

# **CITY AUDITOR'S REPORT**

## **MONDAY, JULY 14, 2014**

### **ACTUARY REPORTS-PENSION FUNDS**

ON WEDNESDAY, JULY 2<sup>ND</sup>, CITY CONTROLLER CHRIS ZALE AND I PERSONALLY DELIVERED THE ACT 205 ACTUARY VALUATION REPORTS FOR 2013 TO THE PUBLIC EMPLOYEE RETIREMENT COMMISSION (P.E.R.C.) OFFICE IN HARRISBURG, PA.

THESE REPORTS WERE PREPARED BY OUR ACTUARIAL FIRM; MOCKENHAUPT BENEFITS GROUP, FROM PITTSBURGH PA., AND COVER ALL THREE CITY PENSION PLANS: POLICE, FIRE, AND NON-UNIFORMED (OFFICERS & EMPLOYEES).

I AM ASSISTING THE ADMINISTRATIVE SERVICES DEPARTMENT IN PREPARING OUR 2015 MINIMUM MUNICIPAL OBLIGATION (MMO) CALCULATION IN PREPARATION FOR THE UPCOMING 2015 BUDGET.

### **HIRINGS AND RETIREMENTS**

ON MONDAY, JULY 7<sup>TH</sup>, THE CITY HIRED KAYLENE HUGGINS AS OUR NEW PENSION COORDINATOR. THE PENSION COORDINATOR IS RESPONSIBLE FOR THE ADMINISTRATION OF OUR THREE (3) PENSION FUNDS; FIRE, POLICE AND NON-UNIFORMED (OFFICERS & EMPLOYEES). WELCOME ABOARD KAYLENE.

TOMORROW, JULY 15<sup>TH</sup>, WILL BE JESSICA KOHL-SHUMAN'S LAST DAY OF WORKING FOR THE CITY OF READING. JESSICA WORKED IN OUR TREASURY DIVISION (NOW CITIZENS SERVICES CENTER) FOR OVER 30 YEARS. IT WAS A PLEASURE WORKING WITH YOU JESS, CONGRATULATIONS. YOU EARNED YOUR RETIREMENT, ENJOY IT.

## READING PARKING AUTHORITY AUDIT FROM 12/31/2013

THE AUDITOR'S OFFICE RECENTLY RECEIVED A COPY OF AN AUDIT FROM THE READING PARKING AUTHORITY. THIS AUDIT, PREPARED BY HERBEIN & COMPANY, PRESENTS THE FINANCIALS OF THE PARKING AUTHORITY AS OF 12/31/13.

### SOME BRIEF COMMENTARY AND OBSERVATIONS ARE AS FOLLOWS:

- THE CITY LENT THE PARKING AUTHORITY \$830,000 (1999), \$675,000 (2000) AND \$550,000 (2001) FOR BOND DEBT TOTALLING \$2,055,000.
- THE PARKING AUTHORITY HAS NOT NEEDED ANY CITY SUBSIDIES SINCE 2001.
- BY 2009, THE PARKING AUTHORITY HAD REPAID IN FULL ALL AMOUNTS DUE TO THE CITY PLUS TRANSFERRED AN ADDITIONAL \$1.279 MILLION TO THE CITY.
- OPERATING REVENUES HAVE INCREASED FROM \$7,923,473 (2008) TO \$8,359,522 (2013).
- OPERATING INCOME HAS DECREASED FROM \$3,853,596 (2008) TO \$3,292,764 (2013).
- OPERATING EXPENSE HAS GROWN FROM \$4,069,877 (2008) TO \$5,066,758 (2013).
- THE PARKING AUTHORITY IS COMMITTED TOWARDS THE PFM ACT 47 RECOVERY PLAN, WITH INCREASED CONTRIBUTIONS TO THE CITY THROUGH 2014: (2011) \$1.35 MILLION, (2012) \$1.4 MILLION, (2013) \$2.0 MILLION, AND (2014) \$1.5 MILLION.

|                       | <b>2008</b> | <b>2009</b>                          | <b>2010</b> |
|-----------------------|-------------|--------------------------------------|-------------|
| OPERATING REVENUES    | 7,923,473   | 8,064,729                            | 8,097,941   |
| OPERATING ADMIN. EXP. | -4,069,877  | -3,955,829                           | -4,105,068  |
| OPERATING INCOME      | 3,853,596   | 4,108,900                            | 3,992,873   |
| OTHER REV (EXP)       | -1,546,037  | -3,511,423                           | 3,719,256   |
| NET INCOME (LOSS)     | 2,307,559   | 597,477                              | 7,712,129   |
| NET ASSETS 1/1        | 8,918,188   | 11,225,747                           | 11,823,224  |
| NET ASSETS 12/31      | 11,225,747  | 11,823,224                           | 19,535,353  |
|                       | <b>2011</b> | <b>2012</b>                          | <b>2013</b> |
| OPERATING REVENUES    | 8,361,345   | 8,428,623                            | 8,359,522   |
| OPERATING ADMIN. EXP. | -4,317,302  | -4,314,753                           | -5,066,758  |
| OPERATING INCOME      | 4,044,043   | 4,113,870                            | 3,292,764   |
| OTHER REV (EXP)       | -2,297,339  | -2,858,216                           | -3,717,143  |
| NET INCOME (LOSS)     | 1,746,704   | 1,255,654                            | -424,379    |
| NET ASSETS 1/1        | 19,535,353  | 21,282,057                           | 22,004,719  |
| NET ASSETS 12/31      | 21,282,057  | <u>22,004,719</u><br><i>RESTATED</i> | 21,580,340  |

ON BEHALF OF THE CITY OF READING, I WOULD LIKE TO THANK THE READING PARKING AUTHORITY BOARD MEMBERS AND THEIR EMPLOYEES FOR THEIR HARD WORK, DEDICATION AND CONTINUING IMPROVEMENTS IN READING.