

Budget & Finance Committee
Thursday, July 6, 2017– 5:30 p.m.
1st Fl. Council Committee Room – City Hall
-Minutes-

Present: Chair, Councilor Scott Memhard; Vice Chair, Councilor Orlando; Councilor Ciolino

Absent: None.

Also Present: Kenny Costa; John Dunn

The meeting convened at 5:30 p.m.

1. *Special Budgetary Transfer Requests 2017-SBT-26, -27, -28 from the DPW*

John Dunn, City CFO, explained that the following three transfers are all within the Talbot Rink Enterprise Fund.

Kenny Costa, City Auditor added that all the transfers cure the same problem.

COMMITTEE RECOMMENDATION: On motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2017-SBT-26 in the amount of \$8,000 from Account #690052-520000, Talbot Rink Enterprise Fund, Purchase of Services, to Account #690051-512000, Talbot Rink Enterprise Fund, Salaries & Wages Temporary, for the purpose of an increase in temporary service use for FY17 Talbot Rink activities.

COMMITTEE RECOMMENDATION: On motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2017-SBT-27 in the amount of \$1,200 from Account #690052-540000, Talbot Rink Enterprise Fund, Supplies, to Account #690051-512000, Talbot Rink Enterprise Fund, Salaries & Wages Temporary, for the purpose of an increase in temporary service use for FY17 Talbot Rink activities.

COMMITTEE RECOMMENDATION: On motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Special Budgetary Transfer 2017-SBT-28 in the amount of \$261.97 from Account #690052-540000, Talbot Rink Enterprise Fund, Supplies, to Account #690051-512000, Talbot Rink Enterprise Fund, Salaries & Wages Temporary, for the purpose of an increase in temporary service use for FY17 Talbot Rink activities.

2. *Supplemental Appropriation-Budgetary Transfer Requests 2017-SA-44, -45 & -46 from the Treasurer*

Mr. Dunn said that 2017-SA-44 for the Water Enterprise Fund and 2017-SA-45 and -46 are a result of budgeting issues. He explained that: The city budget is published in May; voted in early June; issue debt in that same month, and during the course of the year. This results in unbudgeted debt service which is largely offset by bond premium which is redistributed to capital accounts. Bond premium comes in and flows down to Free Cash during the year. These Supplemental Appropriations are for debt service that was issued last June after the budget was approved and last August. Free cash is now being used to solve the deficit.

What went in is being pulled out to cure three accounts, **Mr. Costa** said: the Water Interest on BANS, Water Principal on Debt and Water Interest on Long-term Debt. The rest will be handled by ordinary transfers, once these Supplemental Appropriations are voted on, to cure the rest of the FY17 budgetary issues.

COMMITTEE RECOMMENDATION: On motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted in 3 favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2017-SA-44 in the amount of \$111,000 (One Hundred Eleven Thousand Dollars) from the Water Enterprise Fund, Undesignated Fund Balance – Retained Earnings (“Free Cash”), Account #6000-359000 to the Water Enterprise Fund, Debt Service - Principal on Long-term Debt, Account #600059-591000 for the purpose of funding shortfalls in the Water Enterprise Fund debt service accounts.

Mr. Dunn said that these two transfers are in essence the same thing, albeit on the General Fund side. These accounts are replenished by Bond and BAN premium when it comes into the city. He pointed out that funds are

coming from the General Stabilization Fund, which has seen over \$530,000 moved into it from accumulated Bond premium.

Councilor Memhard asked what fund totals would be left in the Water Enterprise Fund and the General Stabilization Fund after these Appropriations. **Mr. Dunn** said there is still Free Cash in all four Enterprise Funds and suggested after these two transfers there would be about \$3.5 million in all the Stabilization Funds.

Councilor Orlando asked if that included the Unfunded Liability account (OPEB). **Mr. Dunn** advised that account was separate. OPEB money is treated as a trust fund, he said. **Mr. Costa** noted that fund is restricted, and both he and **Mr. Dunn** recounted the history of the OPEB account and funding it moving forward briefly.

COMMITTEE RECOMMENDATION: On motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2017-SA-45 in the amount of \$214,046 (Two Hundred Fourteen Thousand and Forty Six Dollars) from the General Stabilization Fund, Transfers to General Fund, Account #75005-596001 to the General Fund, Debt Service, Principal on Long-term Debt, Account #0170059-591000 for the purpose of funding shortfalls in the General Fund debt service accounts.

COMMITTEE RECOMMENDATION: On motion by Councilor Orlando, seconded by Councilor Ciolino, the Budget & Finance Committee voted 3 in favor, 0 opposed, to recommend that the City Council approve Supplemental Appropriation 2017-SA-46 in the amount of \$214,046 (Two Hundred Fourteen Thousand and Forty Six Dollars) from the General Stabilization Fund, Transfers to General Fund, Account #75005-596001 to the General Fund, Debt Service, Interest on Long-term Debt, Account #0170059-591500 for the purpose of funding shortfall in the General Fund debt service accounts.

3. *Memo from City Auditor regarding accounts having expenditures which exceed their authorization & Auditor's Report and other related business*

Mr. Costa briefly reviewed the City Auditor's report with the Committee (on file) with commentary by **Mr. Dunn**. It was noted by both **Mr. Costa** and **Mr. Dunn** that due to change-over between two city software finance programs there are many accounts that are in deficit at year end that will need to be cured but that how many accounts will not be known until at least Monday, July 10. It was determined by the Committee in consultation with the CFO and City Auditor to call for a Special Budget & Finance Committee meeting on Tuesday, July 11, 2017 at 6:00 p.m. to be held in Kyrouz Auditorium for the sole purpose of FY17 year-end transfers to assist in closing the books on that fiscal year.

A motion was made, seconded and voted unanimously to adjourn the meeting at 5:45 p.m.

Respectfully submitted,
Dana C. Jorgenson
Clerk of Committees

DOCUMENTS/ITEMS SUBMITTED AT MEETING: None.