



CITY COUNCIL

Finance Committee

Meeting Report Monday March 18, 2013

Committee Members Attending: D. Reed, Chair; R. Corcoran, Vice Chair; D. Sterner

Others Attending: F. Acosta, J. Waltman, M. Goodman-Hinnershitz, S. Marmarou, D. Cituk, C. Younger, C. Zale, L. Kelleher, M. Kantner, M. Bembenick, V. Spencer, H. Tangredi, B. Rivera, S. Katzenmoyer, E. Lloyd

Ms. Reed called the Finance Committee meeting to order. The Committee met as a Committee of the Whole.

I. REVIEW CSC AND IT MONTHLY REPORT

- CSC Report

Ms. Kantner reviewed the report showing counter activity. She stated that this represents activity from July 2012 to present. She stated that she had difficulty finding this information under past managers. She also reviewed the report showing progress on SR numbers and the total number of calls handled in 2012.

Mr. Waltman thanked Ms. Kantner for the information. He noted the need for an executive summary and issues that are being handled only a monthly basis. Ms. Kantner stated that the duties of the CSC fluctuate based on City projects. She stated that she will add these items to her report.

Ms. Reed stated that she appreciates the breakdown by Council district.

Mr. Bembenick stated that the CSC is currently working to address delinquent fees.

Mr. Tangredi explained that the RFP process is complete. He stated that there are several issues being resolved and the data is being reviewed. He noted the need to transmit correct information. He stated that Codes will also review the information for accuracy. He stated

that they will begin with 2012 and will work backward.

- IT Report

There were no questions or comments.

II. LEGISLATIVE REVIEW

None

III. CONTINUE JANUARY DISCUSSION

- Library Tax Referendum Question

No update

- Defined Benefit Contribution Plan for New Hires

No update

IV. FEBRUARY DISCUSSION

- Land Value Tax

No update

- Auditor's Report

No update

- Micro Loans

No update

V. REVIEW FINANCE REPORTS

- Transfers/Compliance Transfers

Mr. Zale stated that Council recently approved an additional \$1 million transfer from the General Fund to the Solid Waste Fund for operational costs. He stated that 16% of the year has passed. He explained that Car Tech was successful in their assessment appeal and that it results in a \$44,000 reduction in City property taxes. Ms. Kantner stated that Car Tech appeals their assessment often.

Mr. Zale stated that there has been an increase in legal fees related to the Charter Board and Charter Board appeals. He stated that both Police and Fire will have overtime costs.

Ms. Reed questioned using the contingency fund to cover these expenses. Mr. Zale stated that the contingency fund cannot be used. He stated that the contingency has been set aside pending the results of the retiree medical insurance issue. Mr. Bembenick stated that contingency can only be looked at after this issue is resolved.

Ms. Reed questioned how to address overtime costs. Mr. Bembenick stated that there are under-budgeted overtime costs annually. He stated that there will need to be other budget funds not spent or spent on a lesser basis to cover the increase in these costs.

Ms. Reed questioned controls on legal fees. Mr. Bembenick deferred to Mr. Younger. Mr. Younger stated that letters have been sent to the City's outside Counsel describing new guidelines. He stated that there have been no responses to date. He explained that his office is clamping down on what is billable and stated that he will deny payment if the guidelines are not followed.

Ms. Goodman-Hinnershitz requested regular status updates on this issue.

Mr. Younger stated that Mr. Lachat worked long and hard on this issue and went above and beyond.

Mr. Corcoran questioned what would occur if other areas are not cut and legal and overtime expenses continue. Mr. Bembenick stated that discretionary spending on items such as vehicles, IT upgrades, etc would be eliminated.

Mr. Marmarou questioned when Council would be updated on the retiree medical issue. Mr. Bembenick stated that the issue is currently before an arbiter. Mr. Cituk stated that the hearing will be held within the next few weeks.

- Quarterly Review of 2013 Budget

Mr. Bembenick stated that there are several concerns for potential overspending. He distributed a spreadsheet showing the concerns which include personnel costs in the Managing Director's office, the cost of gasoline, and Police and Fire overtime.

Mr. Sterner questioned the causes of Police overtime. Chief Heim stated that there are currently 168 officers. Five of those officers are still in the Academy and seven are in field training. He stated that these 13 members of the force are unable to work alone as they have not completed the required field training. In addition, there are several homicide cases being heard in court and court overall contributes to overtime as 2/3 of the force does not work day shift and all court cases are heard during the day.

Mr. Waltman requested an executive summary of the issues and the plans to mitigate the issues. Mr. Bembenick stated that he is keeping updated on issues facing the City.

Mr. Murin arrived at this time.

Ms. Reed noted Council's concern with not receiving quality information in past years.

Mr. Acosta noted that the Court system overall is not respectful of others' time.

Ms. Goodman-Hinnershitz suggested that this issue be brought to the attention of the County Criminal Justice Advisory Board. She noted the need for the Courts to understand the costs to the City when hearings are not held as scheduled or are changed at the last minute.

VI. CDBG REPORT

Mr. Lloyd distributed a memo describing the impact of the federal sequester on the City. He stated that Mr. Agudo was confused about the UDAG information requested from 2009.

Mr. Acosta questioned how the decrease in federal funding would be met. Mr. Lloyd stated that there will be a 5% reduction across the board. He stated that the external groups receiving funding will be notified of the decrease and that additional information will be given to Council as it is received.

Mr. Corcoran questioned if there are unprogrammed funds which can be used to absorb some of the 5% reduction. Mr. Lloyd stated that this issue must be reviewed further. He stated that disbursements may be reduced by 5%.

Mr. Waltman expressed the belief that most line items can absorb the decrease.

Mr. Jones stated that he has several projects utilizing CDBG funds. He stated that generally his projects come in under budget but that he cannot determine that at this time.

Mr. Acosta noted the need to inform all external groups of the reductions.

Ms. Goodman-Hinnershitz noted the need for consistent information. She stated that the City can no longer depend on federal funds being sustained. She stated that the City has become dependent.

Mr. Marmarou suggested notifying the external groups but not to include a number as there may be unprogrammed funds available.

Mr. Acosta agreed with Ms. Goodman-Hinnershitz. He stated that 30% of the City is exempt from property taxes and the City's tax base continues to decline.

Mr. Zale reminded all of the deficit the City is facing in 2015.

VII. COST OF EMS SERVICES AND TRANSPORTATION AND POSSIBLE OUTSOURCING OF CITY EMS SERVICES TO OTHER MUNICIPALITIES

Mr. Lloyd stated that EMS is working on their fees and ordinance updates. He stated that they will be brought to Council after they are prepared. He stated that a work group will be formed.

Mr. Spencer stated that Mr. Kersley will be heading the project.

Ms. Goodman-Hinnershitz expressed her willingness to serve as Council representative.

The meeting adjourned.

*Respectfully submitted by
Shelly Katzenmoyer, Deputy City Clerk*

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