

## FINANCE COMMITTEE

Minutes of the Meeting

April 21, 2015

1. Chairman Brasco called the meeting to order at 8:10 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 Giordano moved that the minutes of the meeting April 6, 2015 be accepted. The motion was adopted on a voice vote.
4. A request was received from the Mayor to appropriate the amount of \$50,398 from Unreserved Fund Balance to account #001-192-5200-5245 Maintenance/Repair to Buildings. These funds will be used for the emergency snow removal from the roofs of several City buildings for expenses incurred on several dates between the period of February 21, 2015 to March 6, 2015. Councillor McMenimen moved to hear from an off-committee member - Director of Building Maintenance Don Cusano. The motion was adopted on a voice vote. Mr. Cusano answered questions from Councillors McMenimen, Romard and Vizard concerning the need and the cost for the snow removal from roofs project. Mr. Cusano explained the potential impact to the building roof structure from the weight of the snow and the urgency in which it needed to be done. Councillor McMenimen asked the Auditor to prepare a report of the total cost of snow related expenses that were incurred by all City departments, including schools, for the current fiscal year. 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 the amount of \$1,789,000 from Unreserved Fund Balance to the following accounts.

#001-421-5100-5131	Snow - Overtime	\$ 285,000
#001-421-5200-5276	Snow - Rental of Trucks/Equipment	\$1,176,000
#001-421-5200-5531	Snow - Salt & Sand	\$ 260,000
#001-421-5200-5532	Snow - Plows & Blades	\$ 37,000
#001-421-5200-5245	Snow - Bldg & Grounds Repair	\$ 31,000

Councillor McMenimen moved to hear from an off-committee member - Director of Public Works Michael Chiasson. The motion was adopted on a voice vote. Councillors McMenimen, Giordano, Romard and Vizard asked extensive questions of Mr. Chiasson concerning the total cost for snow operations, the methods that were utilized and the budget impact on the taxpayers under the current funding scheme. Councillor McMenimen articulated that the use of reserve funds to finance the enormous cost of the storms in the year of occurrence was a more responsible method than deferring the expenses to the

next fiscal year and creating an adverse burden on the taxpayer. Several members of the Committee praised Mr. Chiasson for his efforts and those of the employees for the minimal number of concerns/complaints received from constituents about the City's snow removal operations. Councillor McMenimen moved to approve the appropriation request. The motion was adopted on a voice vote.

6. A request was received from the Mayor to accept a grant in the amount of \$83,432 from the Executive Office of Elder Affairs to be used by the Council on Aging for several programs that benefit senior citizens. Councillor Vizard moved to hear from an off-committee member – COA Director Marybeth Duffy. The motion was adopted on a voice vote. Ms. Duffy gave a brief explanation of the grant and its intended use. Councillor Vizard moved to accept the grant. The motion was adopted on a voice vote.
7. A request was received from the Mayor to approve funding in the total amount of \$17,201 to purchase two multi-task copy machines for the Engineering/Water/Sewer Department.

TRANSFER FROM:

Sewer Equipment General	#603-440-2003-6400	\$1,489.00
Sewer Equipment General	#603-440-2006-6400	\$ 723.42

APPROPRIATION FROM:

Sewer Retained Earnings	#600-400-3590-3590	\$6,087.58
Water Retained Earnings	#610-450-3590-3590	\$8,901.00

TOTAL \$17,201.00

TRANSFER TO:

Sewer Copy Machine	#603-440-2003-6413	\$1,489.00
Sewer Copy Machine	#603-440-2006-6413	\$ 723.42

APPROPRIATION FROM:

Sewer Copy Machine	#600-440-5800-6413	\$6,087.58
Water Copy Machine	#610-450-5800-6413	\$8,901.00

TOTAL \$17,201.00

It was noted the City Engineer was not in attendance to speak to the request. Councillor Vizard moved to approve the funding request of the combined transfer and appropriation. The motion was adopted on a voice vote.

8. Councillor Vizard moved to take the matter of the Comprehensive Annual Financial Report (CAFR) (3/23/2015) from the table. The motion was adopted on a voice vote. Councillor Vizard moved to hear from an off-committee member – independent auditor, Chris Rogers, a principal with CliftonLarsonAllen. The motion was adopted on a voice vote. Councillor Vizard

opened the questioning on several of the financial exhibits in the audit report, specifically the one that indicated a consistent decline in the City's net asset position. Mr. Rogers explained it had to do with the cumulative reporting of the City's OPEB liability during the period from 2008 to 2014 in which the City funded the pay-as-you-go amount and not the annual required contribution (ARC) under the actuarial calculated funding schedule. It was further explained that funding the ARC would represent a significant budget increase. Councillor Vizard asked questions of Mr. Rogers and the City Auditor concerning several of the comments/findings contained in the Management Report and the A-133 Report related to building permit turn in, several HUD findings, cash receipts posting, police details, compensated absences and financial policies and procedures manual. Councillor Romard followed with more in-depth questions on the City's audited financial statements, focusing on the City's net position, debt schedules and the demographic schedules. Councillor McMenimen asked questions of a different nature, focusing on the impact and substantial cost of employee benefits in both the near and long term. Councillor McMenimen asked additional follow up questions concerning the prior discussion of OPEB. Committee members thanked Mr. Rogers for his appearance and candid discussion of the annual audit. It was further stated the importance and relevance for the Finance Committee to perform this review. It was mentioned the annual audit review by the Finance Committee would be considered an addition to the Council rules. Councillor Vizard moved to file the matter. The motion was adopted on a voice vote.

9. A motion by Councillor Giordano to adjourn was approved by a voice vote and Chairman Brasco declared the committee adjourned – 10:20pm.

Paul G. Centofanti – Clerk to the Finance Committee