

Minutes of City of Dunkirk Finance Committee held on September 24, 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

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

Meeting Content:

Updates on recommendations regarding the recent Johnson & Mackowiak (J&M) audit were discussed:

1. **Formalizing an accounts receivable procedures** – collections: Szukala felt auditors where looking for a time frame of how receivables were handled in a timely manner and the progression of aging receivables. Woods stated property maintenance receivables were most likely the source of the audit concern. Because the city can no longer attached property maintenance bills to delinquent property tax billings paid by the county. Woods recommended he, Briggs & Szot develop a policy for this issue.
2. **Splitting of Kim Robbins salary between the Law Dept. and WWTP** – Woods stated he spoke with Mayor Dolce. Robbins salary will definitely be split accordingly in the upcoming budget.
3. **Detail report for city clerk's office (overtime)** – Briggs stated secretary's get time and one-half for two hours for each council meeting. Kiyak questioned if we are truly getting two hours of work when meeting is only one hour long and suggested secretaries should work on the minutes of the meeting immediately afterwards in order to put in a full two hours of time paid.
4. **Elimination of extra bank accounts** – Woods stated he spoke with Ken Naples from HUD regarding the closing of the CDBG and General Fund account and once a new account was approved (by HUD) the former accounts will be closed at Bank of America

and moved to 1st Niagara.

Michalski went into new business which covered a possible resolution to address J&M audit recommendation regarding inter-fund transfers or loans. Woods suggested we have a rep. from J&M to address the various ways this type issue could be resolved. Szot questioned if past transfers are truly just “paper” transfers and can a fund truly “forgive” monies owed. Szot felt this was more of an actual cash issue and could only be forgiven by rate payers (water) or tax payers.

Szukala stated it did not show on our bottom lines or part of our debt or surplus. The way auditors explained it to us was it did not affect the bottom line because the loans had been from previous years and the books had been completed and moved on in previous years. In essence we did lend money to a particular fund, but would have to raise rates significantly to pay it back. The auditors suggested it really wasn't hard debt, but rather showing on paper and in order to move forward we would have to clean up the books.

Woods recommended someone from J&M review our options with this issue & would be invited to the next meeting.

Budget drops ending 08/31/2012 were covered next with the percentage to plan being 67%.

Fund I Expenses:

Contracted Services Fiscal Affairs was over budget at 106% - a detail report was requested.

Contracted Services (1410-4036) at 0% - Woods felt it may be a timing issue. Detail report requested.

Contracted Services Personnel (1430-4036) was at 112%.

Building City Hall - all lines in department were over budget.

Traffic & Street Signs – Szukala questioned why \$2,400 was still in account since money was finally placed into this line to purchase a machine & get signs replaced. Szukala felt this was a safety issue for fire & emergency response teams. Money was used instead to purchase barriers for Howard Ave.

Parks Dept. Personnel Services (7110-1000) was at 180%. Detail report was requested.

Dept. of Development – only expended 24% of budget. 21st Century Grant monies were throwing this line off.

Szukala asked Woods for an update on Contingency accounts: Fund I was at \$62,977, Fund II was \$39,529, Fund III was at 50,390.

Expenses Fund II:

Advertising (8330-4009) was at 99% - printing of pamphlets.

Expenses Fund III:

Unallocated Insurance – Adjusting entries are being made.

Repair & Maintenance (8130 4021) was at 103% - **detail report requested.**

Revenues Fund I, II & III:

School tax collection-penalties will begin in November.

Shared Services for elevator was a timing issue.

Boardwalk Lease Payments will be properly reflected in the 2013 budget.

Drug enforcement was only at 21% while Police grants were only at 38%. These two lines needed to be revaluated for next year's budget.

Fiscal Affairs Officer's Report:

Percentage to plan benchmark should be at 67% for period ending 08/31/2012:

Fund I expenses (59%), revenues (76%)

Fund II expenses (55%), revenues (53%)

Fund III expenses (59%), revenues (64%)

Treasure's Report:

Recreation commission monies came from a transfer made in error.

Capital Projects #12 – water front recreation trail (Bike Path) monies came in via reimbursement by NYS.

Committee discussed how to best proceed on pending resolution regarding Fund transfers/loans.

Woods offered to contact Kevin Wystup to set up a Finance meeting on 10/02/2012 at 5:00pm subject to Wystup's availability.

Motion to Approve August Finance meeting minutes was made by Kiyak, seconded by Szukala.

Meeting adjourned 6:05 pm.

