

AGENDA FOR A FINANCE COMMITTEE FOR
TUESDAY, SEPTEMBER 8, 2015, 6:30 PM,
SMALL CONFERENCE ROOM
SECOND FLOOR, MUNICIPAL BUILDING

(Councilmen Reed, Reynolds, Bigley, Carpenter)

- I. CALL TO ORDER – Councilwoman Kim Coram, Chairman
- II. ROLL CALL
- III. MINUTES - meeting held August 25, 2015
- IV. NEW BUSINESS
 1. Insurance quote
 2. City Parks Plan (Article 127, City Code)
 3. Purchasing Card Audit
 4. City policy concerning the Special Projects Fund.
 5. City policy on donations.
 6. Audit (from audit ending Jun30, 2014, (Tetrick & Bartlett)
 - Noncompliance with Bond Debt Coverage in parking department
 - Maintaining schedule of Capital Assets
 7. Revenues and expenditures report
 8. Payroll Reconciliation Report
 9. Continued review of Charter and City ordinances
 - Plan to amend Charter as noted by State Auditor's Office, in particular sections 5.10, 5.105, and 5.108.
 10. Budget revisions, if necessary
 11. Capital Program guide. (due November 15, 2015)
- V. ADJOURNMENT

The Finance Committee of City Council met Tuesday, August 25, 2015 at 6:30 PM in the small conference room on the second floor of the Municipal Building at One Government Square, Parkersburg, WV 26101.

The meeting was called to order by its Chairman, Councilwoman Kim Coram, who presided over the meeting. The clerk noted members present as Jim Reed, Mike Reynolds, Warren Bigley, JR Carpenter, and Kim Coram.

Others attending included Mayor Colombo, Rick Lemley, Roger Brown, Chief Taylor, Chief Martin, Sharon Lynch, John Rockhold, Nancy Wilcox, Eric Jiles, Rickie Yeager and Pam Salvage.

MINUTES – Mr. Reynolds moved, seconded by Mr. Reed, to approve the minutes from the meeting held August 11, 2015, distributed as amended by the Clerk prior to the meeting, and the motion was adopted by unanimous vote.

PURCHASING CARD AUDIT – Ms. Coram asked Finance Director, Eric Jiles his plans concerning the City's purchasing card and audit findings and suggestions from the State Auditor's Office. Mr. Jiles said he was approximately 75% complete drafting new rules for use of the card, which will be reviewed by the City Attorney. New cards will be reissued after training for anyone with the privilege of using them.

Ms. Coram asked if Council would be involved so they can do their oversight, and Mr. Jiles said he was looking for controls. She said she would like to have his suggestion on how the Finance Committee could do their oversight, and wants to keep it on the agenda and continue to get updates.

Councilman Reed stated that there had been an original policy, signed by employees who were issued the cards from several years ago, and they knew the cards were not to be used for personal use, but Mr. Jiles said he was updating specific language to address any misuse.

There is no excuse for pulling out the City's purchasing card, by mistake, to use it for personal use, Mr. Reed stated. Our new policy will have very high standards and consequences, Mr. Jiles stated. When Mr. Reed asked about having dual control, Mr. Jiles said a good system was that a department head signs off, then the finance director. In the finance department, previously, there was no second signature. Now, anything for the finance department requires the Mayor's signature, and vice versa – he implemented that immediately, he said.

From reviewing the purchasing card audit, Mr. Reed asked Mr. Jiles if anything in the report was untrue, and Mr. Jiles said he has not seen their work papers.

Ms. Salvage, former acting finance director, stated that she thinks the findings are true, but they did state that the City was not reconciling. She thinks that is by definition because it was being done.

The report did not reflect who did not go by proper practices, Chief Martin staged, but it does not apply to the Police Department. They had six or seven cards, he said.

Mr. Reed asked if there was an exit conference by the auditors, and Ms. Salvage said there was no exit conference. They mailed us the document. Mayor Colombo stated that they did not have an exit conference with the Prosecuting Attorney's Office either. Some of the things stated in the report may, or may not, be true, Mr. Reed said.

Everything is true to a certain extent, Ms. Salvage stated. What they found was not widespread, but they do have an example. Mr. Reed asked if it is as bad as they are saying, or are things isolated. Mr. Jiles said it was enough that they found to raise serious questions to the point of revamping it, and that is what he is doing.

Mr. Reynolds asked what would happen if the City didn't have the purchasing cards, and Mr. Jiles said they are useful, but there needs to be procedures. The City benefits because of a rebate we receive each quarter – so we get some of our money back. It allows us to purchase expediently without applying for credit.

Sometimes we paid taxes on the card, Mr. Reed said. Our tax exempt status is only good in WV, Mr. Jiles explained. Ms. Coram stated that when they were at the auditor's office, they were told the finance director had a lot of power. Mr. Jiles said he would not make unilateral purchases.

SPECIAL PROJECTS FUNDS – Ms. Coram said we do not go through the same process as our other funds, and Ms. Salvage said the police fund is under the Police Chief. Ms. Coram said she would like to know more about it – when money is coming in, no matter where, she wants to know the process.

The City is acting as an agent on behalf of others, but purchases should go through the same control, Mr. Jiles said. Ms. Coram said that Council is not notified about it, and she wants to know their responsibility, and wants to know how many funds we have, and what is in those funds. She said she was alarmed that we have that much money and they knew nothing about it.

We do have responsibility over those funds, Mr. Jiles stated, and he will get back to her with more information.

Mayor Newell said he believes in the Police Department, and when the auditors come from the State, those funds will be audited also, and we will discuss it with them. Ms. Coram wanted to be sure the State allows us to have those funds.

POLICY ON DONATIONS – Ms. Salvage said our donations need to be brought in as revenues and there is no action by Council at that time. If we want to spend the funds, they require Council and State approval.

Ms. Coram asked if there was a policy or state guidance on donations, and Ms. Salvage said there was not, and the State does not have a dollar amount.

Ms. Coram said she wanted to know what donations we get, or if we needed a policy, or if the finance director had a suggestion. We should at least thank the people who donate, and she is asking for guidance on this. Just a general recommendation and a report to Council yearly would be acceptable, she said.

AUDIT – parking department – Mr. Jiles said that we dropped below the bond ratio because of a parking lot that was built by the City at 7th and Juliana Streets. Ms. Coram is asking for a breakdown on that finding in the audit. Councilman Reed said it can't be explained in one spot – for example, we took parking off 2nd Street, which lowered revenue also. And, trading our parking lot on First Street for the farmer's market building, Mr. Reynolds added.

CAPITAL ASSETS – Ms. Salvage said we had minor additions to report.

REVENUE AND EXPENDITURE REPORT – Mr. Jiles stated that there is a difference in what we paid for our auto and liability insurance by \$4,228.00 because we wanted to reserve that amount for deductibles. Ms. Coram asked if we could reduce our next payment by that amount, and he said we could, or build it into our next payment. Ms. Salvage said it may be better to let the City cushion that \$4,228.00 because we have to pay the deductibles, then bring it to them quarterly.

Ms. Coram asked about a blade that was purchased under supplies, and asked why it was not paid under capital. Public Works Director, Rick Lemley, stated that it was just a blade, hard to track, sometimes it depends on the job we're doing.

Mr. Coram asked if we could put these reports on line, and Mr. Jiles said he would recommend the revenue and expenses, but not the detailed report.

In building and grounds, Ms. Coram asked about a tower mate expenditure of \$557.00, and Mr. Lemley said he would look into it and get information back to her.

On page 21 of the report, Ms. Coram asked about gas for the police department, and Chief Martin did not know at that moment, but said it could be for a tow.

On page 20, she questioned postage for a COPS grant, and Ms. Salvage said it was a fed ex bill from Development – they get charged their portion.

On page 26, she asked about advertising for the sidewalks, and Mr. Lemley was pleased to report that we have had over 70 applications and our first job starts Monday.

On page 27, under the storm water management line item, she asked if there could be better accounting, and Mr. Jiles said he needed a little more time.

On the expenditure report, page 1 409-230-001, Ms. Salvage said we would see why it went over by \$5,000.00.

On page 8, Ms. Coram mentioned the development department phone being spent at 114%. Ms. Salvage said several departments ran over. We did our best to estimate those costs, but it was too late for revisions.

Page 29, mass transit in at 102% - those are pass through funds for the bus levy, Ms. Salvage explained. There is no money out of the general fund.

In the hotel occupancy tax, Ms. Salvage asked if we had paid the Convention and Visitor's Bureau. Mr. Yeager said we were aware of the amount we owe. Ms. Jiles stated that we pay throughout the year, then at the end of the year we true up their portion. We made a payment last week for \$40,000.00.

Ms. Coram asked if we could pay as our money comes in, and Mr. Jiles said he would work on that. In the past, we get paid in arrears. Mr. Reed asked how our money flows in, and Ms. Salvage said they get their money up front and we collect it and reconcile during the quarter. There may be a better way, she said. We hope that we budget low.

Mr. Carpenter said he received a call about someone who had to pay an accident clean-up fee, and asked how that worked because there was no citation in this case. Chief Taylor said the person at fault pays the \$150.00 fee. Chief Martin said you could be at fault with no citation.

BUDGET REVISIONS – Mr. Jiles stated that Chief Taylor is asking to transfer \$1,075.00 from contingency to training and recertification; and also \$3,792.00 for protective pants and coats for new firemen, from the capital line item.

MOTION – Mr. Reed moved, seconded by Mr. Carpenter, to approve the revision and forward the resolution on to Council, and the motion was adopted by unanimous vote.

Another request to revise the budget with a \$2,500 donation for the tennis courts; and to take the balance from coal severance for \$30,533.07 and put in street department supplies, as cash carryover, was discussed.

MOTION – Mr. Bigley moved, seconded by Mr. Carpenter, to increase revenues by \$2,500.00 for the donation; and to put the \$30,533.07 from coal severance into street department supplies, and the motion was adopted by unanimous vote.

Ms. Coram asked about money for credit card fees, and Ms. Salvage said she had a list for Mr. Jiles.

The meeting adjourned at 7:20 PM.

Respectfully submitted,


Connie Shaffer, City Clerk