

**FINANCE COMMITTEE MEETING
JANUARY 28, 2013**

Call to Order

Councilor/Chair Feener called the meeting to order at 6:00 p.m. in the Council Chambers, Franklin City Hall.

Councilor Feener advised that Councilor Desrochers, member of the Committee is on vacation and that he has just learned that Councilor Sharon, the other member of the Committee will not be in attendance therefore the meeting will be an informational one. Councilor Feener explained that originally this meeting was scheduled as a Joint Finance Committee Meeting; however, it came to light through an announcement by the Chair of the School Board in the press that no one from the school finance or otherwise would be attending the meeting. At that point the meeting was changed to a City Finance Committee Meeting to review a draft regarding Ordinance #08-13 concerning the possible consolidation of financial services for the City/School. Councilor Feener stated that due to the mishandling of finances/reporting on the school side the audit for FY11 and FY12 are still open. He also explained that the SAU budget is a separate entity and has nothing to with the school budget.

Manager Dragon stated that the consolidation would provide a service that all would enjoy including the School Board and the Superintendent. Accounts Payable, Account Receivable and Payroll Services would all be consolidated. Manager Dragon further commented that there had been a statement made that the City is behind in their audits which was true when she first arrived as the City Manager. However, since her arrival and the hiring of Finance Director Milner the City side has never been late. She did state that under previous administration in FY09, the School District overspent the bottom line of their budget and had to cancel encumbrances to arrive at zero. Under current administration, in FY10 the School District attempted to encumber funds from the previous fiscal year after the year-end date. She also advised at one point the School District was 6 months in arrears in paying monthly employee health insurance bills and she was contacted to assist in getting them paid.

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Finance Director Milner stated if the consolidation were to take place, she believes information and reports needed for audits would flow more quickly. The School Budget would still be handled by the School as to how and when the funds are spent as has always been the case. The consolidation would only be accounts payable/receivable and payroll and should assist in timely reporting and there would be an up-to-date awareness of cash flow. She stated input from the school is certainly needed.

Councilor Feener stated he would like to have the names of the new members of the School Finance Committee by the Council Meeting on Monday, February 4, 2013 as a Joint Finance Committee Meeting is still needed and he stated School Board members as well as Administration from the school would be welcomed to attend. Councilor Feener stated at the City Council meeting February 4th, they will arrive at 2 or 3 dates to be considered for the Joint Finance Committee Meeting in February.

Manager Dragon stated the City really needs input from the school on this proposed consolidation. Mayor Merrifield commented that there would not be any decision making or power taken away from the School, that the City does not have that authority.

Meeting adjourned at 6:35 p.m.

Respectfully submitted,


Sue E. May