



CITY COUNCIL

Finance Committee

Meeting Report Tuesday, February 19, 2013

Committee Members Attending: D. Reed, Chair; R. Corcoran, Vice Chair; D. Sterner, F. Acosta, J. Waltman

Others Attending: D. Cituk, C. Younger, C. Zale, L. Kelleher, M. Kantner, M. Bembenick, V. Spencer, H. Tangredi, F. Lachat, B. Rivera

Ms. Reed called the Finance Committee meeting to order at approximately 5:05 pm.

I. REVIEW CSC AND IT MONTHLY REPORT

- CSC Report

Ms. Kantner stated that there wasn't too much to report at this time as they are still wrapping up the Amnesty Program and collections. She asked if there were any questions for her.

Mr. Acosta asked about staffing.

Ms. Kantner responded that one staff member was moved from CSC but other than that, no problems of real concern to report on this.

Mr. Bembenick stated that he had spoken with the managing director about a long term project to digitize paper records which would eliminate the need to layoff two current staff members.

Ms. Kelleher asked if DocStar scanning would be used in digitizing these records.

Mr. Tangredi responded that only a portion would be digitized using the DocStar scanner.

Ms. Kelleher stated that for research purposes, DocStar would be most effective. Mr. Tangredi agreed.

Mr. Corcoran asked that if there would be issues in productivity with these two positions out of the CSC and working on digitizing records.

Ms. Kantner stated that if assistance would be needed, she would pull other professionals to help out; however, she does have concerns in keeping up with workloads if CSC loses two people.

Ms. Reed asked how many phone calls and walk-ins CSC receives on average.

Ms. Kantner responded that the CSC is continuously busy and it would be difficult to come up with a number off the top of her head. However, she stated that she does have statistics with those numbers and will remit them at the next meeting for council to review.

Mr. Acosta stated that he can attest that there haven't been near as many complaints involving the CSC clerks as there have been in the past. Ms. Kantner was pleased to hear that.

Mr. Corcoran also agreed with Mr. Acosta in that service in the CSC has been very good lately and commended Ms. Kantner for that.

- IT Report

Mr. Tangredi stated that two changes were made in the initial IT Report. The first change was related to responses and the other change was "charge outs" (support costs). The changes were in the percentages that were very slightly off and nothing of great concern.

Ms. Reed asked if there were any questions pertaining to the report and none were posed.

II. LEGISLATIVE REVIEW

Ms. Reed noted that on the agenda there were none to be discussed.

Ms. Kelleher stated that a Procurement Policy Amendment is expected by the administration director.

Mr. Bembenick responded that it is currently being worked on and that he would let Ms. Kelleher know when it would be complete for presentation.

III. CONTINUE JANUARY DISCUSSION

- Library Tax Referendum Question

Ms. Kelleher stated that only binding referendum questions can be on the ballot.

Mr. Acosta stated that he believes this should be discussed during a Committee of the Whole

meeting rather than now as all councilors would be present.

Mr. Corcoran agreed and stated that he feels it should be an additional tax that is over and above the current figure.

Mr. Sterner also agreed with Mr. Corcoran.

Mr. Acosta suggested that this should be something to be discussed with the County as well.

Mr. Spencer stated that the city is responsible for the billings though other libraries can utilize our library. He feels that it certainly wouldn't hurt to go to the public and ask them what they would like to do about this issue. The city needs to have their input; however, that doesn't mean that we won't still need additional funding.

Mr. Sterner agreed in that this should be presented to the people in a referendum question. He also noted the importance of continuing this discussion during a COW meeting so all members of council can participate.

Mr. Cituk stated that he believes the County should "step up" and assist in this issue. He noted his frustration as this is, and has been a matter between the City and the County and should be looked at as a whole. He is frustrated because he feels the city doesn't get County cooperation.

Mr. Sterner stated that perhaps by the City putting a referendum question forward, the County might step up and meet us halfway.

Mr. Bembenick stated that Mr. Tangredi had a good suggestion about possibly making this a county-wide ballot issue.

Mr. Spencer responded that we must keep in mind that the state is funding the City's district library status which may be jeopardized by going county-wide.

Ms. Reed asked about the time frame involved in the referendum process.

Ms. Kelleher responded that the question must be submitted 60 days before the day of the election and that this would have to be introduced during this Monday's (Feb. 25) Council Meeting.

- Defined Benefit Contribution Plan for New Hires

Mr. Bembenick stated that this is something that has continuously been looked at and that there are some options available including the possibility of implementing an RFP.

Mr. Spencer stated that he doesn't feel the focus should solely be on this one pension as there are two other pensions to consider as well. It is vital to have MMO Pension reform. He questioned making adjustments to one third of the pensions?

Mr. Sterner stated that we have been talking about pensions for years and will continue talking about these pensions. He fears that if the police and fire pensions are not addressed soon, this will severely, negatively impact our city.

Ms. Goodman-Hinnershitz agreed with Mr. Sterner that if this isn't resolved soon, it will deplete us completely. We just don't have the funds to continue to pay these costly pension plans anymore and we need to take action now.

Mr. Corcoran agreed stating that inaction is not an option at this time. The time to do something is now.

Mr. Waltman agreed but stated that it would help us to change this legislatively first. Unfortunately, other municipalities have to be on the same page for that to occur and that is the difficulty in changing things legislatively. However, that is not to say that it cannot be done.

Ms. Reed asked that a plan by the auditor, legal team and Mr. Bembenick be devised to change things legislatively. She would like to see this on the agenda for the next committee meeting.

IV. FEBRUARY DISCUSSION

- Land Value Tax

Ms. Reed stated that this issue has been deferred to the Committee of the Whole.

- Auditor's Report

Mr. Cituk stated that he went over all the audit findings from last year and a synopsis was made off of those findings. He went on to read sections of the most recent Audit Committee's minutes. He stated that in regard to cash disbursement and segregation of duties, we are not buying a lot of high ticket items but unfortunately, the low ticket items do add up till the end of the month. Monthly meetings are currently taking place with department heads in an effort to curb spending.

- Micro Loans

Mr. Cituk stated that the resolutions authorizing the funding of the loan programs have been cleared up in 2012.

- Transfers/Compliance Transfers

Mr. Zale indicated that there have been additional transfers of \$400,000 from the General Fund to Liquid Fuels and a transfer to Solid Waste is also required. As far as the month is concerned, we are at \$3.2 million in revenue which translates to approximately 5% of our budget. Pertaining to our expenditures, as previously stated, we are at 5% (not including pension plans) and at about a \$400,000 deficit currently; he asked if there were any questions.

Mr. Waltman asked about recycling billing.

Mr. Bembenick stated that this is still presently being discussed as they are trying to decide where the commonalities are.

Mr. Spencer reminded everyone that trash and recycling billing was included in the 2013 Budget.

Ms Goodman-Hinnershitz agreed that we did budget for this but we will just have to see where this goes as we move ahead with it.

Mr. Spencer stated that the real question here should be why wasn't this clearly addressed during the budget process?

Mr. Cituk stated that he is currently working on the Compliance Transfers issue and will have numbers completed in the coming weeks for council's review. He will have the Fire escrow audit completed by next month.

Mr. Acosta stated that the need to address the RAWA issue is critical and that we cannot keep putting it off. He asked Ms. Kelleher to talk with the managing director regarding this matter and find a point of resolution on this.

Ms. Goodman-Hinnershitz suggested we reserve that issue for executive session.

Ms. Reed agreed and stated that we should move forward.

V. CD REPORT

Ms. Reed stated that this would have to be deferred to next meeting as there was no representation from CD to address inquiries. She also stated that she mentioned the importance of having someone from CD at these meetings in past months. She cannot stress enough how essential it is for council to effectively do their job to have representation from CD present.

VI. LEGAL FEE EXPENSE

Mr. Younger took time out to introduce Fred Lachat Esquire of the legal team.

Mr. Lachat stated that back in October when going over the budget for outside legal counsel, different options were being looked at. One option was re-negotiate with outside lawyers in an effort to keep their fees in line so we are not being billed for services that aren't rendered. The City is implementing guidelines in an effort to create a more cost-effective approach.

Mr. Acosta specifically highlighted a paragraph in the handout that had been distributed to Council regarding the guidelines Mr. Lachat was speaking of and asked who would be approving the exceptions to the guidelines set forth.

Mr. Lachat responded that our law office would be approving those guidelines and exceptions. He went on to explain more of that process.

Ms. Reed noted that the one thing that is not discussed in the handout is how contracts for legal services are approved.

Mr. Lachat agreed and stated that this will be presented to council.

Mr. Corcoran asked if contracts have already been approved without council's approval, and questioned if that has not become a trend.

Mr. Younger stated that all of this is preliminary and may need fine tuning; however, he stated that Mr. Lachat spent much time preparing this report and has done an exceptional job in completing it. He should be commended for his accomplishments in doing so.

Ms. Reed agreed with Mr. Younger and thanked Mr. Lachat for his report as it was very comprehensive.

At this time, Ms. Reed adjourned the meeting. (7:05pm)

Respectfully submitted by Bea Rivera, Legislative Aide

FOLLOW UP ITEMS:

March

1. Quarterly Review of External Auditor Findings – Report from Audit Committee
2. Police and Fire Pension – plan/strategy involving auditor, legal team and administration to change the pension process legislatively
3. Update Delinquent Fee Collection
4. CD Report – Spent vs. Unspent CDBG Funds
5. New Collections – Amnesty Program Updates
6. Update on possible disbandment of the RAWA
7. Quarterly Review of 2013 Budget
8. Cost of EMS Services and EMS Transportation
9. Explore outsourcing EMS to other municipalities

April

1. Asset Inventory
2. CIP Committee process

May

1. Street Light or Street Assessment
2. Review and assess use of City, and Authority funds to provide best benefit
3. Report showing results of Threshold Plan with implementation of new guidelines

