

**JOINT FINANCE COMMITTEE MEETING
OCTOBER 16, 2012**

Call to Order

Chair/Councilor Feener called the meeting to order at 6:30 p.m. in the meeting room located on the lower level of City Hall.

In Attendance

City Finance Committee

Councilor Sharon
Councilor Feener
Councilor Desrochers

School Finance Committee

Al Warner

Others in Attendance

City Manager Dragon
Finance Director Milner
Mayor Merrifield
Councilor Trudel
Councilor Dzujna
School Board Member Feener, Ward II

Concord Monitor
Citizen

Absent

Karen Grzelak
Kathy Russo
Keith Lohmann

Councilor Feener thanked Mr. Warner for being at the meeting. He advised he had received an email from Chair of the School Finance Committee Grzelak that the School Finance Committee members would not be attending the meeting.

Councilor Feener stated that it has been 16 months since the FY11 Budget closed, the City has everything completed but the school does not and should have been

complete by March. He further commented that Finance Director Milner has completed all requirements and closed the books on the City side but still need school items.

Director Milner advised that she understands the Auditor will be coming in tomorrow to work with the school. She further advised that grants the City receives are asking where the audit is and the City Credit card is in jeopardy of being cancelled because we can't supply them with an audit.

Councilor Feener commented the City is in jeopardy on acquiring grants or loans. He further commented that the City was ready September 1st on the FY12 audit, the school was not.

Councilor Desrochers inquired why has the FY11 School Budget taken so long and Director Milner responded that she understands it is due to reconciliation.

Councilor Feener stated the purpose of the joint meeting tonight was to get some answers and why the school has been unable to meet deadlines for a couple of years.

It was suggested that a memo be sent inquiring what the problems were concerning reconciliation. Councilor Desrochers stated he would like a line by line on items not just a blank statement.

Councilor Dzujna inquired if the City could possibly take over the handling of the School District's finances and Councilor Feener advised that is being looked into. Councilor Desrochers commented that one consolidated budget would be better for the City. Councilor Sharon stated the way the district is conducting their finance office right now is definitely unsuccessful and unprofessional. This affects bond ratings, and he stated he feels the City should take over the operations of the school finance office.

Councilor Trudel commented we need to look into why this keeps happening.

Director Milner commented another concern is the payment the City must make by December 17, 2012 to the County in the amount of \$1.6 million and if the tax rate has not been set, this payment must be made regardless.

Concerning the setting of the tax rate, Director Milner stated all reports were to be submitted September 1st and once submitted and approved you are then placed in the queue, the school has not completed their MS25 yet which is one of the items required to be submitted.

Manager Dragon advised DRA has gone through a change, and the queue is a new thing this year. You can go on line and see what has been turned in. Many have already turned in everything and are in the queue, the queue is backlogged so once we are able to get everything submitted, it still may be some time before we are able to set the tax rate.

Director Milner commented like GASB54 regarding fund balance GASB68 will affect the City in the future. For FY15 GASB68 will require the City to report unfunded retirement liability from the New Hampshire Retirement System (NHRS). NHRS will have to break up the liability to determine what portion for each town or city. She stated the City and likely most other communities could see a deficit net asset on the government wide portion of the financials.

Motion made by Councilor Desrochers to adjourn, seconded by Councilor Sharon. All in favor, meeting adjourned at 7:00 p.m.

Respectfully submitted,

Sue E. May