

**FINANCE COMMITTEE**  
Minutes of the Meeting  
April 6, 2015

1. Chairman Brasco called the meeting to order at 10:15 pm.
2. Chairman Brasco requested that attendance be taken by a roll call. The Clerk called the roll - Councillors Giordano, McMenimen, Romard, Vizard and Chairman Brasco were present.
3. Councillor McMenimen moved that the minutes of the meeting March 16, 2015 be accepted. The motion was adopted on a voice vote.
4. A request was received from the Mayor to appropriate the amount of \$225,000 from Unreserved Fund Balance to account #001-220-5100-5131 Fire-Overtime. These funds will be used to pay the estimated overtime expense for the remainder of the fiscal year. Councillor McMenimen moved to hear from an off-committee member - Fire Chief Ciccone. Both Councillors McMenimen and Romard questioned Chief Ciccone about the additional need. Chief Ciccone explained to the Committee members the reasons for the increase in overtime costs - primarily attributable to a harsh winter, several recent fires and the cost to cover new recruits while being trained. Chief Ciccone also assured the Committee these additional funds would satisfy overtime costs through the fiscal year end. Councillor McMenimen moved to approve the appropriation request. The motion was adopted on a voice vote.
5. A request was received from the Mayor to appropriate \$169,900 for the purchase of a backhoe for the use of the Water and Sewer dig crew to be funded as follows.

FROM:

Water Retained Earnings	#610-450-3590-3590	\$84,950
Sewer Retained Earnings	#600-440-3590-3590	\$84,950

TO:

Water - Backhoe	#610-452-5800-6445	\$84,950
Sewer - Backhoe	#600-440-5800-6445	\$84,950

Councillor Vizard moved to hear from an off-committee member - City Engineer Steve Casazza. The motion was adopted on a voice vote. Mr. Casazza explained the need for the equipment and it would be used almost exclusively by the Water & Sewer employees. Councillor Romard asked questions of the City Auditor about the funding source for the item. The City Auditor explained that the use of a reserve fund (retained earnings) for this item is appropriate and to use the City's bonding capacity for extensive water/sewer infrastructure projects. Councillor Vizard moved to approve the appropriation request. The motion was adopted on a voice vote.

6. A resolution was submitted by the members of the Finance Committee to discuss the City's Comprehensive Annual Financial Report (CAFR) at the next Finance Committee. The City Auditor explained that the independent auditor had been contacted and it would be confirmed with him to appear at April 21, 2015 meeting. It was requested the Clerk of the Committee send an invitation to all off-committee councillors to attend the meeting. The City Auditor pointed out future influences on the City's financial position would be the inclusion of the pension liability in the FY2015 financial statements and the likely inclusion of the OPEB liability in future financial statements. The Committee engaged in a brief discussion of the City's pension and OPEB liabilities. It was recommended there be further research conducted to better understand the impact of these liabilities, including plans to address them. A motion to place the resolution on the table was adopted on voice vote.
  
7. Under City Council Rule 43A, the matter of the mid-year budget was reviewed. The City Auditor gave a brief overview of the expense side of the budget and pointed out several accounts that are generally closely monitored – overtime accounts (police, fire, public works, water & sewer), building utilities, worker's compensation and snow; as past experience has shown additional funds have been requested to supplement the original approved budget. The City Auditor pointed out as a positive expenditure, the decrease in the trash disposal charge resulting from a new 5 year contract effective January 1, 2015, with an expectation of about \$350,000 under budget in FY2015. On the revenue side, the City Auditor pointed out a significant increase in building permit revenue of \$3.6 million to \$4.9 million when comparing the same time period of last year to this year. All other significant revenues (motor vehicle excise, hotel tax and meals tax) were estimated to meet the budget projection. The City Auditor explained the potential reimbursement to be received from FEMA for the several snow events that occurred during the month of February. These expected reimbursements would be deposited into the General Fund reserves and would offset the reduction in reserves due to additional appropriations for snow costs. Councillors Giordano, McMenimen, Romard, Vizard and Chairman Brasco all asked follow up questions and offered comments on the remaining funds and account status for the FY2015 budget. Looking ahead to the FY2016 budget, the Committee will be carefully scrutinizing the expenditure history of each department's accounts for proper funding and make every effort to ensure all accounts are spent both appropriately and timely.
  
8. A motion to adjourn was approved by a voice vote and Chairman Brasco declared the committee adjourned – 11:25 pm.

Paul G. Centofanti – Clerk to the Finance Committee