

# LEMOYNE BOROUGH FINANCE COMMITTEE MINUTES

January 26, 2010 - 6:30pm

1. **Call to Order...** The Finance Committee meeting, of the Lemoyne Borough Council, was called to order on Tuesday, January 26, 2010, at 6:36 pm, at the Lemoyne Municipal Building, 510 Herman Avenue, Lemoyne, Pa. with Pamela Paul presiding.

**Roll Call...**Present at roll call was Pamela Paul, Chairperson, Lori Hegedus and Stacy Gromlich, Members

Also present were Robert Ihlein, Borough Manager/Treasurer, Kathy Morrow, Borough Secretary/Finance Secretary.

Mark Zettlemoyer from Reinsel Kuntz Leshar and resident Roi Baptiste were also present.

2. **Introduction of Mark Zettlemoyer of Reinsel Kuntz Leshar**

Mr. Ihlein introduced Mr. Zettlemoyer as our new Borough Auditor. Mr. Zettlemoyer spoke about the processes that they will use, and some of their timeline. They currently work for 80 different local governments, which he specializes in. They expect to be in the office working sometime in the end of February or beginning of March. They will finalize plans with Mr. Ihlein. He expressed that he hopes to be able to answer any of our questions about processes in the finance department and they will make some recommendations about procedures. There will be open communication with all council members.

Mr. Zettlemoyer stated that they expect to be complete by April 1<sup>st</sup> because that is the date that the DCED Audit is due.

Ms. Hegedus asked why we don't need a balance sheet. Mr. Zettlemoyer stated that we do have a balance sheet, but it's only cash, due to and due froms, debt and net assets. In 2004 new reporting standards came out. It's called the GASB 34. To meet those standards it stated that the borough do full accrual accounting. Most boroughs our size have not adopted GASB 34 because we get no real benefit out of it. The only thing it might have some impact on is borrowing large amounts of money. GASB 34 is really not cost effective for the borough. The borough could start to keep a list of assets in case we do decide to implement GASB 34.

3. **Old Business**

- A. Freedom Systems – Mr. Ihlein is going to contact Freedom Systems for one more review of the Utility Billing Autopay Process. We will go through the training, write a procedure, and make a policy that we will only use that method unless there is a strong reason not to. Not using the Autopay Process causes the payments to be applied incorrectly. If there are any variations to the procedure then he will have a basis for any disciplinary action. He hopes to get this done in February.

- B. West Shore Tax Bureau Census – Mr. Ihlein stated that he has spoken with Susan, Al Timko’s assistant about the documents that they need for census information. Susan stated that we can send them paper copies of the monthly Cumberland County Per Capita Tax updates.
- C. Paying Bills on line – Mrs. Morrow stated that she hasn’t investigated this yet this year. Mr. Ihlein will discuss internal control issues with Mr. Zettlemyer.
- D. Monthly reconciliations – Mrs. Morrow stated that all are completed for the month of December, except for the General Fund and the Pool Fund. They will be completed this week.
- E. Update on sewer receivables – Mr. Ihlein stated that for the next billing cycle, we will have the new policy and procedure in place. It should go much smoother. When the scanner is used on the coupons, UB Payment should automatically be used. Mr. Baptiste asked when the deposits are made. Mrs. Morrow stated that she makes two to three sewer deposits per week. Ms. Hegedus said that the customer account is updated before the check is deposited now.
- F. Reconciliations of Sewer and Refuse Deposits – Mr. Ihlein met with Mrs. Stanley about reconciling the deposits to the customer account postings. There is a report from Freedom Systems that agrees with the deposits that she prepares.
- G. Sewer Collection – Mr. Ihlein sent out 9 more delinquent letters today. There are 50 or more with balances over \$1000.00.  
He met with a gentleman from York Collection Company. They will collect delinquent payments, possibly by payment arrangements. Their fee is about 25%. If the payment plan is not followed, they will report to the three major credit reporting companies.  
Ms. Paul said that when someone applies for a loan somewhere, many times, if there is a delinquency on the credit bureau, the customer will be required to pay that off before they are issued a loan. She asked Mr. Ihlein if he has adjusted fees and penalties if someone wants to make payment arrangements. He stated that he has done that on a few occasions.
- H. Sewer Billing Class changes – Ms. Hegedus stated that this is actually a Sewer Committee Item, but involves the Finance Committee. Currently, the Commercial customers are billed a quarter behind. We are considering changing everyone to a consumption billing on a current quarter, which is fairer, and this may affect our revenues for the year. A resident has volunteered to help with analyzing different scenarios. The water company is being very cooperative and is looking forward to working with us on this.

**4. New Business**

- A. Metro Bank Liquid Fuels Certificate of Deposit – Mr. Ihlein stated that our CD for \$141,000 matures in February. He has researched the rates and would like to close the CD and deposit the money into our Liquid Fuels Money Market account. The committee agreed.
- B. Financial Reporting to Council – Mr. Ihlein asked what reports that the committee would like to have at the council meeting. Ms. Hegedus would like the monthly budget report that they have been receiving, after being reviewed by Robert and Ms. Gromlich liked the two page summary report. They would like to get the opinion of the rest of the Council Members. Each committee should be reviewing the monthly budget report from the council meeting.
- C. Municipay – Mr. Ihlein was in touch with Municipay, which is a vendor who has become a partner with Freedom Systems. They are a credit card company. The municipality will not be charged a fee, the customer gets charged. The committee asked for Mr. Ihlein to contact Metro Bank about their credit card services also. Ms. Gromlich asked about adding a space on the sewer/refuse bill for a credit card number and authorization. Mrs. Morrow stated that a different bill format has been discussed and that would be a possibility.
- D. Borough Credit Card – Mr. Ihlein requested that the borough apply for a Municipal Credit Card. The committee agreed but there must be restrictions on the card and a procedure should be set up. Metro bank should be able to issue this.

Ms. Hegedus asked that Mr. Ihlein and Mrs. Morrow make a list of things that would help processes in the office run smoother. Our bank representative at Metro should be contacted to see what other products there may be to help us.

Mr. Ihlein offered to give Ms. Paul a “tour” of the finance system when it’s convenient for her. Mrs. Morrow stated that the new signature cards were dropped off at Metro, and reviewed the procedure for check signing with Ms. Paul. The order of check signers will be Ms. Paul, Mr. Ihlein, Ms. Gromlich, and Ms. Hegedus. She will email Ms. Paul when the checks are ready for signatures.

**5. Next meeting...** Tentatively February 10, 2010 at 6:00pm.

**6. Adjournment...**8:05pm There being no further business, Ms. Paul declared the meeting adjourned.

Submitted By:

---

Kathryn Morrow  
Borough Secretary