



CITY COUNCIL

Finance Committee

Meeting Report Tuesday, February 16, 2016

Committee Members Attending: M. Goodman-Hinnershitz, B. Twyman, J. Slifko

Others Attending: J. Waltman, S. Marmarou, D. Cituk, G. Mann, C. Zale, L. Kelleher, B. Rivera, D. Pottiger, C. Younger

Ms. Goodman-Hinnershitz called the meeting to order at approximately 5:45pm.

Mr. Slifko moved, seconded by Mr. Twyman, to appoint Ms. Goodman-Hinnershitz as Finance Chair. The motion was approved unanimously.

I. 2015 Preliminary Year End Results – G. Mann

This topic was discussed as an impromptu Committee of the Whole meeting which took place February 16, prior to the start of the Finance Committee meeting.

II. Update re: Correction of 2014 External Audit Findings

Ms. Goodman-Hinnershitz stated that to the graph with the agenda summarizes the repeat external audit findings; she expressed concern with large number of repeats and opined that these priorities need to be addressed.

Mr. Pottiger stated that he is working to correct the grants finding by completing the paperwork needed for the Schedule of Federal Awards (SEFA) report. He stated that he is also continuing to work on the account reconciliations with the project accountant for the WWTP project; going through the smaller funds first then into general funds accounts. (GDA)

Mr. Cituk stated that they are also working with the County for monthly reports on property tax revenues and working with the Water Authority for an update on the trash and the recycling funds. He stated that there will be a more concise update within the next 30 days which will be distributed to council.

Mr. Waltman inquired about automating the reconciliations and avoiding a repeat of the “due tos and due froms”

Mr. Pottiger stated that the “due tos and due froms” will not reoccur as adjustments are made regularly. He stated he is bringing in an outside company to assist with the reconciliation of the General Disbursement Accounts (GDA).

Mr. Waltman asked if all the reconciliations were manual and Mr. Pottiger responded affirmatively.

Mr. Slifko asked how frequently a GDA update may be provided to Council and Mr. Pottiger replied that he can update Council on a monthly basis.

Ms. Goodman-Hinnershitz inquired about the segregation of duties to which Mr. Pottiger responded that to clear this finding additional personnel would need to be hired.

Mr. Twyman asked if there is a shortage of staff in the accounting department. Mr. Pottiger stated that the Accounting Manager position has been vacant since he has been named as Acting Director of Administrative Services which is now over a year and currently the Accounts Payable department consists of one person, which makes it difficult to segregate duties.

Ms. Kelleher stated that Public Works did a report on the reduction of staffing over a period of time and suggested that Mr. Cituk prepare a similar report for the Accounting area since 1996.

Mr. Cituk stated that he can provide those numbers in the upcoming weeks. He opined that the Finance department should be better staffed.

Mr. Mann stated that in looking at his reports, the biggest drop in staffing was in 2011 when the numbers went to 37 and 38 versus 43 to 45 in other years.

III. Legislation limiting expenses of outside legal counsel

Ms. Goodman-Hinnershitz stated that there had been prior discussion on this topic and how impactful outside legal counsel fees can be to the City.

Mr. Waltman stated that his main concern is with the Charter Board legal expenses. He suggested an amendment to the Charter Board Ordinance requiring the Charter Board to obtain approval before spending above their budgeted amount. Mr. Cituk stated that the mediation legislation was passed for this reason.

Mr. Waltman stated that he feels strongly about placing limits on Charter Board spending.

Mr. Slifko stated that the Charter Amendment requires Council to appropriate sufficient funds to the Charter Board.

Ms. Goodman-Hinnershitz stated that as a reminder, this is tax-payer money being utilized.

IV. Review of Finance Reports

Mr. Zale stated that, as his report indicates, the City is in the best cash flow position since he began working for the City in 2010 and he attributed this to the Act 47 Initiatives. He stated that pensions will continue to negatively impact the City.

Ms. Goodman-Hinnershitz stated that in order to keep moving in this positive direction, we must continue monitoring all financial activities.

Mr. Twyman asked if there was a way that Council could lobby the State Legislators for pension reform.

Mr. Waltman stated that he has always lobbied for this to go to court. He is of the belief that if the state wants to mandate these issues, then the State should be made to pay.

Mr. Cituk suggested lobbying with other cities in regard to pension reform.

Mr. Waltman stated that in his opinion, lobbying is simply not producing results.

Mr. Twyman expressed the belief that lobbying in partnership with our surrounding municipalities can create pension reform.

V. Update from City Auditor

Mr. Cituk stated that he will provide Council with a comprehensive report on Compliance Transfers and Capital projects as well as additional audits in next month's Finance Committee. He suggested requesting that a member of the Mayor's office be present at Finance committees moving forward. Mr. Waltman stated that he will reach out to the Mayor and make the request.

Ms. Goodman-Hinnershitz stated that it would be helpful to devise a list of topics to be addressed in Finance Committee meetings. Mr. Twyman stated that he would like to see a more comprehensive report on repeat audit findings and additional staffing levels. Ms. Goodman-Hinnershitz concurred.

VI. Discussion Topics

The group discussed various issues that could be discussed in either the Finance or Strategic

Planning. The group decided on the following:

Finance Committee

1. Staffing needs of Accounting/Finance - March
2. Containing Legal Costs - April
3. Review of City's Investment Accounts (Quarterly)
4. Update on resolution of repeat External Audit Findings

Strategic Planning

1. Act 47 Implementation Updates from PFM in place of the meetings that are normally held on Thursday afternoons beginning April 4th
2. Cleanliness of City Streets & Gateways
 - a. Enforcement vs. education
 - b. Neighborhood responsibility
 - c. Task force to identify solutions
3. Identifying & Solving Common Problems/Issues
 - a. With local municipalities
 - b. With 3rd Class Cities
4. Pension Reform

The meeting was adjourned at approximately 7:05pm

*Respectfully submitted by
Bea Rivera, Legislative Aide and
Linda A. Kelleher CMC, City Clerk*