



Allentown

435 Hamilton Street
Allentown, Pa. 18101

Minutes - Final

Budget and Finance Committee

Wednesday, September 25, 2019

6:00 PM

Roll Call: Chairperson Guridy, Hendricks, Mota

[15-3155](#) Single Audit Report

Attachments: [COA SA Final 2018](#)

Mr. Julio Guridy stated that some things have been corrected. The issues were with HUD CDBG 2018-001 to 2018-004. There were issues in 2017 and 2018. He stated that they did not expend the grants that the city was getting on-time. He asked Ms. Follweiler if there were any comments.

Ms. Luisa Follweiler stated that she received them today and will be going over with Maria Quigney who runs those grants and handles CDBG. She stated that she is aware that they were not spending their funding as it was available. They don't want to lose any of the funding.

Mr. Daryl Hendricks stated to Mr. Hunsicker to keep in mind that with Mr. Hartzell not being here, he may have some questions that Council cannot answer.

Mr. Julio Guridy stated that the auditors stated that at least 70 percent of the grants needed to be spent. That was some of the findings that they pointed out.

Ms. Luisa Follweiler stated that Ms. Quigney received some extensions on those so they won't lose any funding. She stated that Ms. Quigney spent almost 53 percent out of the funding and they would like to see 70 percent.

Mr. Julio Guridy stated that it was the same thing from the previous year.

Ms. Luisa Follweiler stated that Maria Quigney did make progress in 2018 and will be doing so in 2019.

Mr. Julio Guridy asked if there were any questions.

Mr. Daryl Hendricks stated to Ms. Follweiler that he believes Mr. Hanlon sent this to your office. He asked about Page 9, that the city has elected not to use the 10 percent de minimis director cost rate allowed under the

Uniform Guidance. He asked what does that exactly mean.

Ms. Luis Follweiler stated that she does not know. She stated that is the first thing she saw when it came to her office tonight. She stated that she will go over it with Mr. Hartzell.

Mr. Julio Guridy stated that was the only material weakness reported by the auditor on the Single Auditor Report. They have to be accurately reported by the end of the year in 2018. He stated that in this case it has to be reported accurately by December 31, 2019. He asked if there were any comments from the public about the Single Audit Report.

Mr. Mike Hanlon stated that Mr. Hartzell has something scheduled and could not be here tonight. You can look at the Single Audit at the next committee meeting.

Mr. Glenn Hunsicker asked for 15 minutes to go over the 2019 Grants and where they stand. He stated that the city has to get a hold of what is going on. He asked for transparency.

Mr. Julio Guridy stated it is just 2018. He agrees with Mr. Hunsicker.

Mr. Daryl Hendricks stated that he agrees and at the next committee meeting, when Mr. Hartzell is available. He expects to get the answers.

Mr. Mike Hanlon stated that Council can have Mr. Hartzell bring Ms. Quigney to the next committee meeting.

Mr. Glenn Hunsicker asked for the paperwork.

Mr. Julio Guridy asked if there were any other questions on the Single Audit Report.

Mr. Tom Hahn asked in the future, hand it out to those who are interested.

Mr. Daryl Hendricks stated that it is on the website.

Mr. Tom Hahn stated no, it's not. The website is a joke. The telephone system is a joke. Trying to dial the person's name, the system is a big failure. It is not public friendly.

Mr. Mike Hanlon stated that he put it on the website.

Mr. Julio Guridy stated that he went on his personal phone to look into this Single Audit Report and found it right away.

Mr. Mike Hanlon stated that he will show Mr. Hahn how to navigate the system.

Mr. Glenn Keller asked for clarification. He stated that he sat on a meeting about a Single Audit Report with the Hs, the Finance people and Mr. Glazier. The 2016 CAFR (Comprehensive Annual Financial Reports) wasn't posted on the website. The 2016 CAFR is on the list of the documents on the main web page. Last year's SAR (Single Audit Report) is still not on the main web page. This year's SAR, he still not seeing on the main web page however, when you go into the meeting schedule and look at the attachment the SAR's are listed there.

Mr. Julio Guiridy stated that if you go to Government, City Council. You will find the meetings right away.

Mr. Mike Hanlon stated that he will speak to IT to see where it says Public Meetings, you can click on it, have an instruction page and it will tell you how to manipulate it.

[15-3160](#)

Monthly Finances

Attachments: [Aug 2019 MO RPT](#)

Mr. Julio Guridy stated that everything looks pretty even keel. The revenue is coming. We have 75 percent of the revenue which is about \$87,879,000 versus \$82,386,000 from the previous year. The casino grant is not coming in strong as before. He asked Luisa is there anything they wanted to point out. On the expenditure account, the premium pay is higher than expected. Public Safety, Police and Fire overtime is a little higher than most of the other departments. The Trexler Fund, we should get more funding next month. He talked about Risk Management being ok in revenue. It is 62 percent in expenditures versus 58 percent from last year. Solid Waste is 90 percent versus 93 percent of total Solid Waste revenue. Expenditures are 62 percent versus 64 percent. It is better than last year. The Stormwater Fund revenue is 91 percent versus 92 percent last year. We are spending less than last year. The Golf Fund is doing really good. That revenue has increased from before, \$1.1 million. The expenditures is \$939,000. On Page 11 of 15, the pooled and nonpooled accounts are looking pretty good. It is a little bit over \$60 million.

Ms. Barbara Wagenhurst stated that Mr. Guridy covered it pretty well.

Mr. Julio Guridy asked if there were any comments or questions. He asked Mr. Glazier if he had any comments.

Mr. Jeff Glazier stated that he had nothing to add.

Mr. Julio Guridy asked if there were any comments from the public.

Mr. Louis Hershman asked about the Parking Authority not paying the city what they said they would. He asked if Mr. Hendricks can find out since he is on the committee. Every year, the city balances the budget with the sale of city property. He asked about overtime.

Mr. Julio Guridy stated that is a good point in regards to the Parking Authority. We have to get on that.

Mr. Daryl Hendricks stated part of that is the city let them take a much bigger role in ticketing. Our police department stop sending out cars for parking violations.

Mr. Louis Hershman stated that prior to this month it is way down. He talked about Premium Pay. Does the Premium Pay include employees in the city government getting paid for premium pay and vacation pay.

Mr. Julio Guridy stated that premium pay is just overtime.

Mr. Louis Hershman stated that maybe Mr. McMahon can get the Mayor to sell some city properties. He asked about the Golf Course and Mr. Guridy stating that it looks good. It is still a deficit.

Mr. Julio Guridy stated that it looks better than before. The Golf Course itself looks really nice, but the revenue is getting better.

Mr. Glenn Hunsicker stated that on Page 6 of 15, Solid Waste Fund some sheets should be brought up to date. Item 46 - Other Contract Services should be broken down a little bit. He suggested the city expand it. He stated that they are looking at the big items. He stated that the city needs to be a little bit more transparent. He stated that the city will never see a profit in the Golf Course Fund. General city charges wipe out five percent a year and you are up to \$315,000 charges. He stated that he will talk to Mr. Hartzell about the Bonds that are depleted. He asked about E-911 and would the money be transferred back. He suggested that the city creates another department within. A security department or a camera system department. It would not be a police department, but it will be interfacing with the city. They will have control over all the cameras in the city. He suggested what they are doing around the world. More camera systems with facial recognition systems. Every police car should have an automatic plate reader on their car. He suggested Council start a committee to look into it.

Mr. Julio Guridy stated that the city does an Account 46 Report. He asked could the Finance department be more detailed.

Ms. Barbara Wagenhurst stated that the detail that is budgeted in the Detailed Budget book. To do a per month breakdown in the 46 Account would be several pages long.

Mr. Julio Guridy stated that they do that. We do it quarterly. He asked when is the Account 46 Report coming up. It should be one coming up now.

Ms. Barbara Wagenhurst stated a Quarterly Report. She will mention it to Brent and he can address it at a meeting.

Ms. Luisa Follweiler stated that is what they are working through. Some may go back to the state or to the county. The city may be able to keep some of it, but not sure.

Mr. Julio Guridy stated that the city should be able to keep some money from cell phone usage. He stated that is a major issue. The camera system we need to look at it very strongly. The city needs to have one department that handles it. If someone shoots a shot in the city, the cameras will pinpoint where the shot came from.

Mr. Daryl Hendricks stated that every police car doesn't have a reader. He stated that Mr. Hunsicker brings up a good point. The department is going through some growing pains since they transferred the Comm Center. He stated that Council has a committee. The Public Safety Committee.

Mr. Julio Guridy talked about the Vacancy Report and stated that the city is doing good in hiring some people. They still have positions that are empty, but the city is doing pretty good.

Mr. Tom Hahn stated that one of the things they have been interested in is when something comes up when they need money and the funds they draw out of is earmarked and it is transferring money. He asked for more transparency. He stated that the Five Year Plan has to have elements to it.

Mr. Daryl Hendricks stated that money is budgeted and it is not all how it is spent.

Mr. Julio Guridy stated that in the next month the city will have its new budget and asked if anything the Finance Department wanted to share.

Ms. Barbara Wagenhurst stated that they are diligently working on it. They

are doing their best to meet all deadlines and to do a trial-run. It is going to be difficult to try to meet October 15th deadline. They are using it as a trial so they know what they need to improve upon.

Mr. Julio Guridy stated that they were going to print 70 Budget Booklets. There are two booklets: the Detailed Books and the Main book. He recommended they do half of it. The elected officials a book and give the Directors of the Bureau, then the Deputies and everyone else can download it from the website and print their own section.

Ms. Barbara Wagenhurst stated that the elected officials and the ones that need it by the designated deadline are printed first. The remainder of the books come a day or two later. That is not impacting the deadline. What is impacting that is to make sure they have good solid numbers for them.

Mr. Mike Hanlon stated that they have a draft bill in front of them. They discussed the budget process and came up with three Charter Questions. One is on the default and one the reduces the tax increase from five to four and another one that pushes the budget to October 15th. With the suggestions of the Solicitor's office, Council will draft some amendments to clarify some issues over time with the budget process. This draft bill was a result of that. This will go into effect next year, not this year. Council would require Program Descriptions, Objectives and Performance Measures. The Five Year Plan will be submitted with the Budget. You wanted all fee and taxes increases submitted via the respective fund budget ordinances. To specify a five percent readjustment applies to the total funding proposed in the budget. The nature of budget memo and how it will become part of the default budget if they don't get rid of the default budget if there are any mistakes, omissions, or oversights. You cannot do a budget memo and change the IT department. The Capital Plan needs to be a Resolution and the book.

Mr. Julio Guridy asked about the five percent for funding for General Fund and Enterprise Fund.

Mr. Mike Hanlon stated that there is something in the Charter Budget process that if there is something cut by five percent, it has to go back to the Mayor.

Mr. Julio Guridy stated let's talk about that a little further. He asked what do we do now.

Mr. Mike Hanlon stated that right now they game it. Now, we are defining it so they don't game it. You will try to say this is the rules, and play by the rules for the Budget process.

Mr. Julio Guridy asked if this is the final ordinance.

Mr. Mike Hanlon stated that it will be introduced. If you are ok with it.

Mr. Julio Guridy asked if there are any comments from the public.

Mr. Tom Hahn stated that you can save \$10 million by switching the healthcare to the SEIU contract. If the healthcare is the same and there is a savings, can you take advantage of it.

Mr. Mike Hanlon stated that this is just a draft. Nothing is introduced. This is a rough draft.

Ms. Barbara Wagenhurst stated under the Budget Memo section where it says the Budget Memo needs to be provided at least one week before the adoption of the Budget. That would work depending on the schedule that Council has and the timing of which the Budget Memo is prepared or the change is mentioned that the Budget Memo needs to be prepared.

Mr. Mike Hanlon asked if Council can put it in the Rules and in the Rules you can Suspend the Rules. The Solicitor's office has looked at this and suggested a lot of the language. It can be introduced at the next Council meeting.

Ms. Barbara Wagenhurst stated that she doesn't have the Ordinance in front of it, but has the marked up version. Under Section 130.04 Budget you added a letter M where the Budget will be submitted as one Ordinance and include all fees and tax increases. Her concern is that they do fees in their own Ordinance. She asked if they are still updating the correct sections.

Mr. Mike Hanlon suggested that they clarify stating that the budget shall be submitted as Ordinances, not as an Ordinance. That will be a clarification.

Mr. Jeff Glazier stated that they came up with an issue that if it is possible to pass the budget to defeat the Ordinances that supported the budget. Combining it into one ordinance was their way to eliminate that possibility. That has happened in the recent past.

Mr. Mike Hanlon stated that they got a Solicitor's ruling. He believes that they got a Solicitor's ruling. Afterwards, he stated that they should be separate.

Mr. Jeff Glazier stated that he will double check.

Mr. Mike Hanlon stated that there always was a concern that it was one ordinance. The fees are tied to the Ordinance.

Mr. Julio Guridy stated the tax increase as well. Hopefully, not much. Not a 27 percent tax increase. The Charter question was already taken care of and we are waiting for November. He stated that he thinks it is going to pass. Enough people heard about it.

Mr. Glenn Hunsicker asked about the five percent readjustment and the General Fund. He stated that he thinks it is separate. He stated that when he goes to the Page everything is on the top section of the page that would be the General Fund.

Mr. Julio Guridy stated it says as well as Enterprise Fund.

Mr. Mike Hanlon stated that when you are considering a five percent cut, you are considering a five percent cut across the total General Fund. You can't put a page in there that says Managing Director, have that cut and then say you have to start this process. Define what the five percent cut means. The total General Fund is \$100,000 and if they do a cut that encompasses five percent of that, it has to go back to the Mayor.

Mr. Jeff Glazier stated that the General Fund are the 000 Accounts. That would not include Trexler Funds, Risk Management, Workers Compensation, Debt Service, Equipment, Solid Waste, Stormwater, Golf, Housing, Capital Fund, PA Fund.

Mr. Mike Hanlon stated that if you cut five percent in those funds then it would kick into giving the Budget back to the Mayor.

Mr. Julio Guridy stated that he is talking about the Enterprise Fund.

Mr. Joe McMahon stated that the Ordinance listed it. It is either General Fund or Enterprise Fund. Anything that is not in the Enterprise Fund is in the General Fund.

Mr. Julio Guridy stated that it will be introduced at the next Council meeting and come back to his committee and then they have a meeting and discuss it. Let's not discuss it now.

[15-3156](#)

Budget Process Amendment

Attachments: [Budget Process](#)

[15-3166](#)

P-Cards

Attachments: [Information on P-Cards Presentation](#)

Ms. Jessica Baraket stated that Mike is bringing up a presentation. Earlier, you were talking about saving paper and doing things efficiently.

Mr. Julio Guridy stated that with everything going on in Brazil and the Forest, we got to make sure we do our due diligence here in Allentown.

Ms. Jessica Baraket stated that she will tell them what P-Cards are and give them information. There are some questions and concerns. The P-Cards are a payment tool to process payments and purchasing. What people are purchasing are no different then what they are purchasing. They are buying the exact say things that the city has always bought. P-Cards are just a way to purchase to allow for a more efficient way without going through the Purchasing Process. Some of the benefits offer increased efficiencies, simplifies the process of being able to pay and purchase things, it lower the transaction costs and reduced supplies. The P-Cards gives increased visibility. In the past, the city used Blanket Purchase Orders to purchase things. With the Blanket Purchase Order, the city has visibility into the spending patterns. if they are not returning in receipts or returning in receipts months later, the city doesn't have an idea of what is being purchased. With the P-Card, the city can immediately see what is spent and look in to what exactly is being purchased. The city gets rebates off of the purchases. Increased employee satisfaction. It increases the suppliers relationships.

Mr. Julio Guridy stated that he is a big proponent of the P-Card. He stated that his organization usually use a vendor and get a nice discount. Do you get that?

Ms. Jessica Baraket stated that is a vendor decision and something we can negotiate in our contracts. A lot of vendors prefer to be paid with that credit card. There is a prepayment when you pay early. You can take advantage of those discounts. When we pay with a P-Card, we are paying immediately. The payment goes through that day. A lot of times your discount increases, if you pay within five days, you get a better discount then paying in 15 days. With the nature of the check process, it is just a timely process.

Mr. Julio Guridy stated that if one of his employees want to buy office equipment, they put the order in the system, he gets an email that he has to approve it before they actually get it.

Ms. Jessica Baraket stated that they are approving it through a Purchase Order Process. You get it electronically, but if you are not sitting at your

desk approving them all day long, it still takes a while to approve and it goes through a number of approvers. That happens in the review process with the P-Card. Every transaction is reviewed that way by multiple people. Who has a P-Card? P-Cards are issued to various people in the city at the discretion of the Department Director based on their job it is in their best interest to have a P-Card. She stated that they currently have 73 active P-Cards, however, there are in average 42 per month that are actively used. We are starting to issue cards for specific purposes. We have a utilities payment card. That payment allows the city to streamline the utility payments and take advantage of paying those faster. Utility payments is something that the city struggles on. The city does get late fees associated with them. It allows to streamline them. The cards are blocked so nothing else can be put on the cards other than utilities. It allows us to take advantage and quickly process those and put the utilities on to avoid late fees. We also get a rebate for all the payments that we put on there. The payments that the city puts on that P-Card goes towards our spend. We then get a rebate back. It makes sense for us to try to push those purchases on to a P-Card so we can get those rebates back. We are looking at what we can do about health benefits and putting health benefits on there. The more we push, the higher rebates that we are going to get back.

Mr. Julio Guridy asked who gives the rebate, the bank.

Mr. Jessica Baraket stated that the rebate comes from the bank to the General Fund. It doesn't go to the departments who earn that rebate. It comes to the General Fund and Miscellaneous. There are cards that are issued solely for a specific purpose like the utilities payment. Those cards have blocks on them so nothing else can be purchased on those cards other than what we have designer. What are the P-Cards being used for? They are being used for the commodities and services that don't require any quotes or bids to be done for that. Obviously, if something requires a quote or a bid to be done, it is not something we will be able to use a P-Card for. It is also for travel related expenses for City of Allentown business. The important thing to keep in mind is that they are purchasing the same thing that they were purchasing before in the Purchase Order. They are not purchasing anything new on P-Cards. These things are what we have always been purchasing, but purchasing them in a different way. There is more control. There is more visibility of what we are actually purchasing. The purchasing is being done in a more effective, cost efficient process. What controls are in place to prevent the misuse of a card? They have lots of controls in place to make sure that these cards are used appropriately. All of the cards have a MCC Code on them which blocks certain type of transactions and vendors. There are lots of limitation with the MCC Codes on those cards to prevent any type of misuse of

where those cards can be used. They have limits on the transaction dollar amount. Each card, your own personal credit card you use typically if you have enough available credit that transaction will go through. On the P-Card, it checks lots of things. It checks the MCC Codes, transaction limits for a specific vendor and day. It is not just your monthly limit, but can also make the transaction limits as well. They require detailed itemized receipts for every transaction which was something that was lacking in the prior process. There are various random audits in the Purchase Department and regular routine audits in the Controller's Office. The cardholder also signs agreements that they will not misuse the cards and any type of misuse of the card can result in disciplinary action up to and including termination. All cardholder activities is reviewed by multiple people on a daily basis. Once they are processed through Accounts Payable, it is when it goes over and reviewed by Jeff's office. Transactions and monthly statements are reviewed on a monthly basis. The Training P-Cardholders receive, they have to sign the P-Card acceptance form that they received the training and understand the rules and regulations that govern the program. Any violation of the rules will result in disciplinary action. The efficiencies were a 65 percent increase in the processing of procurement to pay or P2P transactions. Employees are getting the goods and services needed to do their job faster and suppliers are getting paid faster. There has been a 28 percent reduction in PO printed. They had 11 percent reduction in Accounts Payable checks, envelopes, and postage.

Mr. Joe McMahon stated that paper checks are more vulnerable. It is a bigger risk for thief then electronically.

Mr. Julio Guridy stated that when you get your statement you get a copy of your check.

Ms. Jessica Baraket stated that you don't get the actual check back when the checks clear with an Accounts Payable check. They still have to process, print and mail that check. They no longer send those checks back like they used to do. They recently did a survey for P-Card recipients and positive results were given by end users. She stated that 94.87 percent strongly agreed or agreed that P-Card allowed for a more efficiently and effectively purchase the items they need to do their jobs everyday. She stated that 97.44 percent responded stating the P-Cards made their jobs more convenient and 100 percent strongly agreed that P-Cards have been a benefit to their department. She went over the steps in a traditional procurement process with traditional Purchase Orders. There are 20 steps involved in the process from start to finish. The P-Card drops it down to seven steps. Are other government agencies using P-Cards? They have been in the public sector since the late 1980s. The City of Allentown has 73 P-Cards. The City of Bethlehem that's a little bit smaller than us have 62

active P-Cards and Northampton County that's a little bit larger than us has 120 active P-Cards. Most of the purchase that the city makes is lower dollar transaction purchases. That's a big chunk of the purchases that they are purchasing. The transactional cost/process cost, cost the same whether it's \$25 or \$100,000 purchase.

Mr. Julio Guridy thanked Ms. Bakaret and said that it was a great presentation. He stated that he is a proponent of P-Cards. He has been using them for years now at his job. It is very efficient. He stated that he goes out and buys something, buy lunch with it, and purchase things.

Ms. Jessica Baraket stated that the city doesn't buy lunch with it. That's a good thing. That is something that is blocked. There are cases where that happens and there are strict procedures in place for when that happens. The Mayor can't go into a restaurant without having that code opened up. We have those efficiencies in place in order to prevent that. When proper procedures are followed they have to get permission from the Mayor.

Mr. Julio Guridy stated that the reason he said buy lunch, you don't want to go out with a client and have him buy you lunch.

Mr. Jeff Glazier agrees with Ms. Baraket. The system works well. The city is headed toward a paperless less friction system. This is part of it. After Ms. Baraket's office does their due diligence, he and Jacqui look at it in different ways. They compare notes and if there are any exceptions, they will send out letters. With the use of the system, the department gets better. There will be fewer exceptions.

Mr. Daryl Hendricks asked how long has the city have them in use.

Ms. Jessica Baraket stated that they started last July, but they did roll it out in three phases. The first phase was everyone that went from the traditional Wells Fargo credit cards. That was cabinet members only. After the process was running well, they rolled out to a Stage II and that was our Directors, Office Managers, and people in the office that was using them. In October 2018, they rolled out to people out in the field. They stopped spending and they were not in use until January 2019.

Mr. Daryl Hendricks stated that it is fairly recent. In that time period to date had you had any issues or misuse of the cards?

Mr. Mike Hanlon stated that the City Council/Clerk's office applied for a P-Card because many times we came close to not having a meeting because bills were not paid. P-Cards are really helpful.

Ms. Jessica Baraket stated that they had a lot of issues with The Morning Call. The Morning Call is applying some of the accounting wrong. They get checks and the city says to apply it this way, but the vendor applies the check how they want to apply it. Sometimes they will apply it to whatever has the highest balance, the longest outstanding balance. It is an accounting nightmare to try to fix that. The Morning Call is saying that your account has been suspended because you have an outstanding balance. She stated that they are encouraging anyone that is making The Morning Call advertisements to pay that on the P-Card because it is getting paid immediately.

Mr. Glenn Hunsicker stated that he is not against P-Cards, but what struck him was the amount of money spent on a monthly or yearly basis. Did we eliminate petty cash? What is TD Bank charging on those transactions. Visa gets a cut somehow in here. He asked what the monthly number that Bethlehem is using.

Ms. Jessica Barkaret stated that the goal is to eliminate petty cash as much as they can. They can't completely get rid of petty cash. There is no sense putting a P-Card in every person's hand. A lot of the petty cash is done for a mileage reimbursements. One of things that is blocked on the P-Cards is fuel. The city doesn't want people to have the ability to go charge fuel. Mileage reimbursement is one of things that is used because it is not really efficient for us to be processing checks for mileage reimbursement for an \$8 trip when it cost more than that to issue that check. There are no costs for transactions. The vendors pay a fee. There is a merchant processing fee. Banks make their money on credit card purchasing.

Mr. Julio Guridy stated that the merchants pay for it.

Ms. Jessica Baraket stated that sometimes you will see a convenience fee. She stated that she doesn't know Bethlehem monthly charges, but can get that for him. She only got the number of active cards they have. She only got the active cards, but did not get their spend.

Mr. Julio Guridy stated that there is an advantage in using it.

Mr. Glenn Hunsicker stated that he is afraid that Mr. Glazier during the budget will want more people in his office to do this.

Mr. Daryl Hendricks stated that as you would do at home. Rather than writing a check out, getting an envelope, putting a stamp on it and taking it to the mailbox.

Mr. Glenn Hunsicker stated that when he does it personally, he knows what he is doing. When you are spending someone else's money you are not quite as tight as you spend it on your own.

Mr. Tom Hahn stated that we all saw the commercial on TV where the mother is washing the dishes before she puts them in the dishwasher and the little girl says.

Mr. Julio Guridy stated why do we have the dishwasher for.

Mr. Tom Hahn asked what do we need the Purchasing Department for. Is it the big savings.

Ms. Jessica Baraket stated that the good thing about it is that a lot of the purchasing that we make are the lower dollar purchases. That's quantity, but there is only so much savings or value you can get in the dollar value. By being able to push that off and allowing the end users, it takes that pressure off of the Purchasing Department which allows them to spend more time in the larger dollar transactions. Where we can find bigger savings? There is a benefit and it is not something that the Purchasing Department is no longer needed because most of the larger dollar value spend is where you are going to find greater savings. Not being able to be tied down with these low dollar transactions. They are able to invest that time in effort in finding greater savings then a larger transactions.

Mr. Julio Guridy stated Contracts and things like that. Large contracts.

Mr. Tom Hahn stated to do more with less. Not pay more, and get less.

Mr. Julio Guridy asked if there were any other comments or questions.

Adjourned: 7:45 PM