

**FINANCE COMMITTEE MEETING
MARCH 12, 2012**

Call to Order

Councilor and Chair Feener called the meeting to order at 6:00 p.m. in the meeting room, lower level of City Hall.

In Attendance

Committee Members: Chair/Councilor Feener, Councilor Sharon and Councilor Desrochers.

Others: Councilor Dzujna, Councilor Cournoyer, Mayor Merrifield, Manager Dragon and Finance Director Milner.

Finance Consolidation Feasibility

This option was looked into approximately 10 years ago and again a couple of years ago and politically it is difficult. However, merging might bring desperately needed savings through efficiency. The Committee realized that a lot of investigating would need to be done to determine if consolidation of the finance for the school and city is feasible. The school recently was behind 6 months in paying their insurance bills and the City was getting calls concerning this matter. The school's audit is also late which holds up the completion of the City wide financial statements. There are some obvious problems that could be solved with this type of consolidation.

Manager Dragon advised this might require a Charter Amendment which would need to be ready in July but it would depend on what the City would want to do. She stated we would need to get legal advice. Councilor Feener commented that he doesn't know if this could all be accomplished for this year with only 4 months to complete but maybe it could be done in phases. Councilor Dzujna inquired as to how much more pressure would there be on the Finance Office. Director Milner advised there would definitely be more work as the school's revenues and expenditures would be handled in the Finance Office but in this manner the City would certainly be aware of what the school's finances are, what is being

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expended on what. Councilor Desrochers commented also the school audit would not be late anymore. Councilor Sharon stated he supports the option to investigate the consolidation, however, the City cannot take the authority from the School Board on how to spend their money, however; budgeting would be incorporated into the consolidation.

Motion made by Councilor Desrochers to head forward with investigating the feasibility of consolidation, motion seconded by Councilor Sharon. All in favor, motion passes.

Councilor Feener commented consolidation would give the City a better idea of what we have.

FY11

Director Milner advised that the Municipal Audit is complete but the school audit is not. Director Milner advised that the auditor is putting a lot of pressure on the school to get their audit complete. In order to be in grant compliance the audit should be complete by March 31st.

FY12 Fund Balance Status

Director Milner advised the balance is very close, \$40,000 in the black if nothing happens. Welfare is \$58,000 over their budget mostly due to rents and the fact that the fuel assistance program for CAP was cut in half so many of those recipients are coming to the City Welfare for assistance. There is a \$140,000 shortfall in revenues. Mayor Merrifield inquired about property tax revenues and was told they are right on but registration revenues are down by about \$85,000 as people are keeping their cars longer so costs less to register them. Director Milner stated that the amount budgeted in the upcoming budget will be adjusted accordingly.

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Manager Dragon advised that the budget is continually monitored and all departments have been requested to cut back and the departments have responded accordingly. She commented all the department work very well together. Manager Dragon advised that with everyone's cooperation it is hoped she will be able to find \$30,000 in the budget to do part of the Fire Station roof (the part over the offices) \$60,000 is required to do the entire roof.

Councilor Desrochers asked if money is left in the budget at the end of the fiscal year, maybe a rainy day fund could be established. Manager Dragon responded that would probably not happen as they are attempting to build up the fund balance which is at a lower amount than should be.

Veterans Exemption

The current exemption the City offers is \$200, attached is a spread sheet showing on the current information and costs for an increase of \$50 and/or \$100.

Manager Dragon advised that when you increase the benefit, the cost amount must then be found in the budget. Members discussed increasing the exemption in stages at \$50 per year. Manager Dragon advised she will do her very best to look for monies for the exemption in the next budget cycle.

Manager Dragon inquired of the councilors in attendance if for the No numbers Budget Workshop on Monday, March 26 if they any specific items that they would like discussed/focused on for the meeting. Nothing specific was mentioned. Having School grants come through the City was brought up but the committee felt they did not wish to endorse doing that at this time.

Motion to adjourn made by Councilor Desrochers and seconded by Councilor Sharon. All in favor, meeting adjourned at 7:10 p.m.

Respectfully submitted,

Sue E. May