

Performance Audit

**PITTSBURGH
CITY
COUNCIL**

Report by the
Office of City Controller

**MICHAEL E. LAMB
CITY CONTROLLER**

Douglas W. Anderson, Deputy Controller

Gloria Novak, Assistant Management Auditor

Bill Vanselow, Performance Auditor

Ron Ieraci, Research Assistant

May, 2014



MICHAEL E. LAMB

CITY CONTROLLER

First Floor City-County Building • 414 Grant Street • Pittsburgh, Pennsylvania 15219

May 6, 2014

To the Honorables: Mayor William Peduto and
Members of Pittsburgh City Council:

The Office of City Controller is pleased to present this Performance Audit of *City Council* conducted pursuant to the Controller's powers under Section 404(c) of the Pittsburgh Home Rule Charter. The audit primarily assesses the financial accounts, internal controls, practices, legal compliance and adherence to prior findings and recommendations.

EXECUTIVE SUMMARY

City Council ("Council") is the legislative branch of City government. It is composed of nine members, with each representing a council district. Council is primarily responsible for making laws which govern the City of Pittsburgh and the passage of an annual budget.

City Council proposes, debates, and votes on legislation governing and/or affecting the City. This body regulates revenues and expenditures, and approves the final operating and capital budgets for the City. Council may incur debt on behalf of the City and has the power to levy taxes.

City Council performs its duties in accordance with the Home Rule Charter (HRC). The powers, duties, and protocols of City Council are contained primarily in the Home Rule Charter, Article 3 of the City Code; Article 5, Section 151, Council & Section 153, City Clerk; and the City of Pittsburgh Rules of Council. It can legislate either by ordinance or resolution.

Findings and Recommendations

Professional Services

Finding: The largest category in both volume and expense of the Professional Services account is the Community Groups category. There were 373 items in this class which accounted for 36% of the total Professional account spending by City Council. This category mainly supported youth, community and scholastic groups through ads, hall rentals, refreshments and donations, including items such as City pool tags, group membership and parade entry fees. The account is used by some Council Members as a replacement for the "City Council Grants and Donations"

account which was eliminated from the budget in 2004. Other Council Members provide support to community groups and events mainly through campaign funds.

RECOMMENDATION: The use of this category should be better defined by City Council. The possible options range from elimination of the category to the re-establishment of a separate “Grants and Donations” account that would reflect current budgetary constraints.

Finding: Of the 373 Community-based invoices examined, 33 (9%) were unsupported by receipts, and of 110 invoices charged to the Office Supplies category, eight (7%) were found to be missing receipts.

RECOMMENDATION: All invoices presented to the City Clerk’s Office by City Council should contain receipts.

Finding: The auditors examined 108 Staffing category invoices. Of them, 13 were for downtown parking/transit reimbursements, 19 for cell phone data plan reimbursements and three for staff lunches. There is no written City policy regarding these categories.

RECOMMENDATION: City Council should determine a uniform policy to identify which staff expenses are reimbursable and which are costs that should be absorbed by the employee.

Finding: There were 54 R & D category invoices examined, and 11 (20%) were found to have partial documentation, primarily involving incomplete travel voucher receipts.

RECOMMENDATION: City Council should submit complete travel expense forms, including reimbursable receipts, to the Clerk’s Office.

City Council Neighborhood Needs Program

Finding: Despite receiving no new funding since 2003, the Neighborhood Needs account still retains 11.8 % of its allocation. This retention rate is largely due to shuffling of funding from one group to another or because the group awarded the grant was unable to claim its funding because of organizational or project-related issues.

Finding: Fifty-nine percent (59%) of the projects funded by the Neighborhood Needs program have been completed or are in progress. Twenty-nine percent (29%) of the projects have been defunded in entirety with their full allocation transferred to another project, and the remaining projects are approved with funding encumbered but have yet to draw on their allocation.

RECOMMENDATION: City Council should work with the community groups to ensure that the groups have the capabilities to utilize Neighborhood Needs funding and the ability to manage the funded project to completion.

Community Development Block Grants – Unspecified Local Options (ULO)

Finding: CDBG-ULO grants are often unavailable for a period of several months to the awardee. This is because of the time delay in developing a contract after the original award date. The 2013 grants are largely unspent (16%) but monies allocated in 2011 (84%) are almost entirely spent.

Finding: The CDBG reimbursement process sometimes causes the unintended consequence of delaying or entirely stopping a proposed project because many of the community groups lack the expertise or financial ability to initiate a project on its own. In other cases, projects are delayed or stopped because of a change in the group's mission, management, or leadership.

Finding: All CDBG money awarded prior to 2006 has been expended. From 2006-2010, 10% of the allocation has yet to be spent.

Finding: \$349,485.88 of the funds allocated to community groups from 2006-2010 are unspent. Ordinance #30 of 2013 states that "...CDBG funds not expended within three years shall be reprogrammed..." by the Council District Office that originally awarded the grant. *(Note: the Ordinance was not signed by the Mayor until November, 2013, leaving little time for the City Council Budget Office/District Offices to reprogram the funds.)*

RECOMMENDATION: Council members should work with community groups and the budget office to reprogram the remaining funding into other projects in future ULO budgets in accordance with Ordinance #30.

Finding: Just Harvest has not entered into a contract to receive its ULO allocation since 2008.

RECOMMENDATION: If Just Harvest does not intend to enter into a contract with the City to accept the grant, the funding should be redirected to a different qualified organization.

City Council Budget

Finding: City Council's budget has increased by 8% from 2011-13 and City Council spending has increased by 5% over that same period.

City Council Payroll

Finding: Payroll documentation for temporary employees and consultants Professional Services was sometimes found to be incompletely submitted to the City Clerk.

RECOMMENDATION: City Council should submit pay sheets that list the daily time worked, are properly signed by the employee, approved by the Council member and include a Professional Services invoice. If one of these is absent, the pay sheet should be returned to the Council member for correction.

Finding: City Council paid temporary employees and consultants from both City Council's Salary account and the City Clerk's Professional Services account. Twenty nine (29) time sheets representing \$15,870 in payments that should have been submitted through the Professional Services account were instead submitted through the City Council Salary account.

RECOMMENDATION: Temporary employees and consultants should be paid through the Professional Services account in accordance with the Rules of City Council.

City Council Meetings

Finding: City Council has met the required 50 times from 2011-13. All the meetings were cablecast and archived for interested parties that could not attend the sessions.

Finding: City Council scheduled 80 post-agenda sessions from 2011-13. The sessions were cablecast, archived and available for public view.

Finding: City Council held 446 sessions in total from 2011-13 and has satisfied the requirements of the HRC in regards to holding public hearings.

The City Clerk's Office now receives electronic notification of board decisions that require public hearings, as recommended by the report and which has helped resolve the timing issues. But there is still sometimes a gap between a board decision and City Council notification.

This clouds the issue of when the mandated hearing window begins, whether it is as soon as the various boards reach a decision or when City Council, through the Clerk's Office, is notified that it is required to take action. This has led to current litigation based on a disputed hearing date in regards to a historic designation decision.

Finding: City Council believes that its public hearing duties begin upon its notification, and would seem to be supported by City Code Chapter 1101.03 (i) (4), which states "City Council

shall vote on the designation of a nominated district, structure, site or object within one hundred twenty (120) days of Council's receipt of the recommendations of the Historic Review Commission and the City Planning Commission.”

Public City Council Meetings with the Oversight Representatives:

Finding: The public Act 47 Oversight Board meetings are not held every five weeks as mandated in the City Code.

RECOMMENDATION: The President of Council should either schedule the meetings mandated by City Code Chapter 152.01 with the Intergovernmental Cooperation Authority and Act 47 Coordinator every five weeks or amend the Chapter to alter or eliminate the requirement.

Action on Past Recommendations

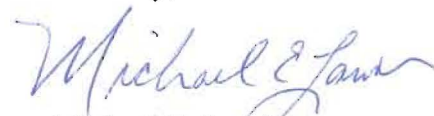
Finding: The City Clerk’s Office kept individual track of the City Council usage with sub-accounts. City Clerk expenditures were recorded under #101200 while each City Council district was assigned a unique number, with #101210 representing the first district, sequentially up to #101290 representing the ninth, as a control on expenditures.

Finding: City Council has eliminated its pre-encumbrance account (which was incorporated into the Neighborhood Needs funding pool).

Finding: City Council has eliminated the use of credit cards.

Finding: Travel by City Council, its staff and the City Clerk’s Office is pre-approved by the President of Council. City Council now employs the general City travel reimbursement policy per City Code Sections 108.6 and 108.8, along with Federal travel reimbursement guidelines.

Sincerely,

A handwritten signature in blue ink that reads "Michael E. Lamb". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Michael E. Lamb
City Controller

INTRODUCTION

This performance audit of Pittsburgh City Council was conducted pursuant to section 404(c) of the Pittsburgh Home Rule Charter. The audit assesses City Council's legal compliance with the Home Rule Charter and City Code, budgetary expenditures, the Neighborhood Needs and Community Development Block Grant ("Unlimited Local Option") programs, and the City Clerk Office's role in City Council's performance.

OVERVIEW

City Council ("Council") is the legislative branch of City government. It is composed of nine members, with each representing a council district. Council is primarily responsible for making laws which govern the City of Pittsburgh and the passage of an annual budget.

City Council proposes, debates, and votes on legislation governing and/or affecting the City. This body regulates revenues and expenditures, and approves the final operating and capital budgets for the City. Council may incur debt on behalf of the City and has the power to levy taxes.

City Council performs its duties in accordance with the Home Rule Charter (HRC). The powers, duties, and protocols of City Council are contained primarily in the Home Rule Charter, Article 3 of the City Code; Article 5, Section 151, Council & Section 153, City Clerk; and the City of Pittsburgh Rules of Council. It can legislate either by ordinance or resolution.

According to the HRC (Chapter 310), City Council's other powers include:

- Employing or retaining its own staff, clerk, consultants, and an attorney,
- Conducting investigations in accordance with the HRC,
- Approving appointments as provided by the HRC,
- Exercising the power of removal as needed,
- Overriding the veto of legislation by the Mayor by 2/3 vote of all the members,
- Calling meetings with the Mayor,
- Authorizing the sale of City services,
- Fixing the salary of all elected officials by resolution,
- Exercising the other powers granted by the HRC.

Because the legislative power of the City is solely vested in the Council, the introduction of legislation necessary for the operations of all City Departments must be introduced by City Council members through their representative committees. Council members also introduce ordinances and resolutions which directly address policy and budgetary issues.

Council members elect one member as President of Council on the first Monday of January following each municipal election, who can be removed by a 2/3 majority vote in the event of malfeasance or nonfeasance, after due notice and an opportunity to be heard.

The President of Council appoints chairpersons to committees that correspond to City departments and functions. The business of that department must be introduced to Council by its chairperson.

City Council holds regular public meetings on Tuesdays at 10 o'clock and standing committee meetings every Wednesday. There are also various types of legislation and various civic issues that require a public hearing.

At the first Council meeting in April every third year, City Council elects a City Clerk and a Deputy City Clerk to serve for a term of three years. The majority of the City Clerk's duties regard attending to City Council administrative matters. The Clerk's Office also serves other City departments.

The City Clerk's Office coordinates and schedules all City Council public meetings and hearings. It keeps a record of the meetings and legislation. The Office also provides payroll, front desk, accounting and archival services to Council.

In addition to its budgeted accounts, City Council directs grants to various groups and projects through the Neighborhood Needs program and Community Development Block Grants (Unlimited Local Options) in the capital budget.

OBJECTIVES

1. To assess the spending practices and internal controls of City Council and the City Clerk's Office.
2. To assess the spending practices and internal controls of the "Neighborhood Needs" program and the "Community Development Block Grant – Unspecified Local Option" grant program.
3. To assess City Council's compliance with the Home Rule Charter and City Code.
4. To assess City Council's staffing, operation, and organization.
5. To assess City Council's compliance with the Findings and Recommendations from the Performance Audit of December, 2008.
6. To make recommendations for improvement.

SCOPE

The audit scope will be limited to examining City Council's actions during budget years 2011-13.

METHODOLOGY

The audit staff met with the President of Council, the City Clerk, the Deputy City Clerk, City Council's Budget Director, the Senior Budget Analyst and the City Clerk's Internal Accounts Monitor. The staff also communicated with the Assistant Director of Community Development from the Department of City Planning.

The auditors examined and tested a sample of the General Fund Operating Accounts of City Council/Clerk through City Controller accounting records and the spreadsheet records of the City Clerk. The accounting procedure was also tested for compliance with applicable controls and guidelines.

Temporary employees and consultants' payroll was also tested through the On-Base system. The accounting records of the Neighborhood Needs program and CDBG – ULO Capital Fund grant program were provided by City Planning and City Council's Budget Office.

An examination and assessment of City Council's compliance with Home Rule Charter, City Code requirements and the Rules of Council was undertaken by the auditors.

FINDINGS AND RECOMMENDATIONS

City Council Budget

City Council’s annual budget consists primarily of personnel expenses. Council’s operating expenses were charged through the City Clerk’s Office and it’s miscellaneous/professional services account.

Finding: City Council from 2011-13 has spent \$11,712.54 of its \$4,126,449 budget on non-salary items.

The following table #1 shows the budgeted vs. actual spending of City Council’s budget, and includes the smaller supplies/training line items. Council also has a miscellaneous/professional services line item to draw from that is part of the City Clerks budget, which will be examined in the following section.

Table # 1 – City Council Budget vs. Actual Spending 2011-13

Fiscal Year	Budgeted	Spent	Surplus	% of Budget Spent
2013 - Personnel	\$ 1,381,884.00	\$ 1,353,927.74	\$ 27,956.66	98.00%
2013 - Supplies	\$ 40,000.00	\$ 9,609.54	\$ 30,390.46	24.20%
2013 Total	\$ 1,421,884.00	\$ 1,363,537.28	\$ 58,346.72	95.90%
2012 - Personnel	\$ 1,350,103.00	\$ 1,338,432.61	\$ 11,670.39	99.10%
2012 - Supplies	\$ 40,000.00	\$ -	\$ 40,000.00	0.00%
2012 - Total	\$ 1,390,103.00	\$ 1,338,432.61	\$ 51,670.39	96.20%
2011 - Personnel	\$ 1,310,259.00	\$ 1,290,891.00	\$ 19,368.00	98.50%
2011 - Training	\$ 4,275.00	\$ 2,103.00	\$ 2,172.00	49.20%
2011- Total	\$ 1,314,534.00	\$ 1,292,994.00	\$ 21,540.00	98.40%
Three Year Total	\$ 4,126,449.00	\$ 3,994,963.89	\$ 131,535.11	96.80%

Figures from City Controller's Expenditures by Cost Center reports

Finding: City Council has not exceeded its budget from 2011-13.

Finding: City Council’s budget has increased by 8% from 2011-13 and City Council spending has increased by 5% over that same period.

City Council Salary Account

A Council Member, as an elected official, has a unique status as an employee. They are considered to be on 24-hour call and do not have to account for their working hours. Council Members are eligible for health and pension benefits, but not vacation, personal, or sick time. Council Members are also ineligible for unemployment compensation. The auditors have not been able to discover a statutory or other basis for this status. These practices appear to have evolved over time.

Council's regular staff members are designated as full-time or part-time (employees employed on a basis of less than 1,800 hours per year) upon hire. Generally, full time employees receive a salary with a full City benefit package, while part-time employees work for an hourly wage with a limited set of benefits.

At the end of every pay period, the regular staff members must turn in time sheets, signed and approved by their Council member, to the City Clerk's Office. The time was entered in the Ceridian payroll system during the audit period, but in the future will be transferred to the JD Edwards accounting system.

The Deputy City Clerk is responsible for collecting and entering payroll records for all regular City Council staff after Council approval. There are approximately 40 regular employees. Every two weeks an e-mail message goes out to all council employees from the Deputy Clerk requesting their time sheets. The information on the time sheets is entered into the payroll system on alternating Fridays. The time cards require the signatures of the employee and Council Member.

Temporary employees and consultants are paid out of the City Council's Professional Services account rather than City Council's Salary account. The payment process requires a Professional Services invoice and the approval of City Council, as the payments are presented as explanatory invoices.

The auditors examined 102 time sheets for temporary employees and consultants during 2011-13. The breakdown of hours worked was missing on 15 cards, Professional Service Invoices were missing from four of the sheets and four time sheets lacked employee signatures. In records that provided a daily time breakdown, the daily hours matched the total hours reported.

Finding: Temporary employees and consultants Professional Services pay documentation was found to sometimes be incompletely submitted to the City Clerk.

RECOMMENDATION NO. 1:

City Council should submit pay sheets that list the daily time worked, are properly signed by the employee, approved by the Council member and include a Professional

Services invoice. If one of these is absent, the pay sheet should be returned to the Council member for correction.

Finding: City Council paid temporary employees and consultants from both City Council's Salary account and the City Clerk's Professional Services account. Twenty nine (29) time sheets representing \$15,870 in payments that should have been submitted through the Miscellaneous/Professional Services account were instead submitted through the City Council Salary account.

RECOMMENDATION NO. 2:

City Council should pay temporary employees and consultants through the Professional Services account in accordance with the policies and Rules of City Council.

According to the Rules of Council XVII, a part-time employee paid from the Professional Services account must sign a contract upon reaching \$10,000 in wages.

Finding: No employee or entity received \$10,000 or more during the audited fiscal years.

City Council Miscellaneous Accounts

City Council's professional/miscellaneous services account is part of the City Clerk's budget. The budget line was titled "Miscellaneous Services" until 2013, when it was changed to "Technical and Professional Services."

The professional/miscellaneous service account is used by City Council primarily for temporary office staff, consultants, community grants, education/seminars, travel and out of pocket office reimbursements. The account provides approximately \$8,000 per Council member and is monitored internally by the City Clerk. Also included are various smaller expense items charged to the line items "supplies" and "other services."

Table #2 - Miscellaneous Spending by City Council District 2011-13

CD	COMMUNITY	P/T STAFFING	R & D FEES	OFFICE	TOTAL 2011-13
1	\$12,330.63	\$3,343.00	\$2,287.98	\$5,447.20	\$23,408.81
2	\$17,153.17	\$7,296.00	\$100.00	\$1,347.23	\$25,896.40
3	\$199.57	\$8,620.50	\$3,227.01	\$4,551.95	\$16,599.03
4	\$7,601.59	\$7,833.98	\$3,790.16	\$1,469.13	\$20,694.86
5	\$700.00	\$7,578.83	\$4,679.67	\$1,728.00	\$14,686.50
6	\$14,496.86	\$123.63	\$2,570.45	\$1,496.26	\$18,687.20
7	\$4,796.62	\$875.00	\$8,228.00	\$916.67	\$14,816.29
8	\$27.66	\$2,840.00	\$5,870.56	\$3,339.10	\$12,077.32
9	\$983.44	\$6,795.00	\$6,240.87	\$1,107.80	\$15,127.11
ALL	\$58,289.54	\$45,305.94	\$36,994.70	\$21,403.34	\$161,993.52

Data provided by the City Clerk's Office

The definitions used for Table # 2 are:

Community - Donations made to support community groups, events and small projects;

P/T Staffing - Part-time and as-needed employee payments for service, along with staff reimbursements;

R&D Fees - Travel, seminars, continuing education, community development and city-wide rather than district research topics; and

Office - Sundry supplies and office equipment.

Finding: During the audit period, City Council spent \$161,994 from the Professional Services and other minor accounts. That is an average of \$53,998 per year, less than its annual \$72,000 allocation. At no time did Council threaten to go over the “soft” cap, with total 2012 expenditures of \$61,893.53 being the most spent in a single year.

Table # 3 – Overall City Council Spending By Category 2011-13

#	COMMUNITY	P/T STAFFING	OFFICE	R & D FEES	TOTAL 2011-13
\$	\$58,289.54	\$45,305.94	\$21,403.34	\$36,994.70	\$161,993.52
%	36%	28%	23%	13%	100%

Data provided by the City Clerk's Office

Finding: The largest category in both volume and expense is the Community Groups/Events grouping. There were 373 items in this class which accounted for 36% of the total Professional/Miscellaneous account spending by City Council.

The Community Groups/Events grouping account is used for a variety of purposes, primarily in support of youth, community and scholastic groups through ads, hall rentals,

refreshments and donations, including items such as City pool tags, group membership and parade entry fees. The use of this category is uneven among the Council districts.

Finding: Four Council districts have spent less than \$1,000 in the Community category, two others have spent between \$1,000 and \$10,000 and the remaining three districts have spent over \$10,000 during the audit period (see Table # 2 on the preceding page).

The variance in spending reflects a division of opinion among Council members. Some Council members appear to use this category as a replacement for the “City Council Grants - Grants and Donations” account which was eliminated from the budget in 2004 while others fund community organizations and events mainly with their campaign funds.

The expenditures to the community groups are permissible under the Rules of Council, which require only approval by the Council President (Rule XVII, Section D). The expenditures are available to those with internet access, as they are listed on the City Clerk’s web page by week under “Approved Invoices” with the district and group identified, and archive one full year of activity.

Finding: The Community category account is not uniformly utilized by Council members.

RECOMMENDATION NO. 3:

Given the gap in Community expenditures, the use of this category should be better defined by City Council. The possible options range from elimination of the category to the re-establishment of a separate “Grants and Donations” account that would reflect current budgetary constraints.

Finding: Of the 373 Community-based invoices examined, 33 (9%) were unsupported by receipts.

Finding: Of 110 invoices charged to the Office Supplies category, eight (7%) were found to be missing receipts.

RECOMMENDATION NO. 4:

All invoices presented to the City Clerk’s Office by City Council should contain receipts.

Finding: The auditors examined 108 Staffing category invoices. Of them, 13 were for downtown parking/transit reimbursements, 19 for cell phone data plan reimbursements and three for staff lunches. There is no written City policy regarding these categories.

RECOMMENDATION NO. 5:

City Council should determine a uniform policy to identify which staff expenses are reimbursable and which are costs that should be absorbed by the employee.

Finding: There were 54 R & D category invoices examined, and 11 (20%) were found to have partial documentation, primarily involving incomplete travel voucher receipts.

RECOMMENDATION NO. 6:

City Council should submit complete travel expense forms, including reimbursable receipts, to the Clerk's Office.

The professional/miscellaneous account is also used by the City Clerk's Office for general office and meeting-related expenses. The Clerk's spending includes office expenses, postage, and archival/recording services among other general categories.

Since 2006, City Council has utilized a Professional Services Invoice sheet with the bills it presents to the City Clerk for payment. The sheet includes vendor information and the approval of the submitting Council member. The invoices are then reviewed for approval on a weekly basis by the President of City Council before processing. Bills incurred by the City Clerk's Office do not require the Council President's approval, and are reviewed and approved by the City Clerk.

Finding: The auditors tested 99 invoices generated by the City Clerk's Office from the professional/miscellaneous account. Four minor items were missing receipts, none exceeding a value of \$30, and were found to be immaterial.

In the prior 2008 audit, there were concerns regarding the intermingling of Miscellaneous Services between the City Clerk's Office expenses and City Council's as the account was used by both.

Finding: The City Clerk's Office kept individual track of the City Council usage with sub accounts. City Clerk expenditures were recorded under #101200 while each City Council district was assigned a unique number, with # 101210 representing the first district, sequentially up to #101290 representing the ninth, as a control on expenditures.

City Council Neighborhood Needs Program

The Neighborhood Needs Program was established in 2000 when each Council District and the Mayor's Office were allocated \$1,000,000 in General Fund monies to use for neighborhood investment. In 2001, \$125,432 was added to each Council account from

bond repayment funds. This is known as the “Neighborhood Needs Supplement 2001”. The funding from these two sources can be used for either capital or operating projects.

The original intention of the Neighborhood Needs (NN) grants was to pay for smaller community based capital projects that were not included in the City Capital Budget. 2003 was the final year for “Grants and Donations” that were awarded through the City Budget, and NN awards were increasingly directed towards community organizations and services from that time.

The fund was increased once again in 2003 with the “Community Needs of 2003” allocation of \$102,691 per Council account. This money was from bond funds, and can only be used for capital projects. The three funding sources were one time revenue sources, amounting to \$1,228,123 per Council district. The funds remaining in the three accounts were combined in 2011 into a single account per Council District.

Finding: When the NN funds are spent, the program will be completed unless a future revenue source is dedicated to replenish it.

The funding is directed by the Council member to whichever projects he or she believes to be in the interests of their district. Many times, the awardee doesn’t prepare a grant application until after the award. The funding is considered a part of the Capital budget, and a specific process must be followed to award the grant.

The City Council Budget Office advises the individual Council members of the status of the Neighborhood Needs funds available to their district periodically or upon request. In the past, the CCBO has gone through the active accounts and liquidated several projects, reapplying the funds to a general, district-wide account for the Council members to use for other projects.

Council awards and adjusts Neighborhood Needs funding by its own criteria, and begins the funding process through the Council Budget Office, which determines if a project is eligible and whether there are available funds for it.

The City Council Budget Office (CCBO) will give a project number and prepare a resolution to amend the Capital budget to include the award/adjustment and encumber funds for the project. The Law Department and the Mayor’s Office also review the project to determine if it is eligible for funding.

The CCBO will determine if an approved project should be done in-house, by B-contract, by bid or through the neighborhood group itself, depending on the nature of the project. Security cameras, for example, are purchased through the City vendor so that they can be integrated into the City system. Likewise, some neighborhood public work projects are assigned to the Department of Public Works.

If the award is to a community group, the Council member prepares an award letter to the group, requesting a scope of services. The Mayor's Grant Manager will then prepare a contract and manage the invoicing.

Table #4 - Neighborhood Needs Balance by District (2000-2013)

District	Allocation	Unencumbered	Amount %
District 1	\$ 1,171,622.00	\$ 371,582.63	31.7%
District 2	\$ 1,216,123.00	\$ 1,600.00	0.1%
District 3	\$ 1,228,123.00	\$ 41,878.13	3.4%
District 4	\$ 1,248,123.00	\$ 102,033.18	8.2%
District 5	\$ 1,228,123.00	\$ 36,059.24	2.9%
District 6	\$ 1,239,451.00	\$ 123,302.79	9.9%
District 7	\$ 1,221,098.00	\$ 66,992.76	5.5%
District 8	\$ 1,228,768.00	\$ 127,424.55	10.4%
District 9	\$ 1,228,123.00	\$ 216,387.42	17.6%
City Clerk	\$ 125,204.30	\$ 125,204.30	100.0%
Mayor	\$ 104,021.00	\$ 104,021.00	100.0%
Total	\$ 11,134,758.30	\$ 1,316,486.00	11.8%

Figures provided by the City Council Budget Office

Finding: Despite receiving no new funding since 2003, the Neighborhood Needs account still retains 11.8 % of its allocation. This retention rate is largely due to shuffling of funding from one group to another or because the group awarded the grant was unable to claim its funding because of organizational or project-related issues.

Table #5 - Neighborhood Needs Project Status (2000-13)*

District	Done/ Ongoing	Funded	Deleted	Total	Spent	\$ per Done/Ongoing Project
District 1	67	26	33	126	\$ 764,601.45	\$ 11,411.96
District 2	39	5	16	60	\$ 1,206,858.47	\$ 30,945.09
District 3	61	18	38	117	\$ 1,117,861.62	\$ 18,325.60
District 4	45	6	12	63	\$ 1,040,830.82	\$ 23,129.57
District 5	52	15	30	97	\$ 1,083,220.86	\$ 20,831.17
District 6	58	14	33	105	\$ 1,110,648.21	\$ 19,149.11
District 7	73	7	26	106	\$ 1,157,209.24	\$ 15,852.18
District 8	73	9	35	117	\$ 1,098,843.45	\$ 15,052.65
District 9	47	8	28	83	\$ 976,114.58	\$ 20,768.40
Total	515	108	251	874	\$ 9,556,188.70	\$ 18,555.71

Information provided by City Council Budget Office

*In this table, the following definitions are used:

- Done/Ongoing – Projects completed or in progress and drawing on their funds;
- Funded – Projects funded that have not yet drawn on their funds; and
- Deleted – Projects that were defunded and had their entire allocation transferred to another project.

Finding: Fifty-nine percent (59%) of the projects funded by the Neighborhood Needs program have been completed or are in progress and drawing from their allocated funding. Twenty-nine percent (29%) of the projects have been defunded in entirety with their full allocation transferred to another project, and the remaining projects are approved with funding encumbered but have yet to draw on their allocation.

RECOMMENDATION NO. 7:

City Council should work together with the community groups to make sure the groups have the capabilities to utilize Neighborhood Needs funding and the ability to manage the funded project to completion.

Community Development Block Grants – Unspecified Local Options

Community Development Block Grants (CDBG) is an ongoing federal program which provides support to low income neighborhoods. Under the program, eligible community groups can receive grants for a wide range of projects which address housing, economic, and human service needs of low income residents and neighborhoods.

Non-CD areas are eligible to receive funding if the organization administers a food bank, senior center, adult daycare center, battered spouses shelter or children's home. The funds are monitored by HUD and City Planning and are under strict oversight by both agencies.

Every year, the City receives federal government money which is put in the Unspecified Local Option ("ULO") section of the budget for City Council and the Mayor to award to deserving community projects. CDBG funds are distributed equally among council member districts. Their procedures are covered under Council Rule XVIII. There are also seven city-wide initiatives that City Council as a group funds annually.

To apply for an award, community groups must submit online applications to the planning department. All awards are funded by the Federal Department of Housing and Urban Development ("HUD") and projects must meet with its requirements to become approved for funding. Once approved, proposals are submitted to the appropriate council member. City Council members may elect to fund these new projects by amending the budget through resolution. Once selected, the project is entered into the budget, and planning will prepare a contract with the community group.

Finding: All of the organizations that receive CDBG-ULO funding are qualified under HUD guidelines.

Once the project is under contract, the funds are administered through a reimbursement process whereby the community group must first submit an invoice to City Planning's Community Development office before receiving the allocated funds.

CDBG money under contract is usually not entirely spent during the fiscal year. There is no timetable for the disbursement of funds, many of which are capital projects that may take a couple of years to complete. Also, there is often a lag between the award of the funding and the initial billing of the project. CDBG money is received in June of the fiscal year causing current year spending to look undervalued. Under these circumstances, only the amount of money under contract was looked at for the years 2011-2013.

The following tables show how much each district and their community groups were allocated in CDBG-ULO money and how much was actually committed under contract for projects for years 2011-2013. The tables are updated to November 30, 2013 and any money under contract after this date is not shown.

Table #6 - CDBG-ULO Spending 2013

COUNCIL DISTRICT	CDBG-ULO ALLOCATON	MONEY UNDER CONTRACT	MONEY NOT UNDER CONTRACT	% OF NON CONTRACTED MONEY
1	\$75,000.00	\$4,000.00	\$71,000.00	95%
2	\$75,000.00	\$45,328.37	\$29,671.63	40%
3	\$75,000.00	\$2,000.00	\$73,000.00	97%
4	\$75,000.00	\$55,500.00	\$19,500.00	26%
5	\$75,000.00	\$7,000.00	\$68,000.00	91%
6	\$75,000.00	\$0.00	\$75,000.00	100%
7	\$75,000.00	\$2,000.00	\$73,000.00	97%
8	\$75,000.00	\$24,000.00	\$51,000.00	68%
9	\$75,000.00	\$0.00	\$75,000.00	100%
TOTAL	\$675,000.00	\$138,828.37	\$535,171.63	79%

Figures provided by the City Council Budget Office

Finding: Twenty-one percent (21%) of the 2013 CDBG-ULO funding was under contract as of November 30th, 2013. CDBG money was not received until June 2013.

Table #7 - CDBG-ULO Spending 2012

COUNCIL DISTRICT	CDBG-ULO ALLOCATON	MONEY UNDER CONTRACT	MONEY NOT UNDER CONTRACT	% OF NON CONTRACTED MONEY
1	\$77,862.99	\$47,500.00	\$30,362.99	39%
2	\$75,000.00	\$60,000.00	\$15,000.00	20%
3	\$75,000.00	\$59,000.00	\$16,000.00	21%
4	\$77,398.25	\$57,398.00	\$20,000.25	26%
5	\$75,000.00	\$71,000.00	\$4,000.00	5%
6	\$75,000.00	\$49,000.00	\$26,000.00	35%
7	\$75,000.00	\$32,500.00	\$42,500.00	57%
8	\$75,000.00	\$50,000.00	\$25,000.00	33%
9	\$75,000.00	\$40,000.00	\$35,000.00	47%
TOTAL	\$680,261.24	\$466,398.00	\$213,863.24	31%

Figures provided by the City Council Budget Office

Finding: Sixty nine percent (69 %) of the 2012 CDBG-ULO funding was under contract as of November 30th, 2013.

Table #8 - CDBG-ULO Spending 2011

COUNCIL DISTRICT	CDBG-ULO ALLOCATON	MONEY UNDER CONTRACT	MONEY NOT UNDER CONTRACT	% OF NON CONTRACTED MONEY
1	\$88,889.00	\$77,889.00	\$11,000.00	12%
2	\$88,889.00	\$83,889.00	\$5,000.00	6%
3	\$88,889.00	\$83,889.00	\$5,000.00	6%
4	\$88,889.00	\$73,889.00	\$15,000.00	17%
5	\$88,889.00	\$88,889.00	\$0.00	0%
6	\$88,889.00	\$81,889.00	\$7,000.00	8%
7	\$88,889.00	\$66,200.00	\$22,689.00	26%
8	\$88,889.00	\$75,889.00	\$13,000.00	15%
9	\$88,888.00	\$38,500.00	\$50,388.00	57%
TOTAL	\$800,000.00	\$589,034.00	\$129,077.00	16%

Figures provided by the City Council Budget Office

Finding: Eighty-four percent (84%) of the 2011 CDBG-ULO funding was under contract as of November 30th, 2013.

Finding: CDBG-ULO grants are often unavailable for a period of several months to the awardee. This is because of the time delay in developing a contract after the original award date. As demonstrated in Tables 7 and 9, the more current 2013 grants are largely unspent in the first year, while monies allocated in 2011 are almost entirely spent.

Finding: The CDBG reimbursement process sometimes causes the unintended consequence of delaying or entirely stopping a proposed project because many of the community groups lack the expertise or financial ability to initiate a project on its own.

In other cases, projects are delayed or stopped because of a change in the group's mission, management, or leadership. Some groups never use the money that is allocated to them, and other projects are completed under budget. These issues have left council districts with a remaining balance of funds. The last performance audit in 2008 showed CDBG-ULO funds with an unused balanced dating back to 1994.

Finding: All CDBG money awarded prior to 2006 has been cleared either through expenditure or transfer to other eligible CDBG-ULO projects, leaving a zero balance. From 2006-2010, 10% of the allocation has yet to be spent.

The following table shows the remaining balance of CDBG funds for the years 2006-2010. The remaining balance is the amount of money under contract that was never reimbursed and money that was allocated to community groups but was never entered into a contract.

Table #9 - CDBG-ULO Remaining Funds 2006-2010

COUNCIL DISTRICT	DISTRICT ALLOCATON	REMAINING BALANCE	% MONEY REMAINING
1	\$375,500	\$101,651.19	27%
2	\$375,000	\$29,180.11	8%
3	\$375,000	\$24,250.00	6%
4	\$375,000	\$13,500.00	4%
5	\$375,000	\$20,889.80	5%
6	\$375,000	\$45,787.76	12%
7	\$375,000	\$57,000.00	15%
8	\$377,000	\$47,385.68	13%
9	\$375,000	\$9,841.34	3%
TOTAL	\$3,377,500	\$349,485.88	10%

Figures provided by the City Council Budget Office

Finding: \$349,485.88 of the funds allocated to community groups from 2006-2010 are unspent. Ordinance #30 of 2013 states that "...CDBG funds not expended within three years shall be reprogrammed..." by the Council District Office that originally awarded the grant. *(Note: the Ordinance was not signed by the Mayor until November, 2013, leaving little time for the City Council Budget Office/District Offices to reprogram the funds.)*

RECOMMENDATION NO. 8:

Council members should work with community groups and the budget office to reprogram the remaining funding into other projects in future ULO budgets in accordance with Ordinance #30.

The CDBG money awarded to community groups had no minimum allocation amount prior to 2013. The administrative and audit costs are generally the same no matter what the value of the contract, making larger grants awards more cost effective. It was recommended in the last controller's audit that City Council should have a minimum allocation of \$2,500 to each community group.

Table 11 shows how much money each community group was rewarded from 2011-2013 and what percentage was over the recommended amount of \$2,500.

Table #10 - 2011-2013 CDBG allocation by Grant Amount, 2011-13

YEAR	< \$1500	%	\$2,000 - \$2,499	%	\$2500 >	%	Total
2011	30	17%	52	30%	91	53%	173
2012	27	17%	51	33%	77	50%	155
2013	32	19%	53	32%	81	49%	166
TOTAL	89	18%	156	32%	249	50%	494

Figures provided by the City Council Budget Office

Finding: Only 50% of the district organizations were awarded grants of \$2,500 or more during the audit period. Thirty two percent (32%) of the awards were between \$2,000 and \$2,500. The remaining awards or 18% were between \$500 and \$1,500 with sixteen awards for \$500.

Finding: In 2013, Ordinance #30 was signed by the Mayor, setting the minimal City Council CDBG-ULO grant at \$2,500, meeting and going beyond the City Controller’s 2008 audit recommendation.

City Council also annually allocates CDGB-ULO funding to seven City-wide social service organizations, as shown in the following table:

Table #11 - City Wide CDBG-ULO Funding 2011-13

CITY WIDE AWARDEES CITY COUNCIL CDBG-ULO	ALLOCATION 2013	ALLOCATION 2012	ALLOCATION 2011	ALLOCATION 2011-13
Center for Victims Violent Crimes/Pgh Mediation Center	\$10,000.00	\$10,000.00	\$10,000.00	\$30,000.00
Greater Pittsburgh Community Food Bank	\$200,000.00	\$200,000.00	\$200,000.00	\$600,000.00
Just Harvest	\$25,000.00	\$25,000.00	\$25,000.00	\$75,000.00
Pittsburgh Action Against Rape	\$10,000.00	\$10,000.00	\$10,000.00	\$30,000.00
Pittsburgh Community Service-Hunger	\$250,000.00	\$200,000.00	\$200,000.00	\$650,000.00
Pittsburgh Community Service-Safety	\$70,000.00	\$70,000.00	\$70,000.00	\$210,000.00
Urban League Hunger Games	\$42,500.00	\$42,500.00	\$42,500.00	\$127,500.00
TOTALS	\$607,500.00	\$557,500.00	\$557,500.00	\$1,722,500.00

Information from City Planning Documents

Finding: All the City-Wide funding is either under contract to be spent or already expended except for Just Harvest’s grant. Just Harvest has not entered into a contract to receive its allocation since 2008.

RECOMMENDATION NO. 9:

If Just Harvest does not intend to enter into a contract with the City to accept the grant, the funding should be redirected to a different qualified organization.

City Council Meetings

Section 315 of the HRC states that “Council shall conduct and hold meetings at which legislation may be introduced and passed at least 50 weeks during the calendar year”. The commentary section of the HRC reads “The City’s business requires frequent council meetings without long intervals between meetings. Members are expected to stagger their vacations so that a quorum will be present at all meetings”.

All Council meetings are open to the public and allow for a public comment period per the Rules of Council (Rule VI, sections a & c). Additionally, legislative and committee meetings of City Council are cablecast and replayed the evening of the meeting and during the weekend. All meetings, public hearings and post agendas that are cablecast are video streamed live and then archived on the City Clerk’s web site.

Finding: City Council has met the required 50 times from 2011-13 (see table #12 on the following page). All the meetings were cablecast and archived for interested parties that could not attend the sessions.

The only exception to the public comment rule is a post-agenda hearing, a session which Council members invite expert guests to discuss various issues.

Finding: City Council scheduled 80 post-agenda sessions from 2011-13. The sessions were cablecast, archived and available for public view.

The Rules of Council (Rule II) call for a \$10 fine for missed meetings in order to insure a required quorum, but absences are routinely excused by Council vote at the end of each session.

Finding: Council has had a required quorum for all its business and committee meetings during the audit period.

City Council Public Hearings

Sections 319 and 320 of the HRC mandate when a public hearing is required to be held by City Council. The reasons include budget adoption, appropriations, land and zoning issues, taxation, creation of an authority or agency, and public petition.

Public petition is a process where the citizens can call for a public hearing on any pending legislation by presenting the City Clerk by presenting a petition signed by 25 qualified City voters no later than three days after notice of the legislation was posted.

The City Clerk notifies the City Council President when a hearing is mandated, and the President schedules a future hearing date within 30 days of notification.

Finding: City Council held 446 sessions from 2011-13 and has satisfied the requirements of the HRC in regards to holding public hearings.

Table #12 - Council Meetings 2011-13

Year	Regular	Standing	Post Agenda	Public Hearings	Total
2013	50	48	23	24	145
2012	50	46	30	29	155
2011	50	48	27	21	146
Total	150	142	80	74	446

Source: City Clerk's Office

After the 2008 audit, there were a pair of public hearings that did not fall within the mandated schedule because of procedural delays in the paperwork to City Council, one which was addressed by the June, 2010 City Controller's report "Conditional Use Hearing Process".

The City Clerk's Office now receives electronic notification of board decisions that require public hearings, as recommended by the report and which has helped resolve the timing issues. However, there is still sometimes a gap between a board decision and City Council notification.

Time lapses cause confusion as to whether the mandated hearing window begins as soon as the various boards reach a decision or when City Council, through the Clerk's Office, is notified that it is required to take action, and this has led to current litigation based on a disputed hearing date in regards to a historic designation decision.

Finding: City Council believes that its public hearing duties begin upon its notification, and would seem to be supported by City Code Chapter 1101.03 (i) (4), which states "City Council shall vote on the designation of a nominated district, structure, site or object within one hundred twenty (120) days of Council's receipt of the recommendations of the Historic Review Commission and the City Planning Commission."

Public City Council Meetings with the Oversight Representatives:

Ordinance 6 of 2004, among other things, changed the City Code by adding Chapter 152.01 “Special Meetings with the Act 47 Coordinator and Oversight Committee Board – Financial Status Report”. It states that City Council, the Mayor and the City Controller are to meet with the representatives of Act 47 and the Intergovernmental Cooperation Authority at a minimum of every five weeks. Attendance is compulsory for the City officials and voluntary for the oversight officials. The meetings are to be scheduled and chaired by the President of Council, held in City Council Chambers and televised.

Finding: The public Act 47 Oversight Board meetings are not held as mandated in the City Code.

RECOMMENDATION NO. 10:

The President of Council should either schedule the meetings mandated by City Code Chapter 152.01 with the Intergovernmental Cooperation Authority and Act 47 Coordinator every five weeks or amend the Chapter to alter or eliminate the requirement.

City Council Legal Advisor

Under Section 310 (a) of the HRC, City Council is empowered to employ its own staff and consultants, including an attorney who may act as legal advisor and represent council as a body in legal proceedings. The only limitation placed on council’s attorney is that he or she may not represent the City, as that is the sole duty of the City Solicitor.

Historically, after the HRC was adopted, City Council allocated funds for legal fees as a line item in the budget.

City Council may utilize the City Solicitor’s Office for representation and opinions regarding City-related business, but as a result of its “checks and balances” role, it sometime perceives the Solicitor’s Office as conflicted and may prefer independent, arms length counsel to advise it.

Since 1984, various resolutions and proposals to provide City Council with its own dedicated legal representation have been presented.

Finding: The HRC allows for City Council to have its own legal representation, but was not specific as to what form the representation should take.

Possible types of legal representation include:

- Occasional legal advice can be funded through the Professional Services account, as directed by either an individual Council Member or the will of Council, a practice that has been occasionally utilized by City Council;
- The City Solicitor's Office can be utilized, as is current practice;
- Legal expenses can be categorized as a separate line item in the budget, as was done in the 1980s;
- A full-time outside Solicitor can be hired, either on a per-case or retainer basis, to represent City Council;
- A full-time Solicitor can be added as a shared member of City Council's staff;
- A full-time Solicitor can be part of the City Solicitor's staff and solely represent City Council and its interests.

Action on Remaining Past Recommendations

In the 2008 audit of City Council, it was recommended that Neighborhood Needs pre-encumbrance accounts be eliminated, the use of airline credit cards should be discontinued and the use of standard City draw-down travel expense procedures should be adopted.

Finding: City Council has eliminated its pre-encumbrance account (which was incorporated into the Neighborhood Needs funding pool).

Finding: City Council has eliminated the use of credit cards.

Finding: Travel by City Council, its staff and the City Clerk's Office is now pre-approved as per the Rules of Council (Rule XVII C), which state that "All reimbursable travel or educational and training of staff and members shall first be approved by the President of Council". City Council now employs the general City travel reimbursement policy per City Code Sections 108.6 and 108.8, along with Federal travel reimbursement guidelines.



BRUCE A. KRAUS
Councilman, City of Pittsburgh - District 3
City Council President



April 9, 2014

The Honorable Michael Lamb, Controller
City of Pittsburgh
414 Grant Street
Pittsburgh, PA 15219

Dear Controller Lamb:

I have reviewed the Performance Audit recommendations along with Finance Chair Rudiak, the City Clerk and the Council Budget Office and we hereby officially respond to the audit. I would like to thank you and your audit team for meeting and working thoughtfully with our staff.

As contained in the audit many of the suggested recommendations of the 2008 audit have been implemented. I appreciate the work with the recommendations of this audit as, I believe, it will assist this Council to better improve our processes and governance, allowing us to provide the best possible practices that our residents deserve. It should be noted that some of the recommendations will require changes to the Rules of Council governing the business of the nine independent members. This will require consensus, public discussion and a majority vote of the nine members. As President, I have appointed a Rules Committee that shall be discussing the recommendations.

Our specific responses to the recommendations of the performance audit are attached. We look forward to implementing many of the recommendations contained herein.

Sincerely,

President Bruce Kraus

Cc: Members of Council
Mary Beth Doheny, City Clerk
William Urbanic, Council Budget Director

510 City-County Building • Pittsburgh, Pennsylvania 15219
412-255-2130 • Mobile Office: 412-689-1130
bruce.kraus@pittsburghpa.gov



**PITTSBURGH CITY COUNCIL
PERFORMANCE AUDIT RESPONSE
Wednesday, April 09, 2014**

RECOMMENDATION NO. 1:

City Council should submit pay sheets that list the daily time worked, are properly signed by the employee, approved by the Council member and include a Professional Services invoice. If one of these is absent, the pay sheet should be returned to the Council member for correction.

RESPONSE: We agree with this recommendation.

RECOMMENDATION NO. 2:

City Council should pay its temporary employees and consultants through the Professional Services account in accordance with the policies and Rules of City Council.

RESPONSE: We agree with this recommendation. Part-time employees that are City employees should be paid from salary while temporary contractors should be paid from Professional and Technical Services line item. Council shall work with the Clerk to assure that the services are properly booked.

RECOMMENDATION NO. 3:

Given the gap in Community expenditures, the use of this category should be better defined by City Council. The possible options range from elimination of the category to the re-establishment of a separate "Grants and Donations" account that would reflect current budgetary constraints.

RESPONSE: We agree with this recommendation. As Council President I have formed a rules committee that is currently reviewing what should be permissible for approval of the President in regards to this expenditure line item. The committee will work with the Council Budget Office to determine best fiscal practice and consider a separate account for "Grants and Donations" as well as a defined criterion for approval.

RECOMMENDATION NO. 4:

All invoices presented to the City Clerk's Office by City Council should contain receipts.

RESPONSE: We agree with this recommendation. As discussed in the exit interview the missing receipts were considered immaterial. However, Council and the Clerk shall continue to work to assure all invoices are matched with receipts.

RECOMMENDATION NO. 5:

City Council should determine a uniform policy to identify which staff expenses are reimbursable and which are costs that should be absorbed by the employee.

RESPONSE: Council leadership believes a written city-wide policy should be established of which Council will adhere to. We will be open to work with the Administration in development of written policies. In the interim, the Rules committee will take this recommendation under advisement and work to provide a uniform guideline for our members.

RECOMMENDATION NO. 6:

City Council should submit complete travel expense forms, including reimbursable receipts, to the Clerk's Office.

RESPONSE: We agree with this recommendation.

RECOMMENDATION NO. 7:

City Council should work together with the community groups to make sure the groups have the capabilities to utilize Neighborhood Needs funding and the ability to manage the funded project to completion.

RESPONSE: The Council Budget Office routinely reviews Neighborhood Needs allocations and makes recommendations to individual members. When a community organization is involved the process slows in the law department and/or contracting department for a variety of reasons which can include tax exempt status, changing board composition, changing board priorities, insurance/bonding, etc. The Council Budget Office will continue to work with Councilmembers, community organizations, the Law Department and the Office of Management and Budget to qualify and move projects.

RECOMMENDATION NO. 8:

Council members should work with community groups and the budget office to reprogram the remaining funding into other projects in future ULO budgets in accordance with Ordinance #30.

RESPONSE: We agree with this recommendation. For the 2013 Budget the \$2,500 floor for allocations was implemented. As mentioned in the previous response there are a variety of reasons projects may not move forward or be abandoned. The Council members, Budget Office, Planning Department and community organizations will continue to work to qualify, move and clear projects.

RECOMMENDATION NO. 9:

If Just Harvest does not intend to enter into a contract with the City to accept the grant, the funding should be redirected to a different qualified organization.

RESPONSE: We agree with this recommendation and will appropriately reprogram prior year "Just Harvest" funds since the Planning Department's CDBG Office has made numerous unsuccessful attempts to enter into contract with the organization.

RECOMMENDATION NO. 10:

The President of Council should either schedule the meetings mandated by City Code Chapter 152.01 with the Intergovernmental Cooperation Authority and Act 47 Coordinator every five weeks or amend the Chapter to alter or eliminate the requirement.

RESPONSE: Council will study the issue. As you are aware the 2004 Ordinance reflected a time of uncertainty when distressed status was first initiated and the first plan was passed. Since our Act 47 status was recently reaffirmed and we have nearly 10 years of oversight under our belt, there is an opportunity to discuss whether mandating of such frequent meetings is necessary.

CONCLUSION:

Council will address many of the recommendations and concerns contained in the audit within our rules committee. We again thank you and your staff, especially Ron Ieraci, for working diligently to help improve our operations as well as the City's at large.

