



Minutes - Final

Budget and Finance Committee

Wednesday, May 10, 2023

5:30 PM

City Council Chambers

Roll Call: Chair Napoli, Hendricks, Gerlach

[15-5861](#)

Bill 45 Budget and Finance, forwarded favorably
Amending § 5-16 Amendments after adoption. C. Rules and regulations on
transfers, (3) Intrafund transfers by changing the threshold for Council
approval of transfers at a public meeting from \$5,000 to \$10,000.

Sponsors: Napoli and Hendricks

Attachments: [Bill 45 Transfers](#)
[Transfers - Resolutions Report](#)
[Ordinance #15909](#)

Mr. Santo Napoli stated that the meeting will start with the Monthly Financial Report.

Ms. Bina Patel presented March 2023 Monthly Financial Report. General Fund Revenue is three percent stronger from the same period last year. She pointed out the overtime for Public Safety.

Mr. Santo Napoli asked if Ms. Patel has any discussions with the departments regarding where they stand so far for guidance. He

Ms. Bina Patel stated with Chiefs Roca and Agosto and Mehmet were all as of quarter 1 they don't see any numbers exceeding the budget amount. The Risk Fund, the Solid Waste Fund, and Stormwater Fund revenue and expenses are in line with the March expectations. The Golf Fund is five percent higher than the same period last year. She shared the investment activities. She gave an update on the ARPA reporting. She provided the Capital Fund Reporting. For the first time the city has the Capital Fund Status Report.

Mr. Santo Napoli stated that this is where we stand financially. This is a good exercise.

Ms. Bina Patel stated that is the synopsis on the March 2023 financials.

Mr. Santo Napoli stated any questions from his committee members or the

public.

Mr. Glenn Hunsicker stated that he is not prepared because he was away. He notices a lot of expenditures and transfers. The city makes a budget every year and the last couple of months he sees transfers. It is Council's duty to protect these funds. The department is saving money and latching funds and then people give it away. Sell the point of where this money is coming from. If COVID -19 was not here, the city would have been in straights. He notices that they paid the SEIU Health Plan the first of the month and we have to keep that money in the bank. Don't pay before the 15th.

Mr. Santo Napoli asked if there were any comments regarding transfers. He asked Ms. Patel to elaborate on why there are more transfers over the last quarter.

Ms. Bina Patel stated that the first quarter they did not have as many transfers. She stated that they can setup something and go over the numbers.

Mr. Glenn Hunsicker stated who ever does the budgeting. If you want a budget and he thought the last time they have a discussion on the budget. He thought they would be tighter, but they are looser.

Mr. Santo Napoli stated that things do change throughout the year. It is unexpected. External and internal forces that makes him pivot from time to time. He knows Ms. Patel and her department are working hard to keep the budget intact as possible. There will be times that they have to pivot.

Mr. Glenn Hunsicker stated that you shouldn't have to transfer funds. He notices it. It is not needed if you do it properly.

Ms. Bina Patel stated with the transfers it needs to come out of the accurate account.

Mr. Santo Napoli asked if there are any comments from the Controller.

Mr. Jeffrey Glazier stated that the Finance Director is thrown under the bus. Sometimes, and the Garage a perfect example. We have a program and we have a rough idea what it is going to cost, but we don't know exactly and not exactly sure what account some of that money should be in. He stated that he spoke to Mr. Steckel today and they are making a purchase and he wants to get it right the first time. There is certainly some of that not only in the garage, but in other departments.

Ms. Jessica Baraket stated about the garage, in the past they would make the payment under 46 - Contract Services out to the Contractor and they took care of paying whomever they had to pay for it. They did not have historical information. It is hard to make that determination.

Mr. Santo Napoli stated come Budget time, there will be a better baseline the second time around. The city will have some data to work off of which he agrees will be very beneficial. He asked if Ms. Patel had anything else.

Ms. Bina Patel stated no, unless Council has any questions.

Mr. Santo Napoli asked if there were any other questions from his colleagues.

Mr. Santo Napoli asked Ms. Patel to give the information on the Bill.

Ms. Bina Patel stated that this allows for the operations of the city without waiting for the Council approval. The Controller's office will always approve the transfer. This will not hold up the processing. If the threshold is increase to \$10,000, the city can proceed further and have the Controller review the Budget transfer and bring it to the Council's attention. They will be transparent. It allows for the operation to continue without any disturbances.

Mr. Santo Napoli asked if there were any comments from his committee members.

Mr. Glenn Hunsicker asked how many contracts has this affected in the last year. Do you have any data?

Mr. Michael Hanlon stated that there is a list in the file for the last two or three years that was put together.

Ms. Bina Patel stated that it is long. There are 15 pages attached to the Bill 45.

Mr. Glenn Hunsicker asked how many occurrences would this reduce the loan on Council or improve your performance on paying a Bill on keeping a project running. He asked if they have a number or no.

Ms. Bina Patel stated that she is checking and adding the Transfers.

Mr. Santo Napoli asked if there were any comments from his colleagues regarding the Transfers. He asked if there were any questions from the public or comments from the Controller.

A motion was made by Daryl Hendricks, seconded by Ce-Ce Gerlach, that this Bill

be forwarded to the full Council.

Yes: 3 - Santo Napoli, Daryl Hendricks and Ce-Ce Gerlach

[15-5862](#)

Bill 46 Budget and Finance, forwarded favorably Amending § 5-21 Contracts. (1) For the award of contracts or the engagement of professional services by adding a 10,000 threshold for council approval of professional contracts.

Sponsors: Hendricks and Napoli

Attachments: [Bill 46 Professional Contract Threshold](#)
[Professional Services Resolutions](#)
[Ordinance #15910](#)

Ms. Bina Patel stated that it is the same concept as Bill 45. This allows them to continue the operations without having Council's approval. They will transfer and provide all the details to Council. This allows them to continue with the projects without having any kind of disturbance in either payments or providing the services.

Mr. Santo Napoli asked if there were any comments from his colleagues. He asked does this fall under the same threshold as our Controller. Does he review these at \$5,000 or \$10,000.

Mr. Jeffrey Glazier stated that he is not part of the Contract Approval Process. It is truly for a good reason. If he is a part of the approval process, it provides a conflict to audit the Contract later on. There might be times that he will weigh in on a contract as it is being approved, but like everything else, it is advisory or informational and he does not have a yes or no on it.

Mr. Santo Napoli thanked Mr. Glazier for that explanation. He asked if there were any comments from the public.

Mr. Glenn Hunsicker asked if they know how many contracts will be over \$10,000 on a yearly basis.

Ms. Bina Patel stated that she does not have that number, but can get it for him.

Mr. Michael Hanlon stated that the list is in there. It is on the website.

Mr. Santo Napoli asked if there were any other details.

Ms. Bina Patel stated that she does not have any further comments, but will provide the information.

A motion was made by Ce-Ce Gerlach, seconded by Daryl Hendricks, that this Bill be forwarded to the full Council.

Yes: 3 - Santo Napoli, Daryl Hendricks and Ce-Ce Gerlach

[15-5878](#) Monthly Reports

Attachments: [03 - March 2023](#)

[BF Committee Remarks for March 2023 Monthly Report UV](#)

[Q1 2023 Capital Project Report](#)

Discussion: Resolution on Audit

Mr. Glenn Hunsicker asked about the audit. Is that an internal audit by your guys or who? Something came up last year about this.

Mr. Michael Hanlon stated that there was a Resolution that was passed last year asking for a forensic audit. Council amended it to include the Controller. The intent was to ask the Controller.

Mr. Santo Napoli stated that the discussion was about preparedness and the capabilities of our Controller and his ability.

Mr. Jeffrey Glazier stated that intern season is upon us. The intern that will be working on this project will start next week. One of the things that he needs Council to do is to sit down and meet with him, Jacqui and the intern one afternoon next week so you can communicate to the Controller's office exactly what your concerns are or what they want them to look for. At the end of the day, it will yield a much better result. He is going to start next week. Basically, what the process is for what we are going to do is a Process Flow. What is the process for in this case awarding overtime in the Fire Department. They are going to look at a variety of sources. They are going to look at the Collective Bargaining Agreement. They are going to look at Internal Department Guidelines. They are going to look at Ordinances. They will look into the PPM to see if there is anything there. They are going to establish what that process and procedure is. They are going to ask questions of all the stakeholders, whether they be management, Council, the employees, so they have a thorough understanding of what that process is. Then what they are going to do is to pull some data samples and use those data samples to test that process. They may find problems, they may not. They may raise questions. They find glitches and things all the time that need to be address. Sometimes it is information flow. That is basically what the audit looks like. They establish the process and audit against it and test what actually happens against the process and that is the result. They do it all manual. The Controller's office can pull reports. As Council knows, they will present the Process Flow and the Audit will come out a week or two later. Mr. Glazier

stated to Mr. Hendricks and Mr. Hanlon that they can work tomorrow or Friday to set up a date for next week when they can meet. The sooner they can meet, the sooner that this person can do a good job on the audit. If Council still has questions after that, he will do his best to address them. They aim to have the Process Flow presented to Council. Generally, they present to the Finance Committee by the second or third week of August and the Audit Report will follow shortly thereafter. The intern will spend his first three or four weeks working on the Process Flow and understanding what the process is once again by looking at the sources that he mentioned. Once they know what the process is then they will pull data samples to see whether they conform or not.

Mr. Santo Napoli asked if there were any questions from his colleagues. He stated if there is a portion that he can't complete, they can hand over your results for someone to finish. If there is a part of it that cannot be completed internally.

Mr. Jeffrey Glazier stated that assuming that the department is cooperating. He has every indication and every expectation that the departments in this instance have the capability and the intent and desire to cooperate. The Controller's office should be able to do this within the timeframe that he just laid out for them.

Mr. Glenn Hunsicker asked if it will be in parallel or sequence based on the priority. Which one will be first?

Mr. Jeffrey Glazier stated that the Process Flow has to be done first because you have to establish a process to audit against.

Mr. Santo Napoli asked if there were any comments from the public.

[15-5879](#)

Audit Resolution

Attachments: [Resolution #30605](#)

Adjournment: 5:56 PM