

FINANCE/AUDIT COMMITTEE MEETING

TUESDAY, FEBRUARY 15, 2022

6:02 PM

Mayor Rockingham, Jr., called the meeting to order.

Present: Jackson, Mayfield, Evans, Allen, Smith, Murphy, January

Absent: None

I. DISCUSSION/REVIEW OF LEGISLATIVE BUDGET/SPENDING :

WHAT IS A BUSINESS EXPENSE? WHAT ARE ACCEPTABLE CITY BUSINESS EXPENSES WHEN DOES IT BECOME CAMPAIGN EXPENSES?

Attorney Simon explained the State Law; the City Council had some discretion with business expense and clarified for public purpose. The discretion wasn't limited. He emphasized a business expense as a whole. No individual Alderman could establish a policy for the City only collectively as a group.

Alderman January joined the meeting at 6:07 p.m.

The Aldermen could expend anything and he listed I.R.S regulations if it could be classified as a business expense; individual could be reimbursed at end of the year. He explained the I.R.S. regulations; possible claiming travel/training reimbursement if matched expenses; commuting was non-reimbursable including campaign expenses. A social party was more comparable to campaign expense as it didn't benefit City as a whole. The Election Code; couldn't urge people to vote.

Alderman Mayfield stated she customarily gave gifts to seniors; charitable though not endorsed by the City Council and more leaning towards campaign than business.

Alderman Allen emphasized that the Seniors were the pillars of the City; Attorney Simon suggested establishing a line item in the budget for Senior Programs.

Treasurer, Vance Wyatt questioned I.R.S clarifying mileage to City Hall; Attorney Simon noted **535 ILS**; it couldn't be utilized for expenses and read from I.R.S information.

Alderman Smith stated it usually isn't a "grey" area; gave scenario of someone wanting to provide a gift to the seniors;

The Mayor explained the Christmas Program was budgeted; Attorney Simon clarified that it benefited the City as a Whole.

Alderman Jackson clarified City-Wide Program.

Alderman Evans clarified expenditures annually for Christmas programs to everyone; Attorney Simon stated had benefited a profile for campaign purposes; Attorney Simon stated not one characterization. Alderman Evans questioned difference vs. sending literature with his name.

Alderman Allen strongly stated that food was provided with his Ward meetings. Attorney Simon; updating on current events, employees, grants, etc. was allowed for educating the residents.

The Mayor questioned line item for food expense; Attorney Simon; it was a grey area and encourage if uncertain to meet with the Comptroller or Attorney.

Alderman Allen questioned donations to other organizations; Attorney Simon; if Council approved as a whole. Treasurer Wyatt clarified.

Attorney Simon emphasized the City was unable to donate for campaign purposes; the Mayor scheduled golf outing for Senator Johnson; he asked donations to the Townships for food pantry (golf Outing).

Alderman January expressed appreciation to the Alderman and Attorney Simon for discussing specific issues.

PROCUREMENT POLICY:

Attorney Simon explained budget expenses appropriated for specific purposes. Only the Comptroller has authority up to specific amounts for expenditures not in excess. The Procurement Ordinance stated wasn't individualized. The Comptroller had authority up to a certain dollar amount.

Comptroller, Mike Peterson questioned Ward meetings with food and beverages; Attorney Simon suggested establishing a limit collectively for amount budgeted for Ward meetings.

The Mayor explained if emergency should contact the Comptroller to expend over amount.

Alderman Jackson questioned if an ordinance for the procurement policy; Attorney Simon explained ordinance precedence over the policy.

Alderman Murphy stated need to close the loop; Alderman Allen encourage council to support local business if possible.

APPEAL PROCESS... WHEN THE MAYOR OR COMPTROLLER SAYS NO:

Attorney Simon explained that Council would decide collectively.

FUNDS NEEDED TO BUDGET FOR WARD MEETINGS?

- BUDGET FOR WARD MEETINGS?
- OUTREACH?
- TRAVEL & TRAINING?

Alderman Mayfield suggested an allotment of funding per ward; Alderman Jackson agreed on allotment; itemized not from a large amount and until funding was exhausted.

Alderman Evans questioned if funding could be transferred to another alderman; Attorney Simon stated it was more detailed; limited with line item and suggested a ward budget item with specified expenditures.

Alderman Evans suggested plan for future legislators. He emphasized that each ward was different and some needed more attention than others. He clarified starting at the top first.

Alderman Murphy stated annual budget wasn't relevant to future officials and suggested one amount annually per ward.

Alderman Allen suggested dividing current amount per ward.

Alderman Jackson questioned clarification with budget month; Attorney Simon stated **May 01, 2022**.

Alderman Smith asked the total budgeted amount; Alderman Jackson replied **\$42,000** divided by 7 Aldermen = **\$6,000**.

Alderman Smith questioned if anyone had spent more than allotted amount; Alderman Mayfield stated no. The Mayor explained. Alderman Smith clarified was doing much for the people; citizens scrapping money for the sidewalks and concerned of high salaries. He emphasized the money was for the people.

Alderman Jackson explained that the legislators were the fiduciary officers and it started within them.

Alderman January stated had paid for her Ward meeting and each ward was designed differently.

Alderman Jackson agreed with sharing if not using and should be case by case basis.

Alderman Murphy suggested only spending amount for their ward and should be good stewards.

Attorney Simon explained should be a budget amendment if change in budget from one to another

Alderman Smith questioned if joint meetings and events; Attorney Simon stated was more perceived as campaign related.

TRAVEL & TRAINING:

Attorney Simon explained that Travel & Training including expenses needed to be pre-approved. The Mayor explained that conferences were factored in the line item.

Alderman Smith clarified there wasn't much remaining if included Travel & Training; Alderman Mayfield stated would have to sacrifice.

FUND RAISING; IS THERE A SEPARATE **501C3** NEEDED TO BE ESTABLISHED?

Attorney Simon explained if volunteering a city program vs. approving individual separately. Voluntary donations could issue receipt and claim during tax year. Could claim money if already a city program and should be their own charitable organization.

REIMBURSEMENT FOR OUTREACH / MILEAGE:

Alderman Smith questioned flyer reimbursement; Attorney Simon replied he could.

Alderman Mayfield asked if she could pay someone to deliver her flyers; Attorney Simon strongly advised shouldn't pay someone for assistance, though could for mailing.

Alderman Evans stated had worked with Shields Township and questioned if able to be reimbursed to deliver meals; Attorney Simon; it was an extension of Shields' work and not a City's program.

The Mayor commended great discussion; more clarity on the discussion at this time.

MISCELLANEOUS:

Alderman Jackson stated had a better understanding.

Alderman Allen suggested paying the current outstanding bills and move forward.

Alderman Evans announced his Ward meeting held at Foss Park Community Center from **10 a.m.-2:00 p.m.**

He encouraged Aldermen's participation.

Alderman Jackson moved, seconded by Alderman Allen that Finance/Audit Committee stand adjourned.

ROLL CALL:

Ayes Jackson, Mayfield, Evans, Allen, Smith, Murphy, January

Nays: None

Absent: None

The meeting adjourned at 8:11 p.m.