

Minutes of Audit Committee

June 8, 2015

Meeting called to order at 9:00 am by Chairman Rodwell.

Members present: Daniel Hughes, Edward Lombard, James Rodwell and James Steele Excused absence Dick Cote

Council Liaison Rexann Hosafros and Staff Liaison Maureen Rischitelli in attendance

No public comment

Members provided updates to the minutes:

Added the Mayor as a public attendee

Approval of Minutes Section:

Motion's under approval of minutes added: "as follows" after the word amended

Paragraph in second motion on minutes of April 13 strike "\$500,000" and replace with \$105,000

Current Items

- A. Audit Firm Evaluation: add the words "in a written statement" after the word "recommended" in the second sentence. Add to the end of the sixth sentence. "Mr. Hughes agreed with Mr. Steele yet the materiality did not give rise to the extent of changing and at this time the firm would provide consistency."**
- B. Financial Management Systems RFP: add the words "for recommendation after the word "select" in the first sentence.**

Member items and reports delete "inaudible and that". Change "approved" to "accepted"

Motion by Jim Steele seconded by Dan Hughes to further approve minutes of March 9, 2015 and April 13, 2015 and May 11, 2015 as amended.

Agenda Item: Storm water Assessment

Update to previous presentation by Public Works Director Scott Baker on the Town's storm water assessment proposal to go to Town Council.

Page 5 shows the 3 different levels and how much water will remain on the roads based upon an average 2 inch rainfall. Option 1, less than 3 inches, Option 2, 3-6 inches, option 3 greater than 6". Page 6 depicts the rain models.

Director Baker indicated the largest costs involves the amount of labor and as we are only 4 feet above sea level when digging trenches a large amount of de-watering occurs.

Councilmember Hosafros brought up the discussion pertaining to the quarterly cleaning vs. the one time a year that it is now being performed. She also indicated that currently the Town is spending approximately \$8.25 - \$10.00 for maintenance so the net amount of @ \$15.00 would be for the project.

Jim Steele discussed option one and the costs associated along with discussion of how the maintenance cost is included in the budgeted amounts. Mr. Steele reiterated previous statements that the \$25-\$26 monthly charge was a high cost for residents.

Director Baker indicated that the overall project cost is \$30 Million over a 5 year construction period.

Jim Rodwell brought up for discussion that the project is necessary and the Town should seek funds from the State Revolving Fund to cover the 10-15 year payback that the storm water assessment fee will not provide for.

Additional discussion involved the process for seeking a credit if the impervious surface can meet certain standards that are acceptable and demonstrate they are not causing run off. Director Baker explained that there is a provision for homeowners and business to demonstrate and seek credit.

Dan Hughes also brought up for discussion the allocation and the percentage that all benefit from the improvements citing the example that by removing the storm water from the road all people utilize the roads. Director Baker indicated staff would create a written policy as part of the assessment structure to provide for the appeal. *who*

Agenda Item: RFP

Ms. Rischitelli asked that members forward to her any questions and comments on the draft submitted, she will compile these and re-submit a second draft in the October meeting.

Agenda Item: Budget

Mrs. Rischitelli explained the historical analysis provided and the draft budget that is being supplied to Council is very preliminary to meet the July 15th Charter requirement as Council has no meetings in the month of July. This preliminary budget is a reflection of updates that should have been done on October 1st to reflect items that were approved increases or changes such as the 2% salary increase. The memo attached to the budget indicates the minor changes and the Town Manager's wish to review the hourly wage and performance. Added was the negative fund balance amounts for CRA and capital projects with the remainder going into reserve.

Mr. Lombard indicated it would be helpful to do projections and include Full time equivalent history. Mrs. Rischitelli indicated these would be part of the budget discussions in August and September. Mr. Steele discussed how staff has been analyzing and working at cutting costs yet Town spending is depleting the reserves.

Additional discussion involved the percentage increase in property valuation and how it translates to approximately \$92.00 per household. Mrs. Rischitelli indicated she would supply the members with a copy of the charts depicting the valuation and the various millage rates and a copy of the Beach Water in house proposal.

Mrs. Rischitelli asked that if members wished to submit comments to Council on their views to please do so.

Mrs. Rischitelli also indicated she would email attorney Rooney for the updates to the debt policy.

Further discussion:

Consensus plan for no meeting in July and no meeting in August unless a special meeting is needed.

September meeting Jim Steele requested that Audit committee meeting be held the same week as LPA meeting so he is only flying back once. Depending upon Town Council meeting dates for September we will look to accommodate this.

Having no further business Ed Lombard motioned to adjourn with Jim Steele seconding the motion

Committee adjourned at 11: 05 am

*Minutes as amended approved:
motion by Ed Lombard
seconded by Jim Steele
motion carried 3-0.
James O. Roballe*