

MINUTES

Fiscal Policy Advisory Committee
January 16, 2014 4:30-6:00 PM
Second Floor Conference Room

In Attendance: Chairman – Allen Bennett; Mayor Pro-Tem Dan St. Hilaire; City Councilors – Mark Coen, Fred Keach, Candace White Bouchard and Jan McClure; 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; Scott McIntire, Melanson Heath and Co.; Karen Burke, Melanson Heath and Co.

Excused: Councilor Keith Nyhan

- 1) **Approval of November 21, 2013 Meeting Minutes:** Chairman Bennett called the meeting to order at 4:31 PM and requested a motion to approve the minutes of the November 21, 2013 meeting. **Councilor St. Hilaire moved to accept the minutes, seconded by Councilor Coen. The minutes were unanimously approved as presented.**

- 2) **Audit Presentation** – Deputy City Manager LeBrun introduced Scott McIntire from Melanson Heath and Co. to present the Committee with the FY 2013 Consolidated Annual Financial Report (CAFR). Mr. McIntire introduced his associate Karen Burke and discussed the audit report specifically mentioning the following items:
 - a. Audit – The actual audit went very well and there were not significant problems or audit entries.
 - b. Opinion – This audit provides a clean opinion and is in accordance with Generally Accepted Auditing Standards.
 - c. OPEB – This is the only significant actuarial estimate in the FY13 CAFR.
 - d. Fund Balance – Mr. McIntire stated that as of June 30, 2013 the City’s unassigned fund balance was 18% of expenses. (Note: the actual % is 18.7%.)
 - e. Improvements in the Golf Fund - 2012 net change in position (\$8,091), 2013 gain of \$32,970.
 - f. GASB 68 – For the end of Fiscal Year 2015 the City will be required to report on Concord’s portion of the NHRS unfunded retirement liability. They are currently working with the AICPA to develop standards for reporting of state retirement system unfunded liabilities so that communities like Concord can continue to receive clean audit opinions.
 - g. Golf – He noted the positive changes in the Golf Fund.
 - h. Management letter – He discussed the three items in the management letter and the City’s response.

DCM LeBrun complimented Katie Graff, Assistant Finance Director and her staff on a very thorough job on the audit preparation. He also reiterated the positive changes in the Golf Fund this past year and the need for continued work in that direction for FY14.

The Committee discussed the positive audit with Mr. McIntire and was generally pleased with the results.

- 3) **Schedule meeting with Financial Advisor First Southwest Co.** – Deputy City Manager LeBrun asked the Committee if they had interest in meeting with the City’s Financial Advisor, First Southwest. The purpose of the meeting is to discuss the City’s Bond Rating with both Moody’s and S&P and the issues that they review when considering a bond rating each year. Three of the big issues that the City reports on its financial statements each year are unassigned fund balance, OPEB liability and in 2015 the Unfunded retirement liability under GASB 68. The other big issues to consider are at least maintaining fund balance and reserve levels and managing debt levels. All of which can lead to changes in bond ratings. The Committee agreed that a presentation by the City’s financial advisor is a good idea.
- 4) **Quarterly Financial Statements** – Deputy City Manager LeBrun presented the financial statements for the quarter ending December 31, 2013 which signals 50 % of the fiscal year. He reviewed the executive summary and responded to Committee questions. He also made special note of the improved performance in the Golf Fund for the first half of Fiscal Year 2014.

Councilors Coen and Keach noted the positive revenue results especially in the pro shop revenue. DCM LeBrun noted that for the Golf Season calendar year 2013 total golf shop inventory sales and rentals were approximately \$98,000 and produced a gross profit of slightly more than 49%. Councilor Keach stated that initially the gross profit anticipation was quite conservative and this % of gross profit was more than expected and DCM LeBrun agreed.

- 5) **Handout** – Councilor Coen distributed an article from the New Yorker magazine titled “Deadbeat Governments” regarding the liabilities of public employee pensions.
- 6) **Redevelopment** – The Committee requested that DCM Baia make a presentation at a future FPAC meeting on upcoming development projects.
- 7) **Adjournment - A motion was made by Councilor McClure to adjourn, seconded by Councilor Coen, and a unanimous vote brought the meeting to an end at 5:43 PM.**

Respectfully submitted,

Brian LeBrun
Deputy City Manager – Finance