressed the belief that $30K per year is considerably expensive.

Mr. Geffken stated that PFM is currently reviewing the City's upcoming capital plan and will ok various issues if they're believed to be essential.

Collection Reports
Mr. Geffken distributed a report from Portnoff Law Associates showing the dollars recovered as of February 28th. The report shows that $1.5M was placed out for collection and received, to date, is $370K which is a 25% recovery rate.

Mr. Waltman also requested a report showing the fees collected by Portnoff before the City is made whole.

The Public Works Committee joined the meeting at this time.

Ms. Goodman-Hinnershitz suggested showing the commonality of cases going to litigation and taking other avenues.

With regard to the other collection process, Mr. Geffken reported that the per capita collection data will be sent out tomorrow to Linebarger. Ms. Kelleher inquired if this is the first data sent to Linebarger. Mr. Geffken replied affirmatively. He promised to provide a report next month.

Budget Modification
Mr. Geffken reported that the ordinances were submitted to the Council Office this afternoon. He inquired if Council would prefer each modification on a separate ordinance or combined into one. Ms. Kelleher stated that she would prefer one combination ordinance. Mr. Geffken inquired how Council would deal with a portion they wanted to remove. Ms. Kelleher stated that they could amend the ordinance to remove specific transactions.

Snow Removal Costs
Mr. Geffken stated that he only received the data on Friday and did not have time to review and prepare a report. He promised to have a report to Ms. Kelleher by Friday. He noted that the City has not received any state reimbursement for their cost associated with the February snow storms.

Mr. Acosta noted the need for Council to learn about these costs sooner versus later. He questioned the continued excuses.

Mr. Hottenstein noted the need for the Administration to be provided with time, at least a month, to access the data and analyze it. Mr. Acosta stated he is tired of the excuses as last month the Committee was told they would have the data in March.

Ms. Reed inquired why the data was not obtained sooner so the report could be compiled. Mr. Geffken replied that the Public Works Director only submitted the data to him on Friday.

Mr. Acosta again stressed the need for Council to receive information like this as soon as possible.

Business License Revocation Ordinance

Mr. Kersley stated that an HPO team, composed of Ms. Mayfield, Ms. Weidel, Inspector Gery, Ms. Kelleher, Mr. Reinhart, and Mr. Kersley, is working to make some ordinance modifications and define an implementation plan. He stated that both should be completed by the end of March.

Mr. Waltman noted that this ordinance is not intended to be a detriment to businesses. It is only intended to hit those who don't follow City rules and cause quality of life issues. Mr. Kersley agreed and noted the huge public safety expense for a particular business located at 3rd and Greenwich Street. He stated that five (5) to nine (9) officers reported to this business to deal with public safety situations every weekend, for many months. The revocation in situations like this could remove the strain on public safety resources.

Mr. Acosta inquired who can revoke a business license. Mr. Kersley stated that any city official or citizen can nominate a business to the Managing Director who will consider if the permit should be suspended. He then explained the process to both revoke and suspend a business license. He stated that a revocation board will be appointed and will combine Council members, along with a member of the business community and citizens. Ms Kelleher stated that Council representation on the board will be based on the district the business is located in.

Ms. Goodman-Hinnershitz noted the value of this process to build an implementation plan around an ordinance. She noted the need for quarterly reports on the success of the ordinance. Ms. Kelleher noted that it is expected that this ordinance may only be used a few times a year.

Mr. Waltman suggested a collective review of the ordinance at the Committee meeting scheduled for the first Monday in April.

Online Banking

Mr. Geffken stated that online banking for payment of City bills is now available through the Wachovia lock box. He stated that customers can, from their personal bank account, pay their bills online to Wachovia. He noted that Wachovia uploads payment data to the City nightly.

Response to Memo from Council President

Mr. Geffken distributed a memorandum to Council responding to the Council

President's January budget inquiry. Mr. Geffken stated that the City used Gage personnel to assist in the hiring of personnel on four (4) separate occasions over the period of one (1) year. Although total expense exceeded the Charter limit of $50K, it was not done intentionally. He stated that Gage personnel was used to coordinate the recruitment process to obtain a larger pool of applicants. He described the process used by personnel firms to help the City and other businesses achieve successful hiring results.

The Finance Committee adjourned at approximately 6:55 pm.

The City Council went into Executive Session as 6:55 pm to discuss litigation issues. The Executive Session ended at approximately 7:10 pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

FOLLOW-UP

- Report on collection fees paid to Portnoff
- Report on data sent to Linebarger and date data was transferred (Request originated in Oct 2009)
- RFP to identify HR Firm to assist in hiring process
- Snow Removal Costs re Storm Event in February (requested in Feb & Mar)
- Finance Reports to Council Office by the 4th Wednesday of the month so they can be attached to the agenda
- Addition of Agency Fund to monthly finance reports
- Business License Revocation – full review discussion 1st Monday in April
- IT Data Cleansing - report