City of Cambridge

The Government Operations Committee held a public hearing on Wednesday, November 9, 1994, beginning at 5:30 p.m. in the Ackermann Room for the purpose of discussing the travel policy and reimbursement mechanism, credit card use and the role of the City Auditor in the upcoming budget process.

Present at the hearing were Councillor Michael A. Sullivan, Chair of the Committee, Mayor Kenneth E. Reeves, Councillor Kathleen L. Born, Councillor Francis H. Duehay, Councillor Jonathan A. Myers, Vice Mayor Sheila T. Russell, Councillor Katherine Triantafillou, and City Clerk, D. Margaret Drury. Also present were City Manager Robert W. Healy, Assistant City Manager for Finance, James Maloney, City Auditor James Lindstrom, Budget Director Louis DePasquale and Tom Moses, Assistant Finance Director.

Councillor Sullivan convened the hearing and explained the purpose. He requested that the discussion begin with the role of the Auditor in the upcoming budget process. Councillor Sullivan asked James Lindstrom to comment on this issue.

Mr. Lindstrom stated that he had done a survey of what role auditors in other towns and cities played in the budget process. He reported that in other municipalities, the role is one of information, if there is any role. In many towns there is no role played by the Auditor in the budget process.

Mr. Lindstrom said that the City has a competent manager and finance department, and he does not see value in a role that interferes with the smooth functioning of the budget process.

Councillor Duehay stated that during discussions of the City Auditor's role during the hiring discussions, there was concern on the part of the hiring committee not to develop a job description that would mean conflict with the City Manager.

He added that the Committee had been interested in a program audit function as part of the role of the City Auditor, similar to the role the State Auditor plays at the state level. He does not believe there was discussion about an independent role for the City Auditor as part of the budget.

Mr. Maloney agreed with Councillor Duehay's observation about the expections developed for the Auditor's job. He distributed copies of the city ordinance setting out the auditor's responsibilities and the job description of the City Auditor developed by the Government Operations Committee as part of the hiring process. There was discussion of the job description.

James Lindstrom described potential methods for program auditing. He stated that although there is no one now to do program auditing, there is a vacant position that could be used for this. Councillor Sullivan asked Mr. Lindstrom hypothetically whether one Auditor's office would be able to recommend ways to cut $4 million. Mr. Lindstrom responded that the City Manager could do that more efficiently; he would be able to suggest areas that the Council could look at.

Councillor Triantafillou stated that her sense is that what the Council needs from the City Auditor is the capacity to be able to have a "second opinion" on budget issues.

Vice Mayor Russell said that she does not believe that is the function of the Auditors' office.

Councillor Duehay noted that the portion of the job description relating to program audits does call for that type of function.

Mayor Reeves asked whether the kind of programmatic questions that he has about particular departments could be answered by an auditor or whether a management consultant is what is needed.

Councillor Duehay stated that a professional person in this area with the kind of background that the City Auditor has ought to be able to do this.

Mayor Reeves asked the City Auditor about his understanding of this area. Mr. Lindstrom said that program auditing was discussed as a part of the job and does interest him. There are various methodologies that can be used which involve outside technical expertise.

Councillor Myers asked Mr. Lindstrom what his needs were in this area. Mr. Lindstrom said that decisions would need to be made about the type of program auditing expected.

Councillor Born asked about the difference between management consultants and auditors. Mr. Lindstrom agreed that there are differences. He added there is an additional area of measuring program effectiveness, which is a auditing capability.

Councillor Born asked Mr. Lindstrom if he felt that being asked to look at other than financial issues would be something he would be uncomfortable with. Mr. Lindstrom answered in the negative and stated that the basic question is the capacity of the department. That capacity is not within the department at the moment.

Councillor Myers asked to turn the discussion to the credit card issue. He asked from what categories in the Mayor's budget the credit card expenditures are made. Mayor Reeves said that that information is available through the Budget Department. He noted that there were food expenditures for one CASPAR Committee.

Councillor Sullivan noted that the topic of ceremonial expenditures has also been referred to committee and will be the subject of a separate meeting and discussion.

Councillor Duehay noted that any financial records of this city are open to any City Councillor.

Councillor Myers stated that when he chaired the CASPAR meetings, about $1,000 was spent on providing lunches for those meetings.

Councillor Born stated that this issue was raised by an order she author which was referred to this committee. She does not believe the purpose of this meeting is to discuss particular expenses.

Councillor Born also asked that the City Manager provide information about what expenses qualify as appropriate city business expenses.

The discussion returned to the City Auditor's functions.

Councillor Duehay suggested that the City Auditor work with the City Manager to develop a proposal for a program audit function that is useful, sensible and professional.

Councillor Sullivan said that perhaps the Auditor function could provide assistance or suggestions on how to make the budget process more "user friendly".

Councillor Trinatafillou stated that her interests include the performance standards that would be developed as part of a program audit function, a program audit of the Community Development Department specifically, and the ability to get a "second opinion" on budget expenditures.

Vice Mayor Russell asked whether it would take a vote of the City Council to undertake an audit. Councillor Duehay said that he did not believe that it would need such a vote.

Vice Mayor Russell pointed out the possibility of conflict if all wanted audits of different departments.

Mayor Reeves asked again about the ability to evaluate programs and policies; e.g, whether staff are properly deployed to achieve program goals. He pointed to the example of Community Development Department.

Robert W. Healy, City Manager stated that a task such as the reorganization of the Community Development Department would be quite onerous for the City Auditor; he sees this type of analysis as more properly undertaken by the City Manager.

Councillor Duehay moved that the City Auditor be asked to develop a initiative for program audit, after discussion of the issue with the City Manager.

Councillor Born noted her recent order to request frequent budget updates from the Auditor.

Mayor Reeves asked for clarification as to how audits would be done.

Councillor Sullivan said that according to the job description, the Auditor can do audits in conjunction with the City Manager, or his own initiative, or by request of the entire City Council.

Mr. Lindstrom noted that as a practical matter, the number of audits that can be done is limited. He added that he will come back to the City Council with a proposal for a program auditing, in accordance to the suggestions made here.

Mr. Philip Dowds, 48 Banks Street, stated that the concept of performance auditing is very interesting. He recommended use of comparative analysis as part of the budget process.

Mayor Reeves stated that this is a very good idea. However, it is important to make the relevant comparison; for example, Boston has the Parkman House for entertaining.

Councilor Sullivan agreed that cost comparison can be good, but the markets can be different.

Councillor Duehay's motion was passed unanimously on a voice vote.

Councillor Sullivan then turned the discussion to the travel policy and requested that City Manager Healy summarized the description of the travel policy being distributed. (Attachment B) Mr. Healy summarized the guidelines. He also noted that these guidelines do not apply to the schools; he does not have authority to impose them, although the City Council could recommend that the School Committee consider adopting them.

Councillor Duehay noted that Mr. Healy has the responsibility to ensure that the travel of his employees is useful and important. He observed that the case is somewhat different for the City Council, as it is Mr. Healy's employer. Therefore it is important for the City Council to have strict and specific guidelines that can be enforced.

Mr. Healy agreed that he does not want to have to judge on an individual basis whether City Councillors can take a particular trip. He explained that the form for city employees just covers reimbursement, not initial approval for the travel. Out of state travel requires prior approval by the City Manager.

Councillor Triantafillou said that receipts should be required for all expenses, not just those over $25.00. She suggested changing the terminology "bellmen."

Councillor Born stated that it is very difficult for her to decide what travel and conferences are justified.

For example, there are urban planning conferences that are more interesting to her than the National League of Cities Conference.

Councillor Sullivan suggested that the City Council consider setting a dollar limit that it considers reasonable for each member of the City Council to expand on business travel. Mr. Healy said that the current budget amount for City Council travel is based on all members of the City Council attending one or two annual National League of Cities conferences.

Councillor Duehay noted that there are general principles. One, there are overall budget limitations. Within those limits, it is important for Councillors to educate themselves on some major issues. He noted that the value of the Massachusetts Municipal Association meeting, which takes place in Boston, and does not require expensive travel.

Councillor Triantafillou suggested that one member of the committee draft a travel policy, incorporating a set amount to be allotted to each City Councillor.

Mayor Reeves noted that scrutiny is the order of the day for elected officials. He added that he hopes the City Council will not be constrained by criticism that is not on target. This city is an important city, a leader, and should continue to be involved in the regional and national debate. On the other hand, Mayor Reeves added, he does not see it as appropriate for the City Councillors to take courses at the City's expense.

Councillor Katherine Triantafillou stated that she would like to see more guidance on the rules for reimbursement. A travel policy would assist in this area. Travel can be useful and beneficial. Councillor Sullivan noted the importance of having the travel form like that developed by the City Manager, in addition to receipts.

City Manager Healy said that a per diem is somewhat difficult, because costs differ in different areas.

Councillor Born said that the Internal Revenue Services has a schedule of different costs for different cities. In New York the maximum per day is $38.00 for meals.

Councillor Sullivan noted the difference between reimbursements and deductions for income tax purposes.

Vice Mayor Russell asked whether city employees have to fill out forms Mr. Healy stated that city employees yes are required to use the form which he has distributed to this Committee.

Councillor Duehay suggested that a City Council committee review all City Council travel expenses.

Mayor Reeves noted the problem of attempting to travel to Sister Cities.

Councillor Michael A. Sullivan suggested that the City Clerk draw up a travel policy and do some research as to travel policies of some other legislative bodies or associations for the next meeting. Councillor Sullivan then turned the discussion to the remaining issue of credit cards. Councillor Duehay suggested that the issue is related to other expense issues and that there should be a very clear statement of what the money was spent for and what the city business was. He noted that this standard should apply regardless of whether the payment is by credit card.

Mayor Reeves agreed that it is not an onerous burden to say what the expense is for. However, he noted that this does constitute a policy change.

Councillor Triantafillou stated that she is surprised that this has not always been required; to do otherwise is loose accounting.

Mr. Louis DePasquale, Budget Director noted that the expense must be documented but the event and its purpose is not documented.

Councillor Duehay said that it is appropriate for the Mayor and City Manager to have credit cards, the key is appropriate documentation of the event.

Councillor Sullivan noted that there could be times when individuals are involved in negotiations in which identities are better not revealed.

Councillor Triantafillou stated that it is the nature of government that it involves public records. The occasions for secrecy should be minimal; that is part of the contract elected officials make with public. Mayor Reeves said that many persons who deal with the Mayor request confidentiality.

Councillor Sullivan raised the example of supermarket siting, and noted the need for appropriate policies for situations where protection of private identity is essential.

Councillor Triantafillou said that most of these occasions do not have to involve a meal.

B

CITY OF CAMBRIDGE

TRAVEL EXPENSE REPORT

THIS REPORT IS FOR:

☐ EXPENSES IN CONNECTION WITH ATTENDANCE AT ______________________________
(LOCATION)

ON ____________________ SPONSORED BY ______________________________
(Session Date(s)) (Meeting Sponsor)

☐ OTHER: ______________________________
(Describe Reason for Incurring Expenses)

TRANSPORTATION:

DATE OF DEPARTURE ____________ DATE OF RETURN ____________

☐ PRIVATE AUTOMOBILE ________ MILES AT ________ ¢ PER MILE .... $ ________

☐ AIRFARE ☐ TRAIN ☐ BUS (ATTACH COPY OF TICKET).......... $ ________

☐ RENT A CAR AT MEETING LOCATION (ATTACH COPY OF BILL).......... $ ________

HOTEL OR MOTEL:

☐ HOTEL OR MOTEL EXPENSE (ATTACH COPY OF BILL).......... $ ________

MEETING REGISTRATION FEE:

☐ MEETING REGISTRATION FEE EXPENSE (ATTACHED RECEIPT).......... $ ________

DAILY EXPENSES:

☐ DAILY EXPENSES (FROM REVERSE SIDE OF VOUCHER).......... $ ________

TOTAL EXPENSES.......... $ ________

SETTLEMENT

TOTAL EXPENSES WHICH I INCURRED.......... $ ________

LESS THE AMOUNT I RECEIVED AS AN ADVANCE (IF ANY).......... $ ________

EQUALS

☐ REFUND WHICH I OWE TO CITY, MY CHECK IS ATTACHED.......... $ ________

OR

☐ AMOUNT OWING ME BY CITY, I REQUEST REIMBURSEMENT.......... $ ________

I HEREBY CERTIFY THAT THE EXPENSES DETAILED ON THIS REPORT ARE THE PROPER AND ACTUAL EXPENSES WHICH I INCURRED IN CONNECTION WITH THE CITY ACTIVITY NOTED ABOVE.

DATED THIS ________ DAY OF ________, 19 ________.

______________________________ ______________________________
(Signature of Employee) (Address and City)

NOTE TO CAMBRIDGE EMPLOYEE: This report is for expenses personally incurred by you as an employee. If transportation charges, hotel deposits, registration fees or any other item has been paid directly by the City, do not list on this report. If you travel with a family member or other person not connected with the City, the expenses of such person are not reimbursable. If such expenses are included on any of the attached bills or receipts, you should note the necessary adjustments on the bill or receipt. (For example: If the hotel or motel bill contains a charge for a double room because of occupancy by a family member, subtract the difference between the double room and a single room and indicate on the bill that only the balance is being charged to the City.) Meals should not be listed if they are otherwise included with air transportation or included on hotel or motel bills. If any expense item required an explanation, mark the item with an asterisk and write the explanation on the reverse side of this report. Reimbursement of expenses claimed on this report is subject to any expense policy or limitation which may have been adopted by the City of Cambridge.

SPACE FOR USE OF ADMINISTRATIVE AGENT OR FOR APPROVAL OF DEPARTMENT HEAD (IF REQUIRED):

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DAILY EXPENSES (ATTACH RECEIPTS FOR ANY SINGLE ITEM OF $25 OR MORE):

NUMBER OF DAYS SPENT ON THIS CITY ACTIVITY INCLUDING TRAVEL DAYS ______________

DATE: ________________		DATE: ____________		DATE: ____________	
BREAKFAST & TIP	$ ________	BREAKFAST & TIP	$ ________	BREAKFAST & TIP	$ ________
LUNCH & TIP	$ ________	LUNCH & TIP	$ ________	LUNCH & TIP	$ ________
DINNER & TIP	$ ________	DINNER & TIP	$ ________	DINNER & TIP	$ ________
BEVERAGES & TIP	$ ________	BEVERAGES & TIP	$ ________	BEVERAGES & TIP	$ ________
PORTERS - BELLMEN	$ ________	PORTERS - BELLMEN	$ ________	PORTERS - BELLMEN	$ ________
LIMOS-TAXIS-BUSES	$ ________	LIMOS-TAXIS-BUSES	$ ________	LIMOS-TAXIS-BUSES	$ ________
________________ (Other)	$ ________	________________ (Other)	$ ________	________________ (Other)	$ ________
TOTAL THIS DATE	$ ________	TOTAL THIS DATE	$ ________	TOTAL THIS DATE	$ ________

DATE: ________________		DATE: ____________		
BREAKFAST & TIP	$ ________	BREAKFAST & TIP	$ ________	
LUNCH & TIP	$ ________	LUNCH & TIP	$ ________	
DINNER & TIP	$ ________	DINNER & TIP	$ ________	IF MORE THAN
BEVERAGES & TIP	$ ________	BEVERAGES & TIP	$ ________	FIVE DAYS, ATTACH
PORTERS - BELLMEN	$ ________	PORTERS - BELLMEN	$ ________	AN ADDITIONAL
LIMOS-TAXIS-BUSES	$ ________	LIMOS-TAXIS-BUSES	$ ________	REPORT SHEET
________________ (Other)	$ ________	________________ (Other)	$ ________	
TOTAL THIS DATE	$ ________	TOTAL THIS DATE	$ ________	

TOTAL OF ALL DAILY EXPENSES $ ________
(Transfer amount to front side of report)

EXPLANATIONS (IF NEEDED)

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Mayor Reeves said that some elected officials are very private about their meetings. Mayor Reeves said that if the Council wants to set a policy it should, but that the Council and public need additional education about what the Mayor's job and function entails.

Robert W. Healy stated that he is not going to provide information in response to public information requests without charging for the cost of providing the information. Countless hours of city employee time has gone into these recent requests.

Councillor Duehay suggested that the City Manager and City Treasurer and Auditor be requested to recommend uniform descriptions of the purpose of various events that will provide a simple explanation that can be quickly and easily utilized.

Councillor Triantafillou noted the importance of detailing the purposes of expenses which are paid by a credit card.

Councillor Duehay stated that he recognizes that there will be occasions where the confidentiality of the purpose requires a less complete listing, but in the usual case, the purpose can be noted.

The meeting was adjourned at 8:02 p.m.

For the Committee

Michael A. Sullivan

Councillor Michael A. Sullivan, Chair

S-560

Committee Report #1

A communication was received from D. Margaret Drury, City Clerk transmitting a report from Councillor Michael Sullivan, Chair of the Government Operations Committee for a public hearing held on November 9, 1994 for the purpose of discussing the travel policy and reimbursement mechanism credit card use and the role of the City Auditor in the upcoming budget process.

for original order
see 1994 - City Manager
Requests # 292.

In City COuncil December 12, 1994

Report accepted.