

MINUTES

FINANCE COMMITTEE MEETING Monday, December 23, 2013 – 5 p.m. Burleigh Loveitt Auditorium

Present: Councilor Suzie Phillips, Chair; Councilors Shonn Moulton and Bruce Roullard

Also Present: Town Manager David Cole; Finance Director Sharon Laflamme; Casey Leonard and Ryan Cormier from Runyon Kersteen Ouelette; School Finance Officer Hollis Cobb; School Board Vice Chair Darryl Wright; Rec Director Cindy Hazelton

1. Approve minutes of October 28, 2013 meeting.

A motion was MADE by Councilor Moulton, SECONDED by Councilor Roullard, and VOTED to accept the minutes of the October 28, 2013 meeting. Unanimous vote.

2. Review of 2012-13 Audit.

Mr. Leonard reported that the audit went very well and that staff conducted themselves in a professional manner. He stated that the Town received an unmodified, or clean, opinion on both its financials and compliance report.

Mr. Leonard reported that the Town will be submitting its 2012-13 CAFR (Comprehensive Annual Financial Report) for consideration of the Certificate of Achievement in Excellence in Financial Reporting awarded by the Government Finance Officers Association. He stated that Gorham is one of just fifteen municipalities who have received this award in the past and commended staff for compiling and submitting the Town's financial statements.

The auditors presented a financial overview of the Town of Gorham and distributed and discussed the following informational handouts: General Fund-Assets; General Fund – Liabilities, General Fund – Equity; General Fund – Revenues; General Fund –Expenditures; General Fund – 2013 Revenues; Total Net General Fund Balance in Town and School; Town of Gorham Commitment; Property Tax Collection Rates; and Unassigned Fund Balance as a Percentage of Budget.

The auditors also reviewed the Reports required by Government Auditing Standards and OMB Circular A-133. The Committee reviewed a listing of the grants awarded to the Town of Gorham (both School and Town) broken down by the Federal Department awarding the grant. Mr. Leonard explained that School grants, such as the Food Nutrition Program, are program-driven, and usually awarded each year while the Town grants tend to be more project-driven and have an ending date.

The auditors reviewed the Findings required to be reported under Government Auditing Standards. It was noted that the one Significant Deficiency comment noted in the report, the segregation of duties (both Town and School Department), has been listed as a significant deficiency finding for at least a decade. The auditors stated that it is good practice for the Committee to continue its monthly review of the Town's financials. The Committee reviewed and discussed with the auditors the following findings

categorized as Not Significant Deficiencies: (1) School activity funds, (2) School purchase cards, (3) Recreation Department Cash receipts, and (4) timeliness of reconciliations. The auditors explained that during their testing of the Rec Department cash receipts, cash payments received towards recreation programs could not be individually matched. Mr. Leonard noted that it is difficult for Rec programs organized as drop-in programs, such as adult basketball and Kiddie Gym, to enter each transaction separately. It was further noted that since June 2013, the Rec staff has been entering checks into the Town's Trio software individually instead of in one lump sum and that the cash is entered individually unless it is for one of the drop-in programs. The Trio report will show what specific program the cash or check is coded to.

The Committee discussed with the auditors that the Committee is reviewing Rec financials monthly and for the past several months have been reviewing more detailed reports. Mr. Leonard reviewed the Rec financial format and indicated that it was very detailed and that it was up to the Committee to decide what it wanted to review for reports and at what level of detail.

Ms. Cobb reported on the School's corrective actions for the school activity funds and school purchase cards deficiencies noted in the audit report.

The Town Manager recommended that the Finance Committee be given the opportunity, as it has in the past, to discuss the audit without staff present. A Motion was MADE by Councilor Moulton, SECONDED by Councilor Roullard, and VOTED to go into Executive Session to go into Executive Session at 5:30 p.m. to give the Finance Committee an opportunity to ask the auditors questions or comment about the 2012-13 audit. Unanimous vote.

A Motion was MADE by Councilor Moulton, SECONDED by Councilor Roullard and VOTED to continue the regular meeting of the Committee at 5:50 p.m.

The Committee thanked the auditors for their work on the audit. The auditors, Ms. Cobb, and Mr. Wright left the meeting at 5:51 p.m.

3. Review October and November financials.

The Committee reviewed and discussed October and November 2013 financials. The Finance Director reported that with 41.7% of the fiscal year completed, 45.7% of the budget has been expended. She also reported Non Property Tax Revenue Collections at 44.3% and Property Tax Revenue Collections 48.2% compared to 48.2% same time last year.

The Finance Director explained the process and timelines for placing liens on property and foreclosure. The Town Manager stated that enforcement action is governed by State law. The Town Manager also explained that the Finance Committee annually reviews a list of foreclosed properties and makes recommendations to the Town Council on how to handle the property.

The Finance Director explained that the Public Works Department periodically bills the School Department for the School Bus Mechanic's wages and the School Resource Officers are billed twice a year.

4. Review October and November Rec financials.

The Committee reviewed and discussed the October and November financial for the Gorham Recreation Department. It was noted that the report showed revenue received for Summer Day Camp. The Recreation Director explained the reason for this is that there are some people who are paying on their payment plans or are utilizing their gift certificates.

The Committee asked the Recreation Director how many senior programs were offered. She responded that the Department usually offers approximately 35 programs to senior each year.

5. Other business.

The Committee discussed that it has been some time since the Town has requested proposals for banking services and that Committee Chair Phillips will sponsor an item at the next Town Council.

6. Next meeting.

The next meeting of the Committee was scheduled for January 21, 2014, at 5 p.m. in Conference Room A.

7. Adjournment.

A Motion as MADE by Councilor Moulton, SECONDED by Councilor Roullard, and VOTED to adjourn.

Time of adjournment: 6:09 p.m. Unanimous vote.

Respectfully submitted,

Jeri Sheldon, Ass't to the TM/HR Director