

November 4, 2015

COMMITTEE MEETING MINUTES  
Personnel, Finance & Audit Committee  
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The Committee meeting was called to order at 8:30 a.m. by Chairman Chris Schmit. Upon roll call vote, the following Committee members were present: Ellen Beck and Barb Pike. Other officials present throughout the meeting were: Mayor Joshua Eickmeier, City Administrator Bruce Smith, and Assistant Administrator/Clerk-Treasurer/Budget & HR Director Bonnie Otte recording the proceedings. Absent: Dick Hans. Also in attendance was City Auditor Ryan Burger.

Chairman Schmit stated notice of the meeting was given in advance by posting at: City Hall, Seward County Courthouse, Municipal Building, and Seward Public Library. The certificate of posting notice is attached to these minutes. Notice of this meeting was simultaneously given in advance to the Mayor and all members of the Committee. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

1. DISCUSS ACCOUNTANT POSITION AND JOB DESCRIPTION

Chairman Schmit provided a brief background of the Accountant position and that it was a result of auditor comments a couple years prior. He stated the City developed a job description and a pay line and the job was posted. Several applicants were interviewed and the prior City Administrator returned to the Council requesting the pay line for the position be increased because the applicants that were being considered were requesting a higher salary than allowed by the approved pay line. Mr. Schmit stated the Personnel, Finance and Audit Committee at that time decided to rework the job description and then decided to wait for the new City Administrator to be hired prior to moving forward.

Ryan Burger (City auditor) stated the original job posting was left open-ended in that the applicants were to submit their salary request, so he was not sure if a person could have been hired within the approved salary range for the City.

Assistant Administrator/Clerk-Treasurer/Budget & HR Director Otte explained that prior to establishing the pay line, the City researched comparable pay lines for the position and realized that the proposed pay line may be slightly low; however, the thought-process at the time was to keep the pay line less than that of the current Deputy Clerk/Finance Director/Assistant Treasurer, since this position would be backup for and assisting the Finance Director.

Mr. Burger stated he feels the accountant position would be valuable for the purpose of separation of duties. The City currently has a "finding" on each audit due to a lack of separation of duties. He stated this is not uncommon for smaller communities to have such a finding because the cost of adding more staff may not outweigh the audit finding. He stated the position would also be valuable in making journal entries in preparation of the audit and for the City to have all cash, investments, inventory, receivables, in real time. He stated it would be helpful to monthly or quarterly tie out all balances. Currently, the auditing firm brings all funds into balance at the end of each year, but it is not tied out again until the following year. He stated they have never had a problem with the cash funds; however, it is the other funds that are not updated. Mr. Burger stated that the City needs to

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determine whether the updated information would be of value to the City's operations.

Mayor Eickmeier stated that in past practice, the department heads were responsible for their budgets and if there was a need to go over budget, there was a discussion with the City Administrator. The Council was typically not directly involved. He stated, from a practical standpoint, there has to be value with the information/reports received. He said the prior auditor didn't have concerns with the reports and information supplied in the financials and the next Council may also have a different opinion.

City Administrator Smith stated he isn't sure there would be enough work for a full-time accountant position. He said he didn't know how much time it would take to generate new reports or to analyze the information. There would likely be some realignment of duties. He said he considered filling the position with an intern or maybe a semi-retired accountant who would be interested in working a week a month to prepare the financials.

Councilmember Beck stated she would have concern with having an intern as with each new intern, you would lose the prior background and knowledge.

Councilmember Pike stated it would be nice to have a person report monthly to the Council on the financial status of the City and what things are coming up.

Otte stated that the current software system is likely capable of producing additional reports, but past Councils have not requested this information. She said staff could look into other report formats, but it would be helpful to know what specifics the Council would like to see.

Burger briefly mentioned that he would see the value of an accounting to assist with: bonding, financial forecasting, loans, budget, grant tracking, audit, allocation of revenues and expenses to utilities, and reviewing property tax needs vs utility rate increases, in addition to what he mentioned earlier.

Staff was asked to review the software capabilities and work with Ryan Burger in developing a report format prior to moving forward with filling the Accountant position.

## 2. REVIEW HEALTH CARE COSTS/POTENTIAL INCREASE, OPTIONS AND CURRENT CITY BENEFIT STRUCTURE

City Administrator Smith stated the City received information that the City's health care premium costs are to increase 20-27%. Currently the City has two health plan options with a lower deductible of \$250/\$500 and a higher deductible of \$1,000/\$2,000. On the higher deductible plan, the City reimburses the employee up to \$1,000/person, maximum 2 persons per family for the deductible. He said the \$250/\$500 plan is not comparable. All employees completed applications and the Kolterman Agency is seeking other carriers and options; however, there are only three carriers in Nebraska that serve group plans. He said the City is looking at an HSA option and self-insurance. He said the City is also considering offering a flex spending account.

Councilmember Schmit stated that the CIR and comparability is a tool, but does not have to be limited to other governmental agencies; the private sector can be used for comparability.

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City Administrator Smith stated he would bring the information back from Kolterman's when it is available.

3. MOTION TO ADJOURN

Committee member Beck moved, seconded by Committee member Pike to adjourn the 11-4-15 meeting of the Personnel, Finance & Audit Committee.