



OFFICE OF THE CITY TREASURER

REVEREND DR. MARTIN LUTHER KING, JR.
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HARRISBURG, PENNSYLVANIA 17101-1679

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PAUL P. WAMBACH
City Treasurer

August 29, 2011

Dear Council Members,

Most of you know me casually and some of you as friends. I have served the city for 20 years and it is with great regrets that my tenure is ending with this crisis at hand. The irregularities of the ACT 47 plan initially submitted by the Novak Team and now Mayor Thompson are simply irresponsible. If the first plan was "accidentally" inaccurate, the revised plan submitted by Mayor Thompson "intentionally" overlooked the correction of any of the issues related to the City and the Treasurer's Office.

Initially Mayor Thompson addressed correspondence to Controller Miller and me soliciting our professional recommendations and suggestions. With great optimism I personally pointed out multiple issues and provided many alternative suggestions. The Mayor also proposed a meeting of the three of us after her analysis of our recommendations that never took place because she did not schedule one!

Based on her current submittal all my recommendations and suggestions were obviously disregarded without serious consideration or just ignored. In addition to that and the most discouraging point in this process is that Controller Miller and I were never provided an opportunity to work on a joint solution with Mayor Thompson.

Obviously there are multiple concerns for the City as a whole and understandably my recommendations might not seem relevant pertaining to those issues but I assure you, the recommendation to merge my office with the Bureau of Finance under the Direction of Administration is a huge mistake along with a violation of multiple regulations. I specifically called Mayor Thompson's attention for the illegality of this recommendation and was frankly surprised that my points were seemingly ignored.

Let me refresh your awareness:

- City Ordinance

2-105.4 STAFF AND BUDGET CONTROL

Provision shall be made in the budget for adequate staff to enable the Treasurer to perform the duties assigned to the office. Personnel shall be assigned to the City Treasurer by the Department of Administration, subject to the Treasurer's approval and exclusive direction and control and subject to the general personnel policies of the City administered by the Department of Administration; provided, however, that except to the extent that personnel policies and compensation for such employees are subject to a collective bargaining agreement, the Treasurer, within the appropriations made to that office in the budget, may fix and determine the compensation to be paid to employees

assigned to the office, and such determination shall not be subject to the approval of any other official. (Ord. 8-1974.)

- Third Class City Code

Article XIV - Section 1408. Assistants and Employees

The City Treasurer shall appoint all the assistants and employees of his office, whose number and compensation shall be fixed by council, and who, in all other respects, shall be considered as employees of the city.

I do plan to exercise my functions as Treasurer directed by the above regulations and hope to continue having the necessary staff to perform such duties. Additionally my signature which is necessary for authorization of all deposits and disbursement of the City's revenue will be EXCLUSIVLY used by my staff under my direction as provide for in the law.

The basis of my decision is that the projected savings from proposals in the plan are grossly misrepresented and totally not understood. Please allow me to point out a few facts to you:

Approximately **53%** of our budgeted expenditures already belong to Administration. Yes, the Treasury's budget is inflated by approximately \$185,000 so that it can reflect the 1/3 of Treasury's expenses charged to the Harrisburg School District. Combining offices will only transfer expenses NOT ELEMIMATE THEM.

Cross training our employees so that they can perform Finance's duties is totally unrealistic. Our staffing levels are already reduced to the minimum necessary to run the Treasury Operations as provided for by law.

Finance employees do not have the skills, qualifications or financial clearances to work for my office. In fact a current finance employee was fired from Treasury for illegal activities. We have an obligation to protect City Funds; The tighter and smaller the employee's base handling City Funds and transfers of funds the better.

ACT 47 Plan inaccuracies:

- For the last 2 years **Treasury has been operating with 2 tellers**, not 3.
- The new scanning system generated a **reduction of 3 positions** not 1.
- The "**Office of the City Treasurer Projected Expenditures, By Major Category-Salaries and Wages**" reflect an increase of approximately 43% due to 1.4 Administration/IT employees being charged to our budget. Of the projected \$377,889 only **\$263,806 belong to Treasury**
- **Maintenance/Service Contracts** projected \$47,160 only **\$23,318 belongs to Treasury.**
- **Software Expense** projected **\$15,350** belongs entirely to **Administration/IT Bureau**
- **Disaster Recovery Expense** the projected **\$11,101** belongs entirely to **Administration /IT Bureau.**
- Even the **Projected Miscellaneous Expenses** of \$12,581 includes **\$6,500 for Harrisburg School District postage/envelopes.** The actual Miscellaneous Expenses for **Treasury is \$6,081.**
- **Lease Purchase** projected \$41,020 will be **paid off in 2012** therefore can not be projected up to 2015.

IN SUMMARY

After careful review of the lack of understanding and consideration for the operations and issues related to Treasury and its strategic contributions to The City of Harrisburg, I need to ask you to vote no on the Thompson plan. I know this might be difficult but please evaluate the impact of the now Mayor Thompson's Plan and its consequences to City operations.

If you have any doubts supporting my request please give consideration to the lack of attention given to the serious nature of the (law breaking recommendations) outlined in the current proposal. It is unfathomable to me that there was no credence or follow-up in regards to a direct violation to a City Ordinance and a Third Class City Code.

I do not understand all the issues of other city departments but considering what I know best, I am gravely concerned for the City. What else has been overlooked, not researched or validated in this plan of recommendation. This is not the time to shoot from the hip and hope for the best. The City's future depends on us all working together to provide a valid solution without selling our future.

Sincerely,

Paul Wambach

Cc: City Controller
Celia Spicher
File