

Finance Committee Meeting
Thursday, June 24, 2010
Room 209 – 5:30 p.m.

Attendees: City: Chair Duson, Councilor Anton, Councilor Coyne, Ellen Sanborn, Suzanne Knight, Anita LaChance, Stephen Podgajny, Ian Housel. School: James Morse, Herb Hopkins, Jaimey Caron, Bobbi Godin. Auditors: Kathy Tyson and Greg Chabot. Members of the public.

Chair Duson called the meeting to order. She requested that the committee take the energy performance contract out of order as some committee members were going to be arriving late.

Status of Energy Performance Contract Improvements Financing

Ellen explained this was put on the agenda as an update because there hasn't been a joint City/School meeting since November. She said this will likely come back to the committee for financing approval at end of August. Ian explained they are currently going through the detailed energy audit. He would like to have a service contract signed with Ameresco by early September. He provided a memo outlining the timeline along with two lists sorted by City/School buildings. Ian said that this is not the final list and they are trying to identify which buildings the City would manage and which Ameresco would manage. These improvements are mostly for lighting, burner replacements, converting to dual fuel oil, heating controls with automation along with new windows and roofing. Chair Duson asked for public comment. No public comment.

Councilor Anton would like to see capital needs addressed. He asked about items with triple digit paybacks and is interested in the Ameresco contract. Ian explained that they have hired a third party to review the fees and we will be negotiating that as part of the contract process. Chair Duson asked if once the final list is available that it goes through the Energy and Sustainability Committee.

Jim asked if the boiler upgrades for the school were included in the energy contract and how would these be funded. Ellen said these will be financed with the project.

Jaimey expressed concern with what the terms and fees will be with the energy contract and feels that if these improvements are managed internally we would save on fees. Ellen said this is a unique project and that there is a capacity issue as to what we can manage and what we need help with. Jaimey said he's struggling with how Ameresco came up with the costs and what the savings would be in the operating budget. Ellen explained that this is a moving target and there is a lot more work to be done. She said that the City will be doing its own financing, and that Ameresco will manage certain projects. The model is to have savings in energy costs that will pay for the financing of the improvements.

Chair Duson said that the committee needs to understand that they are still narrowing these down. Jill asked Ian to report back once the list has been completed to both the Finance and School committees.

Auditors – Due Diligence

Ellen explained that the both City and School Finance Committees serve as the audit committees and that the auditors are required to perform some due diligence efforts with the audit committees as part of the audit process. Kathy Tyson provided disclosures and an overview of the audit. They perform the audit in accordance with federal standards. The City receives a great deal of funding through the American Recovery & Reinvestment Act of 2009 (ARRA) which they are required to test. Kathy provided a listing of the major federally funded programs. She said they work with the City's Controller in preparing the financial statements.

Discussion was held on prior year's comments and management responses. Kathy explained the significant deficiencies and said these will be followed up on. Chair Duson said that she would like to have documentation in some format when deficiencies have been corrected.

Kathy ended by providing a form to the members with four questions to be filled out and returned to them directly. She asked the Committees to let them know of any areas of concern or that they would like special attention paid during the audit.

Use of Riverton School library space

Jim said that as part of the budget process last year the council agreed to fund the Riverton library branch during the next year to allow for transition to a new library model that was proposed by the Library Board. Stephen and Jim have been having conversations to look at additional opportunities for the school and library to work together. Jim said they have been working on an idea to move Adult Education to Riverton, which would benefit that program and also allow the library to extend their open hours beyond 20 hours a week.

They met with the Riverton neighborhood association, who were advocating keeping the branch library as is. Stephen said they like the human component of having a librarian.

Public comment was taken.

They will continue to work together to come up with options that meet both adult education and neighborhood needs. Chair Duson said it was the intent of the Finance Committee to fund this for a one year transition period and the Library was to report back to them later in the year on the progress. She understands that

they are working together to try and come up with a solution to look at ways of keeping this library open, and appreciates their efforts.

Approve minutes from April 15th & April 30th meetings

Councilor Anton asked to have Morris Fisher's name corrected in the 4/30/10 minutes and made motion to approve April 15 & April 30th minutes, seconded by Councilor Coyne. Passed 3-0.

Discussion and Recommendation on Reserving Property Sale Proceeds for Public Services Relocation

Ellen explained that this was requested as part of the budget process. Gary Wood has drawn up an order to go to Council. Councilor Anton asked to have the dollar amount applied to the FY2011 budget added to the order. Ellen changed the order to read assigning \$313,500 as revenue.

Councilor Anton made motion to send Order to Council once the dollar amount of \$313,500 is added as proceeds, seconded by Chair Duson. Passed 3-0.

Executive Session – CBITD Lease Negotiations

Pursuant to 1 M.R.S.A. 405 Section 405(c) and 5 M.R.S.A. 14119-A, the Committee will go into executive session regarding CBITD lease negotiations.