Joint Finance Committee
Meeting Minutes
Thursday, February 9, 2012

Attendees: Chair John Anton, Councilor Jill Duson, Councilor Nick Mavodones, Councilor John Coyne. *City Staff*: Mike Brennan, Anita LaChance, Ellen Sanborn, Suzanne Knight, Cathy Ricker and Ian Houseal. *School Staff*: James Morse, Mike Wilson, Ray O'Connell, Jaimey Caron, Ed Bryan, Justin Costa, Peter Eglinton, Connie Packard, and Janet DiBiase. Kathy Tyson, RKO. Members of the Public.

Chair Anton called meeting to order and introductions were made.

1. **Approve Minutes from January 19, 2012 meeting**.
   Motion made by Councilor Mavodones to approve minutes from January 19, 2012 meeting, seconded by Councilor Coyne. Motion passed 4-0.

2. **Presentation of CAFR, Management Letter and Audit Communication**
   Kathy Tyson from *Runyon Keersteen Ouellette* was introduced. Management letter and audit communication have been provided to committee members. Ms. Tyson explained that the Finance Committee acts as the Audit Committee. She reported no material weaknesses and was pleased to say there were not significant deficiencies for FY11.

   Chair Anton asked about the school's activity funds. Mr. Wilson instituted controls and said these have all been reconciled with the City. The new controller will now audit these activity funds on a regular basis.

   Chair Anton asked about the inventory controls as it relates to the golf course. Ms. Sanborn explained that Ms. Knight was involved with the golf course inventory and that they are now on track. He requested a follow up memo on what was found in the internal process and any adjustments that were made.

   Chair Anton has requested that the audit go to council as a communication along with the debt management policy, and to supply worksheets on those two policies.

   Public comment was taken.

3. **Audit RFP results**
   Ms. Sanborn explained that the City went out to bid for audit services in January and received only one bid which was from Runyon Kersteen Ouellette.

   Chair Anton would like this to be brought to City Council for approval. Ms. Tyson said there is a state law stating that Council shall appoint the auditor and that this should be formalized at that level. Ms. Sanborn will provide information regarding the bid process.

4. **Second Quarter FY2012 budget update (City & School)**

Budget status updates were provided to committee members. Ms. Sanborn reported revenues are good and that excise is where it should be. She said there is nothing negative to report. There has been a shifting of positions within the Fire Department due to retirements. Discussion was held on the SAFER grant. Ms. Sanborn explained that they will be over budget and that grant monies will cover this.

On the school side, Mr. Wilson also reported things are looking good and that some line items on the revenue side that have been adjusted. Overall both expenditures and revenue are tracking budget.

Chair Anton asked to have these quarterly budget updates combined into one report. Councilor Mavodones wants to understand what he is requesting. Chair Anton wants interim reporting to be integrated into one document. Councilor Mavodones wants to understand the ramifications for asking for this and feels this would be an undue administrative burden. Chair Anton will ask the City Manager and Superintendent to address this and have respective staffs come back to the committee with a response.

5. **Presentation of revised School budget format for FY2013.**

Mr. Wilson explained the revised format provides additional information and adds validation to referendum that is separated into the 11 cost centers. Voters can now tie numbers into the cost centers where they have not been able to do so before.

6. **Review of 2012 Workplan**

* CIP and budget calendar discussion
  At the request of Chair Anton, this item was addressed at the beginning of the meeting.
- Chair Anton asked to have the Riverside Golf Course business plan put into the committee's work plan. Ms. Sanborn said this would be coming back to the committee once it has been completed.
- Councilor Duson requested that the projected April budget calendar be re-circulated to members of both committees.