

Minutes of City of Dunkirk Finance Committee held on August 9, 2012

The below minutes were from a special meeting of the Finance Committee called specifically to address recommendations made in the Management Report of the 2011 City Audit as presented by Johnson & Mackowiak, Auditors.

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

Opening: Chairman Michalski opened the meeting at 3:00pm.

Meeting Content:

Review of Johnson & Mackowiak (J&M) Management Report dated June 6, 2012 –

Reconcile Bank Accounts on a Timely Basis: Brigg reported January 1st through June 30th bank statements have been brought up to date. J&M was assisting with entering figures to city's general ledger. Kiyak asked if there was additional costs in J&M performing these duties, Woods replied most like there would be additional charges. Payroll account was a major undertaking because of so many entries/adjustments and was very close to being up-to-date. Kiyak asked if reconciliation of accounts would be done on a more regular basis if FAO position was full-time. Woods replied that yes it would.

Eliminate Unnecessary Bank Accounts: Woods presented a list of accounts closed & transferred to 1st Niagara Bank (17 total) with the exception of two; CDBG funds and the General Fund account. Woods was waiting for items to clear each of those two accounts before closing & transferring to 1st Niagara.

Formalize Accounts Receivable Procedures – Reconciliations: Woods said this issue was addressed in a separate memo. There are some pending personnel changes within the Treasurer's department which may ultimately effect who does what regarding accounts receivable.

Formalize Accounts Receivable Procedures – Collections: This is a work in progress & the committee will be updated by Briggs.

Tax Receivables should be Reconciled Monthly: this pertains to the time when the server was down for a three day period in February of 2011 and is considered a one-time event. According to Woods this issue has already been addressed.

Improve Timing of Budget Modifications: according to auditors, modifications should be done on a quarterly basis. According to Briggs, these will continue going forward on a regular basis.

Repay Inter-fund Loans: According to Woods, these loans are all on paper and do not affect the city's financial standing in any way. A six year running total in all 3 funds (budgetary & actual) will be presented at the next meeting. Budgetary transfers can be made to rectify past loans or loans can be forgiven via common council resolution. Some members of the Committee felt forgiving inter-fund loans would be the best course of action. Woods recommended we sit down with the auditors to determine best course of action and how it would impact the city's financial picture from the perspective of banks & bonding companies.

Deficit in Unrestricted Fund Balance: Woods stated this pertains to rate structure of water & sewer rates and schedules. City needs to constantly be reviewing these rates to address any possible future shortfalls.

Identify and close completed Capital Projects: Woods stated this involves the Fiscal Affairs Dept., Treasury Dept. and the Auditors (J&M). This involves such capital projects as the Boardwalk and Waste Water projects.

Fixed Asset Inventory Records: Woods stated this will be an item we will all have to look at for the 2013 budget. Money will have to be budgeted to update the city's fixed asset appraisal and will be in the \$20-25,000 range. Covers assets over \$500 and was last done about 14-15 years ago. Woods stressed the appraisal needs to be done externally by a professional company.

Document Agreements: Rental/ lease agreement between the city and DLDC will be addressed by city attorney Szot.

Payment in Lieu of Worker's Compensation – Firefighter injured on duty: issue has been remedied by city's payroll department.

Kiyak asked Briggs for an update on her questions regarding city audit. Briggs will address questions at next Finance meeting.

Meeting Adjourned at 3:45pm

