

Minutes of City of Dunkirk Finance Committee held on October 2, 2012

Present: Councilman Mike Michalski, Chairperson
Councilwoman Stacy Szukala, Member
Councilwoman-at-Large Stephanie Kiyak, Member
Mark Woods, City Treasurer
Harry Briggs, City F.A.O.
Ron Szot, City Attorney
Guests: Gib Snyder, Observer
Kevin Wystup, Johnson & Mackowiak Auditors

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Opening: Chairman Michalski opened the meeting at 5:00pm.

Meeting Content:

Wystup was asked for his guidance regarding the repayment on inter-fund loans as per his firm's audit of the city.

Wystup stated there is about \$8 million floating between "due to" and "due from" and because of a lack of cash, cannot be arbitrarily paid back. For example, the Waste Water Fund (Fund III) owes the General Fund (Fund I) about \$570,000. Fund III owes Fund I about \$2.2 million.

Kiyak question what period of time these amounts represent? Wystup stated this occurred over many years and gradually built themselves up to where we are today.

Wystup explained that the New York State Accounting Procedures Manual lists four types of transactions between funds:

- 1) Inter-fund transactions - which are quasi-external transfer (not applicable)
- 2) Reimbursements - there is not enough cash.
- 3) Inter-fund transfers:
 - (a) Residual equity transfers (capital projects) - which are non-recurring, non-routine transfers of equity between funds. This type had been

audit. It is a better fiscal policy to have a plan in place rather than not have one at all.

Wystup asked if the committee wanted him to work-up some numbers regarding this issue.
Michalski send yes so this topic could be discussed again in December.

Meeting adjourned 5:25 pm.