

**MINUTES OF THE FINANCE COMMITTEE
MARCH 2, 2020
East Conference Room**

Present: Councilmembers Bullock, Litten & Neff

Also Present: Councilmembers Rader & Shachner, Law Director Corrigan, Mayor George, Acting Finance Director Shuster

Call to Order: 6:30 p.m.

ORDINANCE 04-2020 - AN ORDINANCE to take effect immediately provided it receives the affirmative vote of at least two thirds of the members of Council, or otherwise to take effect and be in force at the earliest period allowed by law, authorizing the transfer and advance of certain funds.

Acting Finance Director Shuster introduced Ordinance 04-2020, explaining that it represents the movement of monies in and out of the General Fund. Much of it has to do with timing. The General Fund will advance monies to certain funds such as CDBG and ESG at the end of the year so that they may end the year with a positive balance as required. Later, when those funds receive their monies, they will advance them back to the GF.

He explained that the workers' compensation and hospitalization transfer to the GF represents the Court's contributions. This is done each quarter because of the special status of the Court.

After additional details of the ordinance were discussed and reviewed with Acting Finance Director Shuster, a motion was made and seconded to recommend adoption of Ordinance 04-2020 upon third reading.

All members voted in favor. Motion passed.

Review of 2020 revenues, expenses, and health care claims to date.

Chairman Bullock explained that he is asking for a review of expenses and revenues to date and will do so regularly so that the Finance Committee has a micro-level understanding of the budget and be able to evaluate if there are needs this year that the budget has not provided for.

Chairman Bullock relayed the Mayor's report that that three department directors have told her they do not have sufficient funds to operate in 2020.

He pointed to the good practices and procedures in place by the Finance Department such as month-end reports which begin at the end of March. He also requested an overview of health care expenditures to-date.

Acting Finance Director Shuster provided an update, stating that the City has had \$9.2 million in revenues and \$7.2 million in expenditures in 2020. He noted that revenues do not come in evenly throughout the year, and expenditures are similar. He noted that April is heavy in revenue due to the payment of income taxes. At the end of March, the Finance Department will begin producing monthly financial reports and analyses of revenues. Once they are able to do this, they can make comparisons to previous years and better measure progress. He stated that the City is right on track with its spending on wages and benefits.

Mr. Shuster also reported that health care claims from the hospitalization fund are up about \$400,000 above last year at the same time. Claims do not necessarily come in evenly throughout the year, so the City will have to keep an eye on this over the next few months.

Councilmember Litten questioned why the wages and benefits line item isn't under budget, considering the number of vacant positions.

Mr. Shuster responded that holiday and sick leave conversions are paid out in the beginning of the year and that these are hard to predict and budget for. He expressed that he is satisfied with the numbers.

Mayor George outlined the requests that she has received outside the budget:

- Civil Service exams
- Building Department training
- Fire Department
- She also noted that the budget was passed without funding the employee bonus line item

Chairman Bullock noted that in years' past the administration has kept a tight belt on spending in the beginning of the year and provided more wiggle room at the end. He suggested trying to live within the budget before asking Council to appropriate more.

It was clarified that if funds are to be moved from one department to another to fund these requests, that it would require an amendment to the appropriations ordinance.

Mr. Shuster stated that the administration will look at this every month before coming to Council. He advised that everyone let the expenditures and revenues play out for another month or so and then re-evaluate. He assured everyone that there is time and no need to panic.

The Committee discussed the merit bonus. Mr. Shuster clarified that the merit bonus is a one-time payment determined by a director. The merit bonuses replace the longevity and perfect attendance bonus that other bargaining units receive that were eliminated years ago. He noted that all of those who are eligible receive bonuses, but that new employees do not.

Finance Committee adjourned at approximately 7:00 p.m.

Division of General Administration

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Description

This General Fund account is used to record certain expenditures not assigned specifically to individual Departments, and deemed City-wide expenditures such as:

- Risk management consulting services
- Governmental agreements and fees associated with Property Tax Administration
- Citywide maintenance agreements
- Inter-fund transfers from the General Fund
- General liability insurance premiums
- Professional registrations that provide a Citywide benefit

Division Budget

DIVISION OF GENERAL ADMINISTRATION					
General Fund Budget (Fund 101)	2017 Actual	2018 Actual	2019 Projected	2020 Proposed	Percent Change 2019-2020
Expenditures by Category					
Salaries	99,964	94,650	125,000	-	-100%
Fringe Benefits	18,849	16,253	35,763	20,550	-43%
Travel and Transportation	-	-	-	-	
Professional Services	138,403	257,377	454,411	143,750	-68%
Communications	5,509	13,510	6,891	7,000	2%
Contractual Services	8,242	7,335	9,483	9,600	1%
Materials & Supplies	8	7,223	8,980	7,105	-21%
Capital	1,043	5,584	-	-	
Utilities					
Other	637,927	628,918	644,168	406,100	-37%
Reserve Balance	304,163	311,470	470,000	-	-100%
Debt Service					
Transfer or Advance	2,528,635	1,516,428	1,964,247	1,385,423	-29%
Total	3,742,744	2,858,746	3,718,943	1,979,528	-47%

1,385,423
less advances out (390,000)
Total Transfers 995,423
divided by 4 qtrs 248,857