

CITY COUNCIL STANDING COMMITTEE
Budget & Finance
Tuesday, June 22, 2010 – 6:00 p.m.
1st Fl. Council Conference Room

Present: Chair, Steven Curcuru; Vice Chair, Paul McGeary; Councilor Jacqueline Hardy

Absent: None

Also Present: Kenny Costa; Jim Duggan; Jeff Towne; Tom Markham;

The Budget & Finance Committee reconvened their June 17, 2010 meeting at 6:00 p.m.

11. Other Business

These two motions were to correct typographical errors/omissions in the minutes of 6/17/2010.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to amend the minutes of 6/17/2010 to reflect the transfer #10-SBT-39 to insert the Account Name: Treas/Coll – Prop Insurance – General Liability after the word “from”.

MOTION: On motion by Councilor McGeary, seconded by Councilor Hardy, the Budget & Finance Committee voted 3 in favor, 0 opposed to amend the minutes of 6/17/2010 to reflect the transfer #10-SBT-51 to remove the wording: “- Perm Position”.

Mr. Towne noted SBT-56 had to do with purchasing booking desk camera software module which has some report writer information in it. The payroll module which will actually help specifically from the recommendations which came out of the Public Safety Audit, but can be used for all City departments which he felt was a real bonus; as well as record management software for the Police Department as part of the \$45,000.00 that they placed in Dept. 900 last year when they pulled out the Public Implementation Safety money out of the Mayor’s budget (and into Dept. 900). This is the Police Department’s little less than half of that \$45,000.00. This is to help implement some software changes.

Councilor Curcuru stated there were some other items that were supposed to be taken care of out of this account, some stalls/bunks, etc. (as related to the Public Safety Audit).

Mr. Duggan responded that was done through a grant.

Mr. Towne stated the Police Department had some grant opportunities so they saved this for other items.

Mr. Duggan recalled it was paid out of the Byrne grant.

Councilor Hardy asked if this was for the purpose of purchasing.

Mr. Towne confirmed it was for the purpose of purchasing all the software that is in the description (“To purchase booking desk camera software module, booking desk module, payroll module and records management software...”). He noted the attached spread sheet attached to the transfer which gave more detail.

Councilor Curcuru stated he was fine with that but that there was \$45,000.00 in that account; where is the remainder.

Mr. Towne stated if there’s carry overs, they can still carry over funds from that. These are specific transfers that they’re doing for the Police Department share. The Fire Department has to do theirs next. They’ll carry over some of that for year end purchasing.

Councilor Curcuru contended the \$45,000.00 was in there for something else. He felt it was for the Audit.

Mr. Duggan stated this was all for the implementation of the Audit, and they never used it.

Mr. Towne added they were doing things that were not cost related; and they got to the end of the year and asked 'how are you going to spend your money if you need to actually spend cash'. The Police Department put forward a recommendation; and the Mayor's department was moving forward on it.

Councilor Curcuru continued that they put the money in Dept. 900, and looked at the balance and asked about that.

Mr. Towne responded that that balance was for the meals tax and the room tax that they 'parked' there. They didn't pull it, nor did they spend it because they didn't get the revenue to offset. So a large portion of that was for the room and meals tax. Both of them will lapse. The excess budgeted revenue will have a shortfall there because they didn't implement it until the end of the year, and will also have the appropriation which will laps that will offset each other. They've been careful not to allow that to be spent because of that purpose.

Councilor McGeary stated this was money that was appropriated in the FY10 budget and put into this account but because they were late in adopting the meals tax, the money wasn't really there.

Mr. Duggan and Mr. Towne confirmed that a portion. They ended up receiving one quarter and anticipated three quarters.

Councilor Curcuru asked what they ended up with for the first quarter as far as revenue on the meals tax, and the room tax is a month behind that.

Mr. Towne stated that would come in this quarter. He couldn't confirm the revenue number, and confirmed that the room tax was a month behind it.

Mr. Duggan stated from any community that's adopted it, Bob Noones has explained that revenue came in higher than the DOR had projected for the community. They were conservative in their estimates. All indications say it will come in higher.

Mr. Costa stated his understanding was the June revenue they'll let you book it in July, which is when it will come in and drop to the bottom line in FY10 (because they'll be allowing the accrual) .

Mr. Towne confirmed it will drop to the bottom line in FY10 and then they'll get four quarters in FY11.

Councilor Curcuru inquired if they had put \$10,000.00 in the Mayor's contingency account.

Mr. Duggan responded it was cut last year.

Councilor McGeary asked about the payroll module in Unifund; how does it help.

Mr. Towne responded rather than how they do it now, they'll have a side module where the departments to enter more specific detail about their work. Currently you can enter 8 hours and pick from a class code. They'll be able to directly modify what they do to be specific, and upload it into Unifund directly. It gives them more options for better detail within the payroll system and prevents keying twice. It will help tracking grants, although not the intention of buying this module. Buying this module will give its capability to the entire City, even the School Department will benefit from it.

Councilor Hardy stated after the Police share will be the difference between the \$45,000.00 and \$22,150.00.

Mr. Towne confirmed Councilor Hardy's statement.

Mr. Duggan stated each department got \$22,500.00 – Fire and Police.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to waive the reading of the 30 digit Unifund Account numbers related to the pending transfers before the Committee that evening.

Councilor Hardy wished to see the spreadsheet breakdown is made permanent by attaching it to the transfer paperwork.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer (10-SBT-56) \$22,150.00 from Gen Fund Sal/Wages – Perm Position (Dept. 900) Unifund Account

**#101000.10.900.51100.0000.00.000.00.051 to Police Admin, Contractual Services, Unifund Account
#101000.10.210.52000.0000.00.000.00.052.**

Mr. Markham stated 10-SA-20 is to pay off in entirety a deficit for the Food Services account. In anticipating of needing to do a variety of these types of things, they froze school spending for FY10 on May 12th. They were able to pull FY10 funds for \$148,267.00 from a variety of sources, some relatively small; and one single \$55,000.00 amount. They put it all in one account for the exclusive purpose of making this one transfer on the City side more fluid. They made all the internal transfers and now ask for the Committee to approve the supplemental appropriation in order to transfer funds to resolve this deficit. **Councilor Curcuru** asked if this made them whole with DOR for the past deficits.

Mr. Towne stated it did. It's about \$191,000.00. They did a transfer with the tax recap of \$43,000.00. This \$148,267.00 makes up the rest of the \$191,000.00 and all Mr. Markham has to worry about is FY10.

Mr. Markham noted they've made steps to resolve already and will be continuing to do so over the next day or so.

Mr. Costa while not having had a chance to review the matter just yet, he would like to review the fund; and stated from his experience in Somerville, they were operating in the black. There may be some things he can point out to save costs and would like to share that with Mr. Markham.

Councilor McGeary noted last week Mr. Markham spoke about \$35,000.00; that's still to be dealt with, and is not a part of this transfer now.

Mr. Markham noted that's what they call the operating use for FY10. They needed to 'draw a line in the sand' over what was the June 30, 2009 deficit balance and then separated it out from the FY10 deficit. They can deal with FY10 before the fiscal year end. As far as FY09 and before, this is what they see before them.

Councilor Hardy asked what their time frame is for FY10.

Mr. Markham stated this is what they are working on over the last month and picking away at the end of deficits. He hopes to have this accomplished by week's end. He didn't want to carry any of this over.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer (10-SA-20) \$148,267.00 from MO Contingency, Unifund Account #101000.21.370.53800.2305.00.270.00.02 to General Fund – Transfers to Special Rev Funds, Unifund Account #101000.10.992.59600.0000.00.000.00.059 (Fund #223000).

Mr. Towne stated 10-SA-21 there were four other capital project deficits they were trying wrap up before the end of the year, this being the last. The original fund that was overspent was \$1.2 million, authorized back in 1999 to rebuild seawalls including Robinson's Landing, Cripple Cove Landing, Fort Square and Stacy Boulevard/Western. The original discussion on this loan authorization was for a \$1.2 million issue with, he believed, \$1 million coming from the Seaport Bond Council with only \$200,000.00 in debt. But they issued \$1.2 million in debt. It goes beyond records they keep in the building even. He went back into some of the discussions, and there were matching requirements on some of them. Robinson's Landing had a little bit of a match. This is coming from a Seaport Improvements Program which was various amounts of money that came from the Seaport Bond Council, his best guess, which is what this tied into. There's about a \$5,000.00 balance. There's another one with \$171,000.00 called Harbor Plan Improvements. Ms. Garcia and he are working through that one. That seems to have gone for the Seaport Advisory Council position, the Harbor Plan Coordinator. There was a flyover, contracting out for planners. You can see that money come in and be spent. It wasn't a big 'chunk' of money as this one was. He thought that they got some of the money they expected, but they had already borrowed the funds and didn't use the rest of it. This is the last one in a deficit position. He, Mr. Costa and Ms. Richardson will look to close some of those accounts in the General Fund by year end if possible, but perhaps July or August as part of the audit entries for year end. For instance, there's a parking meters improvements. They've proven that they borrowed \$70,000.00 and spent \$70,000.00. He can see the invoices, all the

data. An accounting entry put \$4,800.00 back into the fund. There's no explanation, reason why it was put back into the fund. It's seen as a surplus but he could see that they spent the \$70,000.00. So he felt they should just close that. They know some have been sitting there for years and years with little 'chump change' balances.

Councilor Hardy asked for an explanation of OFU and OFS.

Mr. Towne explained OFU means Other Financing Use, meaning it's going out of a fund, and OFS means Other Financing Source, an accounting term meaning it's coming into the fund. He felt this was the best one to push for with this particular situation.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer (10-SA-21) \$83,299.02 from OFU – Transfer to CIP Fund (Fund 291003: 03 Seaport Improvements) Unifund Account #291003.10.992.59600.0000.00.000.00.059 to OFS – Transfer from Spec Rev Fund (Fund 300022: CIP00-Harbor Improvements [1,200,000]) Unifund Account #300022.10.993.49700.0000.00.000.00.040.

Mr. Towne noted this was a catch all. There were municipal building roof replacements which he couldn't find a funding source. Other capital projects with a positive balance he believed they overspent this one. Two smaller ones, GIS programming capital project for \$1,040.00 and Little River Water for \$2,469.00. He took it all out of available resources in debt service, long term interest. It's \$21,428.26 to clean this deficit up.

Councilor Curcuro asked what the ages were of these deficits.

Mr. Towne responded they aren't as old. He noted GIS (Geographic Information Systems) was for sewer mapping. Fund 300004 was from 2003, Fund 310020 was from 2004 and 320009 also. They're committed to working with the department heads to make sure these situations don't happen again. The City Auditor's office and his office have been working together to make a concerted effort, already started. Now they're going to start managing funds after 'putting out the fires'. He assured there will be a wholesale change in the approach and are at a turning point. He was looking forward to working with Mr. Costa going forward on this.

MOTION: On motion by Councilor Hardy, seconded by Councilor McGeary, the Budget & Finance Committee voted 3 in favor, 0 opposed to recommend to the City Council the transfer (10-SA-22) \$21,428.26 from Treas/Coll – Debt Service LT Interest, Unifund Account #101000.10.145.59150.0000.00.000.00.059 to General Fund – Transfer to CIP Funds, Unifund Account #101000.10.993.59600.0000.00.000.00.059 as follows:

#300004 – Municipal Building Roof Replacement	\$17,919.26
#310020 – Sewer GIS	1,040.00
#320009 – Little River Water	<u>2,469.00</u>
TOTAL:	<u>\$21,428.26</u>

There was a discussion between the Committee, Mr. Duggan, Mr. Towne and Mr. Costa about whether to continue the meeting or adjourn.

A motion was made, seconded and voted unanimously to continue the meeting to 12 noon on Wednesday, June 30, 2010 at 6:40 p.m.

Respectfully submitted,

Dana C. Jorgenson
Clerk of Committees