

## MINUTES

Fiscal Policy Advisory Committee

January 17, 2013 4:30-6:00 PM

Second Floor Conference Room

**In Attendance:** Chairman – Councilor Allen Bennett; City Councilors – Keith Nyhan, Mark Coen, Candace White Bouchard; Mayor Jim Bouley; City Staff – Tom Aspell, City Manager; Brian LeBrun, Deputy City Manager-Finance; Carlos Baia, Deputy City Manager-Development; Katie Graff, Assistant Finance Director; Bob McManus, OMB Director; Carol Anderson, Senior Accountant; Jamie Babbidge, Budget Analyst; Scott McIntire and Maggie Dupuis from Melanson Heath and Co.

**Excused:** Councilors Fred Keach, Jan McClure, Dan St. Hilaire

- 1) **Approval of December 20, 2012 Meeting Minutes:** Chairman Bennett called the meeting to order at 4:30 PM and requested a motion to approve the minutes of the December 20, 2012 meeting. **Councilor Nyhan moved to accept the minutes, seconded by Councilor Coen. The minutes were unanimously approved as presented.**
- 2) **Consolidated Annual Financial Report (CAFR) Presentation** – Deputy City Manager LeBrun acknowledged Katie Graff and Carol Anderson from the Accounting office on their work in preparing the FY 2012 CAFR. Katie and her staff have done an excellent job. Lebrun introduced City Auditor Scott McIntire from Melanson Heath to discuss the CAFR and FY12 audit and financial results. Mr. McIntire discussed audit entries and stated that the audit itself progressed very efficiently and there were no significant audit entries needed nor were there any disagreements with City administration in applying Generally Accepted Accounting Principles (GAAP). He briefly discussed OPEB, their audit opinion and the actual audited numbers. Mr. McIntire noted that the City's unassigned fund balance as of June 30, 2012 was 17% of expenditures, which exceeds the current goal of 15%. He closed with discussing the management letter and fund balance policy, most notably discussing authorities with each level of fund balance and the priority spending of capital project funding sources. The committee asked several questions about the audit, OPEB, and the upcoming GASB 68 requirements, which Mr. McIntire addressed.
- 3) **Quarterly Financial Statements** – Deputy City Manager LeBrun presented the quarterly financial statements for the YTD ending December 31, 2012. He discussed the notable items in the summary memo.
- 4) **LGC Lawsuit Closeout** – City Manager Aspell reported that the lawsuit, that the City participated in with LGC and other communities, regarding the State's violation of Part I, Article 28-a of the New Hampshire Constitution, ended with an adverse result. With closure of the lawsuit, the City received a check in the amount of \$5,464.78 as a refund of the original \$10,000 that was contributed towards the cause.

- 5) **Fiscal Goals and Fund Balance Policy** – DCM LeBrun discussed the proposed changes to the Goals as reflected in the new proposed fund balance policy. This policy is being established due to discussions with City Auditors and subsequent Management Letter item 2 and in conjunction with GASB Statement # 54. The committee discussed the policy and **Councilor Nyhan moved to recommend the revised fiscal goals and new fund balance policy to the City Council for adoption, seconded by Councilor Coen. The motion was unanimously approved.**
  
- 6) **Adjournment** - A motion was made by **Councilor Bouchard to adjourn, seconded by Councilor Coen, and a unanimous vote brought the meeting to an end at 5:23 PM.**

Respectfully submitted,

Brian LeBrun  
Deputy City Manager – Finance