COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE ADMINISTRATION

November 21, 2000 **3:00 PM**

Chairman Hirschmann called the meeting to order.

The Clerk called the roll.

Present: Aldermen Hirschmann, Levasseur, Pinard, Thibault

Absent: Alderman Lopez

Messrs: R. Gamelin, S. Zimmerman, R. Bonneau, R. Sherman, S. Bassett, Alderman Wihby, Mayor Baines, J. Porter, K. Buckley, R. Davis, J. Desrosiers

Chairman Hirschmann addressed item 3 of the agenda:

Presentation by Riverfest, Inc.

Mr. Gamelin stated I am Roland Gamelin the Treasurer of Riverfest. I am with Sandy Zimmerman who is our Chairperson of fundraising and Robin Bonneau who is our Secretary. We come before you again this year for some help from the City. We were here last year and we asked you for some funds to continue Riverfest. We are still on our re-building going into our twenty-first year. After going through several years where we have run into some bad weather, we got into some financial difficulties and came forward to you last year and you were good to help us out. We are looking for some help again this year. We did pay last year's money back as we promised. We are looking to do the same thing this year. I have a financial statement for you, Mr. Hirschmann, if you would like to see it.

Chairman Hirschmann asked so the 1999 receivables that went out to Riverfest were paid.

Mr. Gamelin replied in the affirmative.

Chairman Hirschmann asked the sum of money that we gave you so you could find your promoters and do all of that you did well and you had a good Riverfest but you want more money is that what you are telling us.

Mr. Gamelin replied that is correct. We are still in the building years over the years past from having a couple of bad years. The funds that you gave us last year to start we were able to book our acts and pay some bills. Right now as we stand after this year's Riverfest, we still have a balance due the City, the Police Department again and the Highway Department as well as one major vendor which is our electrical vendor outstanding $16,329. Right now we have a balance in the bank of $4,000 worth some payables of $32,000 including the City.

Chairman Hirschmann asked so you are upside down in your position.

Mr. Gamelin replied in the affirmative.

Chairman Hirschmann stated this committee is not prepared to give Riverfest any money or make any offers of any kind. What this committee's charge is, is to look at invoices and make sure that they are paid and report to the full Board. What I am going to ask the committee for a motion on behalf of Riverfest is to direct Riverfest, Incorporated to the Mayor's budget process. So in the Mayor's deliberations for his next budget which is coming up you could request a sum of money just like two hundred other entities in town. I know he gave the Palace Theatre money to help them through. He gave the Soup Kitchen money. There are many good causes in Manchester that need money. Obviously you are one. I do not want to see you in this deficit position. I do not enjoy having a good cause come before us and ask silly questions like "why is money owed?" that is not what we are interested in. I would like to entertain a motion to refer Riverfest, Inc. to the Mayor's Office so that when he works on his 2001 budget that there is a possibility that they will be in line.

On motion of Alderman Pinard, duly seconded by Alderman Levasseur, it was voted to refer Riverfest, Inc. to the Mayor's Office to submit the request to be included in the 2001 budget process.

Alderman Thibault asked in the money that we appropriated to you last year, how much of that balance, if you will, that was outstanding at that time has been paid.

Mr. Gamelin replied all of last year's funds have been paid. We paid the City as promised the first thing. We owed the Police Department and we took care of that first thing. We had borrowed $15,000 from this committee last year and paid that back before we paid anything else back. So what we are looking for right now is a shortfall of paying one major bill. I have talked with a couple of vendors who are

willing to work with us and wait for payment until next year. But I have an electrician who is on my case every day now who is looking for $16,000. Obviously electricians do not come easy for an event like that. That is one guy I want to get taken care of real quickly.

Alderman Thibault stated I would have to agree with the Chairman.

Clerk Bernier stated I would send a letter from this committee that Riverfest, Inc. will be in contact with them for Fiscal Year 2001 in the budget process.

Chairman Hirschmann stated and Mr. Gamelin, as Treasurer, I would hope that you would write a letter to the Mayor's Office stating your position knowing that in this form of government, the Mayor is in a position to come up with the new budget. He is in the position to take care of entities like yourself so that it continues. They can fund many things; Christmas parades, Intown Manchester. I know that we cannot help you today and you have an electrician that is at your beckon call but that is what we could do for you today.

Mr. Gamelin asked how long is the process for the budget.

Chairman Hirschmann replied the budget will be passed in June.

Alderman Thibault stated the Mayor could probably bring that before the Board long before that.

Mr. Gamelin stated that will put us in a terrible situation with the electrician obviously. If we do not have an electrician for next year Riverfest does not go on. We are not here looking to get a grant from the City as other entities have.

Chairman Hirschmann stated at this point you may need it because I do not think the City wants you coming back annually. It is at the point where just as he did with the Palace Theatre, he gave them $75,000 of seed money to make sure that they could get through their problem and get them on track and I think that is what you need.

Ms. Zimmerman stated the financial problems that have occurred have certainly been recent. Riverfest is heading into it's twenty-first year. It is stewarded not by a full staff and development department it is stewarded by a number of volunteers. Most of us the people who founded it over twenty years ago. As with many special events, our financial problems have been brought upon us during weekends where it rained all weekend and obviously that has had a financial impact that has left us in the position that we are in today.

Chairman Hirschmann stated I understand that. I am trying to be a real gentleman and really do what this committee can do and I am trying to be really nice and if I was the Mayor I would wave my wand right now but I am not the Mayor right now.

Ms. Zimmerman asked is there an avenue that we could pursue to be able to do something to put us in a better position with someone who is as critical to our organization as our electrical supplier.

Chairman Hirschmann replied the Mayor is our Chief Executive and if there are funds maybe some contingency funds that he may be able to either loan you or do something for you. We have to hear from his office because maybe there is not. This committee goes over our open invoices and we see what was paid and we look at history and that is why we had you back in. Actually you are giving us a report which is a good report telling us you paid 1999 bills and we are ecstatic. We understand the year 2000 bills…we are not upset. We know you are doing the right thing down in the Millyard and we are not trying to say "no" to you so what I am doing is I am directing you to the avenue of government that could help you and that is the Mayor's Office and the budget process. It sounds long-term but he may be able to help you sooner than that.

Alderman Levasseur asked how many people showed up for this year.

Ms. Zimmerman replied we had, I believe, over 70,000.

Mr. Gamelin stated it was 70,000 to 75,000.

Alderman Levasseur asked was it $5.00 to get in.

Ms. Zimmerman replied in the affirmative and stated and we try to keep it that way and children under eight years old come in for free.

Chairman Hirschmann stated I want to thank you for coming.

Mr. Sherman stated at the last committee meeting you asked that Scott Bassett from the City's audit firm come in and update you. Scott has a meeting tonight in Connecticut and could we put Scott on at this point before we get to item four so he could update you. He is not on the agenda for some reason. It did not get placed back on but he would like to just update you on the current City audit.

Chairman Hirschmann replied absolutely.

Mr. Bassett stated I have been asked to come to update you on the progress of the audit on where we are at this point as far as the scope of our engagement. I will be happy to do that or start with some questions if you would like.

Chairman Hirschmann stated the reason that you were invited is because we were under the understanding is that you were close to the end of your engagement and that there was going to be some type of a draft report to this committee and you were going to work with this committee. Is that correct.

Mr. Bassett replied that is not my understanding and if that was the case…

Chairman Hirschmann stated we were trying to find you before we cannot find you. We are happy that you are here do you have any report for us or is this just a friendly conversation.

Mr. Bassett replied I was invited here and no one had given me an agenda as far as what you gentlemen would like to have seen today but I would be more than happy to go through our process and where we are at this point.

Chairman Hirschmann asked could you give us a percentage of your project.

Mr. Bassett replied I would say we are probably about 85% complete. I believe the last 15% are going to be issues that may be outside the normal scope of an audit. As you all know with the separate reporting of the School Department this year there are some transitional issues that really have an audit impact. It is my understanding with a lot of these issues mainly doing with the fixed assets that had been previously reported who really has title to those assets and where are those assets going to be reported on whose financial statements. I think without that being answered I am unable to give an opinion on the financial statements of the City.

Chairman Hirschmann asked the 85% that you are completed I would take it that all City departments and authorities are complete except for the School situation.

Mr. Bassett replied the School situation is one and we are visiting the Airport to finish up some work out there next week. We tried to focus on the General Fund of the City so that we would have a good feeling about the audit being 100% complete…an idea where the fund balance is as of June 30, 2000. One of the big factors in developing that fund balance are auditing that fund balance again had to do with some transition issues that have been brought to light with the School Department and the City department as far as reconciling certain items.

Chairman Hirschmann asked before you prepare a CAFR firm management letter and all that is required are you going to report to this committee in any fashion or is it necessary.

Mr. Bassett replied in the affirmative and stated it is absolutely necessary to report to you under professional standards. You, as the audit committee…in order for you to discharge your oversight responsibility, you have to have a chance to review the financial statements and meet with the auditors independently and discuss any audit issues that may have arisen during the scope of our engagement.

Chairman Hirschmann asked would you anticipate that to be in January…February…just to get a timeframe.

Mr. Bassett replied I guess what I would hope we would do is issue a draft statement and I guess I am cautious on this because of the fact of the issues that really have not all been thought out as far as the transition issue of the School Department. But at least meet with you with a draft statement hopefully in early January with say the General Fund. And within that statement the correct presentation of the fixed assets might not be available yet. It is my understanding that two attorneys have given two different opinions as to ownership of certain assets. Without that being…I do not know when the School Department's audit will be completed. Obviously they are a component unit of the CAFR this year and I am going to be relying on their auditors for that portion of the CAFR.

Chairman Hirschmann asked we are sixty days out anyway correct.

Mr. Bassett replied I would say that is correct. But I would come up that I feel I need I would have to communicate the audit committee I would most certainly do that prior to that.

Chairman Hirschmann asked we had heard that you were 85% or better complete and that is why we had requested to meet with you. Maybe it was premature but it is good to see you. Are there any issues that you would like to discuss with this committee today.

Mr. Bassett replied in the affirmative and stated I think that one of the biggest issues that we are wrestling with right now is the transition issues as far as that excludes fixed assets right now but just some transitional issues that we have gone through with the School Department as far as the proper cutoff of June 30th numbers. Some numbers are black and white and you can go through the accounting issues on those and make a decision on them. Other numbers are not so…they are in the gray area and my feeling is that they are either going to have to be some compromise on both sides to come to the resolution of those matters.

Chairman Hirschmann asked do you use a starting point from the previous July 1st and Melanson Greenwoods balance sheets.

Mr. Bassett replied that is where we start on one of that process that I have to go through is I have to visit with the prior auditors and review their work papers to get an idea of what type of scope or what type of audit they performed and come to the conclusion that I can rely on their opening balances and we have been able to do that.

Alderman Levasseur asked how many other cities are you auditing at this time.

Mr. Bassett replied probably eighteen.

Alderman Levasseur asked do you have any of the other cities that are separated the same way as Manchester as far as the School District or are they all united as one or are they considered their own district.

Mr. Bassett replied just one I have under Connecticut State Statutes they are called Regional School Districts. But what is different from the City of Manchester is that the tax bill goes out for each member town there is not a separate tax bill for the School Department. So in that instance, this Regional School District is a separate entity and not included within the CAFR of the town. There are just separate entities out there, which is not uncommon for a lot of county districts. What is unusual here is that you are breaking something out that has been together and which is more typical of what I see and just draw that line in the sand and saying okay here is where we stop and here is where it goes forward is not an easy task to get your arms around all of that.

Alderman Levasseur asked as far as getting your arms around it, do the other districts that you have or regionals that you call them do they have different accounting firms working for…are they working with their own accountants or are they all working under one body of accountants or financial advisors.

Mr. Bassett replied within the accounting division of a city.

Alderman Levasseur replied in the affirmative.

Mr. Bassett replied in most instances they…the School Department and the City government are two separate entities for that standpoint but there has been a very big move in Connecticut right now is to consolidate those entities into get under one roof the same purchasing practices and having one chief CFO for both…for that department. Right now what I am used to seeing is that there is a CFO for all

City government and there is also a Business Manager for the School Department. What they are trying to do is consolidate those two departments so that the accounting functions are routine and are similar.

Alderman Levasseur asked as far as this charge back situation goes do they have those same situations where if the City is working with the School Department they have to account for their time for the time they are working with the School Department to have a chargeback and then go through this billing process or is it different there.

Mr. Bassett replied in the negative and stated they would do that. We call those in-kind services and if you are providing those type of services you would have to have support to charge to the School District because in Connecticut a portion of those costs are reimbursed from the State. Any type of indirect cost like that has to be documented.

Alderman Levasseur asked do you see the battles or is it just pretty normal…typical that there is not a problem with when paying the other or whatever.

Mr. Bassett replied in the negative and stated there are battles.

Alderman Levasseur asked now the difference between the tax bills is there a problem with that that you could go because we do not do it that way. Does it cause confusion or a problem with it.

Mr. Bassett replied what it comes down to is that there is one tax bill going to the taxpayer with the percentage of the portion of the taxes for each city, county and School District. I guess what I am looking at and what you are going to look at are from an array agency you might have three different entities out there but they are going to take a look at the fund balances combined so is there confusion. I think everybody presents a tax bill with a portion of School District monies that are not going to be reimbursed by Federal or State grants and what the impact is on the taxpayer. As a matter of fact, under Gaza 34 that is a required presentation what property taxes are supporting. I do not see it as unusual. Most taxpayers know what portion of their taxes are going…or that is communicated to them what portion of their taxes are going for educational expenses.

Alderman Wihby asked you said that you normally in the practice…you talk to the past auditors and you have not or you have.

Mr. Bassett replied I have done that.

Alderman Wihby asked did you get the information you needed from them.

Mr. Bassett replied in the affirmative.

Chairman Hirschmann asked are there any other issues besides the School District that are concerning you at this time.

Mr. Bassett replied I think that you are going to have some reportable conditions as far as some of the other departments that we have gone through and visited as far as processes.

Chairman Hirschmann asked some of these are new conditions.

Mr. Bassett replied absolutely and I guess there has been another major issue that we have had to deal with is reconciling the tax warrants and the tax sets the records to the Finance Department's records as far as billings and proper assessment. That is an issue that we have spent a lot of time with. That was brought to our attention by the City. We go through that process. Our job is to work for this committee is to make sure that statements that you receive and I give an opinion on are conforming and generally accepted accounting principles and that we can audit those numbers under generally accepted auditing standards. That is what we are doing.

Chairman Hirschmann asked was it reported to you yet at this time that there were any thefts of revenue at the airport.

Mr. Bassett replied in the negative and stated there has not been and if there has been…

Chairman Hirschmann asked Mr. Mayor, could you please forward to the auditor the letter you sent to my home about theft of revenue at the airport because he is auditing the airport at this time. He is doing it right now so I need that letter to get to the auditor.

Mr. Bassett stated as part of our initial or second meeting my question to this committee was if you knew of any fraud that you would communicate it to me and that goes on throughout the scope of the audit so I appreciate your bringing that up to me.

Chairman Hirschmann stated this is a new issue that has just come to light and it is convenient that the Mayor is in attendance so I just want that communication given to the auditors.

Mayor Baines stated we are meeting right after this so I will make sure that he gets that.

Alderman Levasseur asked do you have the MS 24 or MS 25 forms for this year.

Mr. Bassett replied I have the MS 25 form for the Board of Education that was submitted. I do not recall seeing the one for the City but I guess I understand the mechanics of it. I have worked with Kevin and his staff as they are calculating a rate to be voted on tonight and where they are coming from with it.

Alderman Levasseur asked do you have anything to report to us on that at this time.

Mr. Bassett replied in the affirmative and stated the process that the City has gone through with it and their conclusions are reasonable based on the information that I know at this point. There are still some reconciled items with the School Department that could impact fund balance. They are trying to reconcile those out right now. With the reconciling items on the fund balance it is either going to impact the City or it is going to impact the Board of Education. It has to go in one direction.

Alderman Wihby asked do you have a copy of the school side MS 24 and 25.

Mr. Bassett replied I have the MS 25 from the…

Alderman Wihby asked does Finance have it.

Mr. Sherman replied we brought all of the tax forms with us. We could go through that now if you want.

Mr. Bassett stated I do not know if this is the official document but I have a document that says MS 25 and I know that is the School Department revenues.

Alderman Thibault asked I just want to go into what you just said a few minutes ago about reconciling with the Assessor's Office with the Finance Department. What are we doing there. Do we get some private assessor that comes in and reconciles.

Mr. Bassett replied basically all that is, is I believe when we come in to do our audit we had to look to one central control accounts. We cannot audit different…we come in and audit the records that are presented to us from the Finance Department. As part of that procedure it was brought to our attention that there was an unreconciled difference of 1.6 million dollars just from…it was just

unreconciled. The parties have not gotten together to bring the number together. That was one of the…what I report back to you when I complete the audit are significant audit adjustments and that would be a significant audit adjustment from the original trial balance that was brought to me. It was just a matter…bookkeeping errors happen. It was just a matter of taking those two different set of records which is what you want to do in tying them together. That is the process that the City had to go through with the Assessor's Office to get there.

Alderman Levasseur asked is it normal procedure when an auditor audits your books on a yearly basis and then is called on to do another audit of a different type of…like federal money. Is that normal for the auditor to be able to do both or would you call in a separate auditor.

Mr. Bassett replied in the negative and stated actually I am required to do a federal single audit for you right now. You may want…what happens a lot of times is that there is a specific program that management wants the auditors take a more in depth look at. What happens is that my materiality level now instead of being at it City wide it is more focused and narrowed down to this specific program. So it is not unusual to do that. What I always caution with though is the term "audit" is used a lot of times what you are looking for is something more operational is "what can we do to improve the procedures at this facility". When you say "audit" I think of numbers a lot but you are probably going to get more out of a management tool if you do something more in the operational side.

Alderman Levasseur asked my question gears more toward not a department of the City but a non-profit organization that uses money that we give the City. They have their own auditors and now we want to go further into a different…and look at our own City money. You think that it is okay to allow that same auditor to do…or would you…

Mr. Bassett replied this has been brought up to me and what I thought as far as the most economical process right now would be to have your internal auditor draw up some procedures and be able to view the firm's work papers to see how they came out with…say you pulled a sample of twenty-five that he requested that these separate auditors take a look at. What I would think that the internal auditor would want to do based on those programs is then sub-sample that twenty-five and make sure the steps that he asked to be performed were performed and the type of items that you were looking for were documented and properly documented.

Alderman Levasseur asked so our internal auditor would actually make sure that their audit was going okay.

Mr. Bassett replied you have agreed upon procedures and you would have the internal auditor direct the type of steps that you would like them to take a look at. They could be very well non-financial steps. They could be just compliant steps and they could make sure the "I's" are dotted and the "t's" are crossed.

Alderman Levasseur stated thank you very much, Scott, I appreciate that.

Alderman Hirschmann stated Scott, if you are not going to add anything further at this time what I am going to do is put you on an agenda in January if you feel that is good and you will be the only one on the agenda so we could have almost like a workshop. The door has to be open because it is a public meeting but it will be a smaller environment maybe in one of the conference rooms with you and your preliminary report at the time and this committee and anyone else who wants to sit in the background.

Mr. Bassett stated and again if questions are coming up during the course of the audit or whenever you meet and you have specific questions I am engaged by this committee and I welcome phone calls. The more information I have it is easier for me to do my job.

Chairman Hirschmann addressed item 4 of the agenda:

> Communication from Guy Beloin, Financial Analyst II, relative to financial statements for the four months ended October 31, 2000.

Chairman Hirschmann asked Randy, are you representing Guy.

Mr. Sherman replied in the affirmative and stated this is Guy's last day so I think it was kind of him even to come to the meeting.

Chairman Hirschmann asked anything on financial statements for the last four months…any questions.

Alderman Levasseur asked Randy, if you look on page one on four I am looking at these chargebacks here $6,641,700 way down at the bottom non-departmental items. What are those numbers…you have different numbers here…you have six and then you have five could you explain that to me.

Mr. Sherman replied what the chargebacks are those are the costs that you have budgeted in non-school departments for school purposes. For example, school nurses, janitorial services, crossing guards. What you do when you do your budget, you are budgeting those in those individual departments.

Alderman Levasseur asked so these are the numbers that you projected for…you do not have the numbers in here for the prior year is that…

Mr. Sherman replied in the affirmative.

Alderman Levasseur asked as far as the maturing debt what is the maturing debt is that something that has to be paid within a certain timeframe you call the maturing one year, two year, three year.

Mr. Sherman replied that is our annual debt service. The maturing debt is the principle…the second line after that is interest on the maturing debt and is obviously the interest on our outstanding bonds. Those are paid typically the first of the month but we make payments every month depending on the maturity.

Alderman Levasseur asked I do have a question concerning page four on item four as far as…it seems like the last time we met our number for revenue was higher and it seems to have dropped and I am wondering why that has…it has only been two weeks. I think we had it projected at higher revenue numbers and now they seem to have dropped. I thought we were a couple of million above and now we are…unless I am misconstruing this document.

Mr. Sherman replied it has slowed down. What the last one actually showed if you go to the far right hand column what the last one actually showed is that we were running over 10% ahead of last year. At this point, we are down to 9.8%. But I think that certainly is still a good sign. It is kind of hard sometimes to compare month to month or come up with monthly budgets or quarterly budgets because it is hard to do something like with the Building Permits. What goes on in September of one year may not go on until October of the next year or may not go on at all. So it is kind of hard to always match those items up. I think the fact that you are still 9.8% ahead of last year is a good sign, an exceptional good sign. If you could go to the second category where we have licenses and permits, auto registration is up and you actually predicted that the budget was actually less than last year. Your permits are already up $600,000 so there are some good signs there that if the economy should tend to tail-off that maybe you have a running start on this and could still make your budget at the end.

Alderman Levasseur asked, Joan, I know you are here so I want to ask you about the auto registrations. I remember during budget hearings last time you said September or October was always your biggest month. Last year at this time at October are you confident that you are going to keep going with this number or is that just a burst. I would like to see that number stay there but I do not know if that is only because we have…sometimes at the end of the budget we get a burst,

obviously we will get more boat permits in the spring than we will have in September. Are we going to be able to maintain the auto registration because I am thinking rent-a-cars I know you said you had a big rental car registration in April. Are you surprised by this number that has been increased.

Ms. Porter replied in the negative and stated I would say it probably about what we would have funded.

Chairman Hirschmann asked the first quarter looks very well up 9.8% in revenue. Is there a motion to accept the report.

On motion of Alderman Thibault, duly seconded by Alderman Levasseur, it was voted to accept the financial statements for the four months ended October 21, 2000.

Chairman Hirschmann stated we are not going to take up item 5 at this time.

> Discussion with Internal Audit Manager, Kevin Buckley, relative to the Fleet Management audit.

Chairman Hirschmann addressed item 6 of the agenda:

> Discussion with Internal Audit Manager, Kevin Buckley, relative to the Intown Manchester audit.

Mr. Buckley stated where we are standing at the moment on the Intown audit is Intown's auditors Vachon Clukay & Company were asked for a compliance audit. You should have received a copy of their engagement letter the other day in the packet I sent you. In addition, you should also have gotten a copy of an audit program that I developed to test this one program. You will notice that most of the points that I would have like to have tested have been addressed in their engagement letter. However, I would like to suggest a few changes to their engagement letter. If you look on the first page of the letter I would like to expand the audit period that they talked about just audited in FY 2000 I would suggest that we have expanded from 1997 to FY 2000.

Chairman Hirschmann stated that is our intent.

Mr. Buckley stated most of the questionable areas I looked at were prior to 2000.

Chairman Hirschmann stated the reason that was our intent is that these funds have been appropriated since 97 and they never have come under scrutiny so we thought it appropriate at this time to do that.

Alderman Levasseur asked Mr. Chairman, there have been questions concerning whether we had the ability to audit this department.

Chairman Hirschmann replied there is no question.

Alderman Levasseur stated I just want to say that it is in the contract, Mr. Chairman.

Chairman Hirschmann stated we are moving ahead with that.

Alderman Levasseur stated it has been questioned in the last meeting it was questioned by Alderman Lopez and it is in the contract.

Chairman Hirschmann stated Alderman Lopez is overruled.

Mr. Buckley stated if you look on the first page of their addendum page three of their letter what I would like to see from them and write and talk to them about is to see that their document and testing the internal controls specifically over compliance. If they have good internal controls and they are following them then a lot of our concerns would be answered right there we would not have to worry so much. I also believe and I did not see it in their engagement letter, they should be testing for allowable and unallowable costs. There are some pretty specific costs that they are not allowed to use this money for and I would like to see that in their engagement letter.

Chairman Hirschmann asked such as roofs, rain gutters…

Mr. Buckley replied in the affirmative and stated it is very specific that the program has to be for something you can see from the street and on the front of the building. There are a whole list of things that are in their own documentation that they are supposed to be following. In addition to the stated maximum amounts per project that is in that addendum, they should also be testing for square footage requirements of the program. There is a cap on how much you can get by total amount. There is also a cap on the square footage of your building and I would like to see that in the program. As I said before, the scope should be expanded for all 97 to 2000…all of the projects not just a sample. Finally, I do not see in their letter where they are testing on a first come first served provision of the program which I think is also another important part that they should be looking at. With

those two minor changes…the major changes are testing all of the projects. They had $1,500 for an estimate of their audit.

Chairman Hirschmann asked you will take these points up with Vachon Clukay.

Mr. Buckley replied in the affirmative and stated we have had a preliminary conversation with them already and I will call them up if everything looks fine to you. I will bring the rest of the points up and I will also talk to them about reviewing their work papers to insure that they are compliant with everything that we would like them to look at.

Chairman Hirschmann asked the "test grid" that you have provided to me looked very reasonable. It was common sense how it was laid out. That addressed a lot of concerns that they were doing everything appropriately as far as the amounts of money, the types of projects with the areas where the money was being spent, whether it was in the district or not. That looked good.

Mr. Buckley stated that is a very standard audit program. I am sure that Vachon's audit program looked very similar to that if you could see their actual program. I have a high degree of confidence that they will be…with a little prodding we will be looking at what we want them to.

Chairman Hirschmann stated this is a preliminary report and we will get to this in another agenda.

Alderman Levasseur asked how far back did you say you were going to go, Mr. Buckley.

Mr. Buckley replied 1997.

Alderman Levasseur asked since the inception of the program.

Mr. Buckley replied in the affirmative.

Alderman Levasseur asked are you going to be looking at each project individually or are you going to be taking samples of 97.

Mr. Buckley replied they would like to do a sample in their engagement letter. I would prefer that they look at all of them.

Alderman Levasseur asked when you say you prefer is that going to be…do you need a motion that you want us to give you a motion to that effect.

Mr. Buckley replied in the negative and stated Vachon said if it was up to the Aldermen what their wishes they would be able to do it. So a motion would…

On motion of Alderman Levasseur, duly seconded by Alderman Pinard, it was voted to include all expenses and not a sampling relative to the Intown Manchester audit by Vachon Clukay & Company.

Alderman Levasseur asked there is also one other question that I am not sure if you realized…one of the other guidelines that I noticed in the contracts themselves was that in order to be getting any money the façade had to be approved before it was actually done. If a guy comes in and rents a place and puts a façade on his own property, he is not entitled to the money by the contract itself. I do not know if that guideline is in there and whether you could really run a test for that. I know I have had a couple of people who have told me they are getting money now even though the facades have already been put on to their building. That guideline needs to be added into your questions.

Mr. Buckley stated if you could show me where it is in the guidelines and I will be glad to be put that in.

Alderman Levasseur asked what did we ever decide, Mr. Buckley, on what we were going to do with technical assistance money where it was going, who are the people that were receiving it, whether the money that was being taken out for Intown itself and where those funds were going to be placed. From the scant financial documents that I have seen I have not seen an actual line item that says $5,000 from the technical assistance money was put into that line item. I do not know if you noticed that…we had discussed that and whether you had come up with some sort of a solution to that question.

Mr. Buckley replied technical assistance money is actually a different program from this one. I believe it is even a different pot of money than this money.

Chairman Hirschmann asked is it City money.

Mr. Buckley replied in the affirmative.

Chairman Hirschmann stated then we are going to ask you to look at that at some point but start here. Start with one thing at a time.

Mr. Buckley stated I agree that this is also another area that should be looked at.

Alderman Levasseur asked do you think he should do it at the same time because they are doing the audit now and it is going to be the same books. I think you should. It is only about $80,000.

Chairman Hirschmann replied he says it is a separate program now.

Alderman Levasseur stated but they are both given at the same time. Both of them are voted in at the same time and they are actually one balances the other. In other words, the $110,000 that we give them for façade the $20,000 goes…it is like a matching.

Chairman Hirschmann asked could you have discussions with Vachon about that program whether we should do these concurrently or whether it should happen as a follow-up.

Mr. Buckley replied it would probably be easier for Vachon to do them together.

On motion of Alderman Levasseur, duly seconded by Alderman Pinard, it was voted to include the technical assistance money that the City provides to Intown Manchester to be included in the audit along with the VIP program.

Chairman Hirschmann stated Kevin, I wish you well doing this. I want to say something for everybody, I know that Rich Davis is here today and Rich you are welcome. When I got into City government I decided that no stone should go unturned. Whether you are my best friend, my neighbor, someone from out-of-town, someone new, someone old, everyone should be held up to the same scrutiny and the same principles and that is all this is about. This is public money that we want to have a fair reporting on and there is no "witch hunt" I assure you whatever you have been told this is not a personal agenda of anyone's this is just public money and the internal auditor is going through these funds and there are other funds as well that he will be asked at our discretion. Like I said, when it comes to the public's money they want the assurance that everything is appropriated at all times.

Mr. Davis stated Kevin and I have not actually had a chance to meet before and sit down to discuss this criteria. I think they are very reasonable. The ones that he has added to that the Vachon Clukay letter had been very reasonable. The one that I would call to your attention is the…which Kevin and I probably should have discussed before he brought it to you is the Secretary of the Interior of Standards. Certainly those would apply on any national historic or some locally historic designated properties. Especially those properties that are using tax credits that are available for renovation of historic properties. But it was never our intention to impose this. As a matter of fact, we would be unable to impose the Secretary of

the Interior of Standards which are national standards for renovation of historic buildings. First of all, we would not be able to impose that in buildings that were not historic. Secondly, we would not be able to impose it in areas that are not designated or for projects where those tax credits are not being used. So, while we use these as a guideline when we came in and we started this program, we found that there really were no guidelines. We took these as a desirable standard, something that we would like to see…kind of a highest and best standard. But in no case and in no way did the City (that is the Planning Department) or anyone else in the City ever give us that standard as a standard that had to be met in all cases. Certainly in historic properties where we felt that the property needed to meet those historic standards we would certainly tighten up on those as much as possible. But as you know, in this district there are a lot of buildings that are not so designated. The district itself is not designated as an historic district except in the Millyard and the Millyard housing areas which they have their own set of controls that certainly we respect and we would totally go along with.

Chairman Hirschmann stated there is a Heritage District overlay that you do have to comply with. There is a Heritage District Commission that you would have to interact with to put windows and do facades.

Mr. Davis replied in the affirmative and stated we would have to comply with all of those.

Chairman Hirschmann stated I do not know how that is relevant to what we are discussing.

Mr. Davis stated simply because it is in Kevin's list of…

Mr. Buckley stated I could put in there "where applicable".

Alderman Levasseur asked when it comes to the historic overlay do…and I have been through the historic overlay…so that means on each and every single one of these applications there must be an historic permit before they can go forward with this work, is that correct. Another words, before I put windows in on an historic building I have to have an historic permit.

Mr. Davis replied in the historic areas we insist that they meet all of those criteria. That they go through talking to the Heritage Commission that they talk to the Millyard Design Review Committee…they do all of that before they come to us so that is already taken care of by the time they would bring in a program to us.

Alderman Levasseur asked but you check on that and make sure they have the historic permit and you have copies of those historic permits for each of those jobs.

Mr. Davis replied they would have been asked in each case to verify to us that that work has been done before they would come to us.

Alderman Levasseur asked do you think that façade program includes roofs by any chance. We know the guidelines and the standardized guidelines do not include roofs but have you decided or the Planning Department with you included decided that roofs are included in a façade program.

Mr. Davis replied there are always a couple of cases where you have to make a judgement call. The one where you would have to look at is a mansard roof. Mansard roof is part façade and is part roof. In those cases, we have often looked at a mansard roof…we have not had more than one or two of those in the entire program. So we would have to make a judgement call on those cases but as a general rule you are correct, roofs are not something we considered eligible for the grant program where people had roof problems we have always assumed and encouraged them to go for loans as part of the loan package.

Chairman Hirschmann stated at this time that is all we are going to take on that particular issue, thank you for your input and Mr. Buckley thank you. When would you expect to report back to this committee on this particular audit.

Mr. Buckley replied I would have to talk with Vachon and see what their timetable is. This time of year is pretty good for them because their public audits have not started up yet…the heavy ones and their government ones are ending so they might be able to fit it in pretty quickly.

Alderman Levasseur asked Rich, since you are in the building I will ask you is Vachon a tenant of the building in the district or are they actually owners of that property.

Mr. Davis replied I do not know.

Chairman Hirschmann stated we will just wait to hear from you on this issue.

Mr. Buckley stated you had also asked me for about fleet audit did you want an update on that.

Chairman Hirschmann replied in the affirmative and stated I do not really want to take that up today. That is a big discussion. We all got a copy of the 1998 report.

Mr. Buckley stated which is an excellent report. They did a very good job on that.

Chairman Hirschmann stated they did and as City government goes nothing happened with that but I am looking for us to probably use that as a guideline and move forward but I do want to do something new with it. Thank you, Kevin.

Chairman Hirschmann addressed item 7 of the agenda:

> Communication from Jennifer Desrosiers relative to the Aged Invoice Report.

Ms. Desrosiers stated I hope that the code that I gave to you was acceptable. There is one item that is pertinent to the agenda. Item 10 on the tabled items that I believe is going to be brought to the full Board tonight for approval so that should probably be removed at this time as a tabled item.

Chairman Hirschmann replied in the negative and stated we are not taking that off. We have other important things to work on.

Ms. Desrosiers asked but it is on the agenda for tonight's approval I believe before the full Board.

Chairman Hirschmann replied then it probably is not going to get approved then. Is there any discussion with item 7.

Alderman Levasseur asked Meals and Rooms Tax revenue is that normal for them to be over ninety days.

Ms. Desrosiers replied in the affirmative and stated it is an accrual that we do at the end of the year for the current year. I believe we will be getting that check in December.

Alderman Levasseur asked what about the Riverfront Park Foundation and who is the Riverfront Park Foundation.

Ms. Desrosiers replied they owed the $2,300, I believe.

Mr. Sherman replied that is the Riverfront Stadium at Singer Park. They are paying back the debt service on that.

Alderman Levasseur asked you do not have any problems with any of these numbers. If they are over ninety days it is not a big deal…Water Works and all of these separate entities. You do not have any problems with any of these things. I just find some of these…I go through all these list of numbers and people on here just raises questions in my mind why these people cannot pay within ninety days unless that is the normal…do we charge interest on these ninety days or are we allowing them to run amuck.

Ms. Desrosiers replied currently we are not charging interest at this time but that is something that we are trying to get approved with the new revenue policy that we are working on.

Alderman Levasseur stated it sounds like a good idea.

Ms. Desrosiers stated some of the interdepartmental problems are still outstanding and we are working diligently with those departments to clear up these old items.

Alderman Levasseur asked car rental normal for them to be late ninety days.

Ms. Desrosiers replied that is for the airport department.

Alderman Levasseur asked is that where the money goes…it goes to the airport department and not to us.

Ms. Desrosiers replied it is not the general fund it is fund 805 which is the airport.

Alderman Levasseur asked and UPS and all those flight…all of those people use landing fees and such why would that be on our list. Are we responsible for watching over that also.

Ms. Desrosiers replied in the affirmative and stated this list is for the entire City. But the only ones that effect the general fund are the ones that have 101 as the fund number.

On motion of Alderman Levasseur, duly seconded by Alderman Thibault, it was voted to accept the Aged Invoice Report.

Chairman Hirschmann stated what I want to discuss actually before we go to item 8 it is not on our agenda conveniently but the task at hand was you were supposed to find the discrepancy in our fund balance and that was supposed to be number one on my agenda but it did not get there.

Mr. Sherman stated the 1.6 million dollar variance that we had between the tax module and the general ledger we can all agree that we have zeroed in on it. We have been able to identify all but less than $1,000 of what that variance was. The majority of the variance really had to do with the conversion from the old tax system into the new tax system. If you keep in mind at the same time that the City was trying to do this conversion, the State was really changing the tax structure that we were operating under. So not only were the Assessors and Tax and Information Systems trying to go from one very old system into the HTE system they were also trying to adjust for this School Education tax. In essence, what we had were some entries that were coming over from the tax system into the general ledger that us and Finance did not have any source documents to try to tie those entries back to. What ended up in the tax system were the right numbers. What ended up in the general ledger were actually the right numbers, we just did not have anything to tie those numbers to. So the numbers, in essence, ended up in the wrong place. So what we have to do now is go back, get those entries in the correct place and move forward.

Chairman Hirschmann asked what is our actual fund balance.

Mr. Sherman replied your actual fund balance if you recall when we reported back in October was about 4.2 million dollars. Once we make these entries we will be actually just over 3.3 million dollars.

Chairman Hirschmann asked would you be giving a letter to this committee or to the Board tonight stating that.

Mr. Sherman replied I could certainly go and prepare a letter.

Chairman Hirschmann stated I would appreciate it if you could put that in written form to the Board of Aldermen because we have been asking about fund balance for awhile and we have given you appropriate time and you know the answer now. I would appreciate an explanation that they could all understand because it sounds like “funny math”. Are there any other comments or questions as to fund balance.

Alderman Wihby asked looking at the numbers the school gave us, the revenues are up from…I had a sheet from that meeting yesterday the taxpayer’s group and Norm passed out a green sheet saying that he was going to collect $16,247,000 in revenues but yet if you add up the sheets you just passed out it comes out to $17,468,000 and missing on there is interest income so there is about $1,771,000 difference. If we have that extra revenue and they did not overspend their budget increasing taxes because of that year and yet the revenues are 1.7 million dollars over.

Mr. Sherman stated not quick we find 1.7 million but if you look at the forms that the School has submitted for tax rate setting purposes they have not included any interest earnings on those forms. When you passed your budget you had $550,000 estimated for interest earnings as part of the School revenues and that was in the calculation of setting the tax rate. School, when they submitted the forms did not put that $550,000 on the forms. It is my understanding that the School's position that the Judge in the court ruling told them that they get their interest over and above anything else that the Board appropriates to them. So it is not their intent to put that on to reduce taxes.

Alderman Wihby asked did that come up with your discussion with them.

Mr. Sherman replied in the affirmative and stated we talked to Ron Chapman and John Sullivan today about trying to reconcile as Scott had talked about earlier trying to reconcile between the two.

Alderman Wihby stated I have the minutes of a meeting on June 5, 2000. "Solicitor Clark stated it is clear that the court decision said that they could get to earn the interest on their money and get to keep the interest" which is what you just said. "However, that does not change the law that you are the appropriating body and they can only spend appropriated funds. If they earn interest over and above what they anticipated there are two choices 1) it goes to fund balance; and 2) under the Charter we could reapply it". Now we have done neither one of those two so when are they going to come and ask us to do one or the other.

Mr. Sherman replied I cannot answer that question but you are right I think both Kevin and I would agree that in order for them to spend that money, the Board of Mayor and Aldermen need to appropriate it.

Alderman Wihby stated it is already spent.

Mr. Sherman stated the forms that you have in front of you they overspent their budget well in excess of that number.

Alderman Wihby stated I added up the two forms and it is about $4,000,000 over.

Mr. Sherman stated that is about what we calculate too.

Alderman Wihby stated I imagine 1.4 million dollars is part of that so it is really 2.6 million dollars over and above and beyond what we thought it was going to be.

Mr. Sherman stated my understanding is the 1.4 million dollars is reflected in the revenues on those forms.

Alderman Wihby asked why are we not…if you add up the green sheet for revenue that we had that he passed out…he passed it out yesterday at the meeting it is dated August 9, 2000…it is the number that after we, the Board, okayed it he went to a public hearing so it would be the adopted budget where he changed the numbers. If you look at the green sheet on that it comes out to $16,000,000 and if you look at what they are presenting it is $17,700,000 if you count the $550,000. So why does that not help us in setting the rate. Is it because they overspent more than the extra revenue they brought in too plus they are hiding the $550,000. Remember at the beginning when we set the budget last year there was a…from where we set it to what they used actually helped us in the budget process.

Mr. Sherman replied in the affirmative and stated actually last year when they filed their tax forms their revenues actually came in higher.

Alderman Wihby asked do we get to use that.

Mr. Sherman replied except last year when their revenues came in higher you reduced your taxes accordingly.

Alderman Wihby asked so if the revenues are higher again this year why is the taxes not getting even better than what we had anticipated.

Mr. Sherman replied you can only use what they put on their MS forms…what they put on their tax rate setting forms.

Alderman Wihby asked did you go through that with them and they are not agreeing to go any higher.

Mr. Sherman replied in the affirmative and stated an item that we questioned…initially when it came over they were $850,000 less than what the Board had thought they were going to get. $300,000 of that was the Impact Fees that they have since gone back and added. Then the $550,000 for interest and they have explained that they feel that is over and above. But what they have also done though is come back a second time and changed the forms and actually increased some of their State revenues.

Alderman Wihby stated I would suggest that this Board tonight…first of all my understanding is and I have the minutes of the meetings…is that 1.4 million dollars has to come back to this Board to find out what the number that this Board was willing to do. It was not given to them in the first place. It was no higher than 1.4 million dollars and they were going to work on that number. They surely worked on that number because we went from 1.4 million dollars to 4 million

dollars. So I guess they worked the wrong way. But when that vote comes to us for the 1.4 million dollars and if they are keeping $550,000 then it should not be 1.4 million dollars it should be the difference between 1.4 million dollars and $550,000 in order to make them whole. Would you disagree with that.

Mr. Sherman replied you could make that argument. The 1.4 million dollars is in one year and the $550,00 is in a different year but you could certainly make that argument that it is the same impact.

Alderman Wihby stated why should I give them the 1.4 million dollars knowing that they have another $550,000 hidden somewhere that they are going to spend because they think that they can.

Mr. Sherman stated I think that is certainly your decision.

Alderman Wihby stated I would hold from my discussion for the rest of the meeting tonight.

Chairman Hirschmann asked with the funds that the schools owe us say from 1998, 1999, 2000 I do not know what the cumulative total exactly is for those three years.

Mr. Sherman replied in 1998 the School had a deficit of $1,248,000.

Chairman Hirschmann asked so are you showing that on a balance sheet…are you carrying that deficit anywhere.

Mr. Sherman replied in the negative and stated actually at this point what the resolution of that was is that the School would actually turn back $200,000 out of their FY 1999 budget and then as part of the FY 2000 budget we actually appropriated $1,048,000 to take care of the rest of that deficit. So that has already been paid back.

Chairman Hirschmann stated we cleansed the deficit it was $1,248,000 they appropriated $200,000 and we cleansed $1,048,000 as part of 2000. That was 1998.

Mr. Sherman stated then in 1999 they had the $200,000 left to apply against the 1998 deficit and then again if you look at the 2000 forms which again are not audited financial statements. I cannot tell you how accurate they are. In 1999 we were okay, I am sorry did I misspeak. You should have a four-page form it says MS 25 on the top. If you add the expenses of the general fund and School Food and Nutrition…

Chairman Hirschmann asked we are all recognizing that they are semi-autonomous at this point and they are out shopping for money at banks. Is it unheard of that that 3.9 million dollars…if they are going to borrow $9,000,000 they could pay that back this year, they could carry that could they and pay us back.

Mr. Sherman replied if you actually take both…on the expense side they were over budget almost $4,000,000 but if you look at the revenue side as well they were also over budget almost…actually a little bit more than what they overspent on. But keep in mind the revenues do include recognition of the 1.4 million dollars that they are expecting from the City side of the operation. If you pull that 1.4 million dollars out there is about a $500,000 true deficit in their position. They have overspent but they did have some revenues to offset the majority of that.

Mayor Baines stated I have been very involved in this issue about the loans and I have been talking to Mr. Clougherty and also the leadership at one of the major banks and that is something that we are going to strongly revisit on the other side in terms of doing that appropriately to have the least impact on the schools and the City. We are going to be coming back to the schools there is not a crisis at this point as we anticipated originally on the school side in terms of the cash flow. We actually ended up with about a two or three week window where we can bring a more rational and sound approach as I advocated on the School side at the last meeting. That should end up okay I believe.

Chairman Hirschmann stated so there is no crisis at this time.

Mr. Clougherty stated I just want to clarify the easiest way for us to deal with that in my opinion is to advance them funds from the general fund much as we do with the enterprises if Water Works needs money because of their cash flow, airport we will advance them the dollars. The problem for School is when we advance the dollars to the other funds what we charge them is what I would make if I had that money in the bank. So the general fund is always made whole and vice versa. We always peg that to what the daily earnings rate is. If we were to charge that to the School that number is going to be probably about 6 ½% whereas they feel that if we went out and borrowed we could borrow at a lower rate. But once you go out and borrow then it brings in a whole array of questions about your credit rating and other things. So that even though it may not be the best deal for the School in terms of the rate, overall it may be the best long-term thing that we have to deal with. Those are the things that the Mayor and I are talking about what is the best strategy.

Mayor Baines stated the other thing that we have been talking with Finance and people on the school side about is that the situation with cash flow is a very normal occurrence with school districts. In talking to the banks, in particular say you have the normal way for a school district to deal with this would be to go to the town or the city and say would you borrow the money by using the City's bond rating and then funnel the money to the School District. That is another option that is out there and again we are going to be spending some time over the next couple of weeks deciding what we can do in terms of making that whole. In that case then the School District would end up paying less percentage for the money than they would actually pay by having the City borrowing the money because of Kevin's scenario in terms of the City maximizing what they would be loosing on that investment.

Mr. Clougherty stated the trade off there is it may be penny-wise pound-foolish in the long run because most of the other small towns are not in a position that the City is so it is normal for them but it is a different situation for us and if we go out and go to the credit markets and say we are borrowing to get them a lower rate it is just not going to look good.

Mayor Baines stated if I could clarify we hope that we do not have to go out with that large sum of money or at all because it is a short-term situation. We have had a good dialogue about this.

Alderman Wihby asked Kevin, I was watching the School Board meeting and it was said that we will borrow the money and then we could invest it. I thought that was against the law.

Mr. Clougherty replied you could borrow money and invest it you just cannot invest it at a rate higher than what you borrowed at. Then it is an arbitrage problem.

Alderman Wihby stated sort of like all right let's just go out and borrow any amount of money and we will make money. You cannot do that.

Mr. Clougherty stated you used to be able to do that it was a great money maker but in 1986 the Federal Law changed and you cannot do that anymore. What they were saying they wanted to do there they would not realize what they thought they were going to.

Chairman Hirschmann asked with regards to the general funds, schools, your Honor, you are here so I am going to ask you, the good news is we have a 3.3 million dollar fund balance which is to be expected and the departments did a good job and I think we should congratulate them. My question is you asked all

the departments to give you their budget by November 15th did that include the Schools.

Mayor Baines replied in the affirmative and stated basically we outlined under the Charter that the School District has to follow the budget procedures and processes that the Mayor outlines. The Charter is very clear on that. In our group that we have been working with on approaching the budget process and the School is a part of that by the way. They were made aware and I also copied all the School Board Members with the sections in the Charter which gives the authority to the Mayor to control the budget process. So they are online with our schedule and I made it very clear that I expect them to follow that schedule.

Chairman Hirschmann asked so they are going to report to you in a timely manner.

Mayor Baines replied they will have their final budget…I think it is January 15th we have set, Kevin. So we will have the earliest returns on the budget to start the process then we have had in a really long time.

Alderman Levasseur asked did they meet the November 15th deadline, Mayor.

Mayor Baines replied I would have to double-check with Wayne who has been tracking all of those.

Alderman Wihby stated we got a letter on the 15th that you sent them telling them that you wanted it so obviously they did not meet the deadline.

Alderman Levasseur asked so they did not meet the November 15th deadline but all the City departments did, right.

Mayor Baines replied I cannot answer 100% because we have been dealing with a few other issues over the last several days. We will make sure that if they have not then they will.

Chairman Hirschmann stated we were discussing the fund balance. The fund balance performance for the past decade how much is in the fund balance account at this time.

Mr. Sherman asked the undesignated fund balance or are you speaking of the revenue stabilization.

Chairman Hirschmann replied I will discuss both of them while you are doing that.

Mr. Sherman stated where we are right now with the undesignated fund balance is the 3.3 million dollars. That is this current year.

Chairman Hirschmann asked then the stabilization account how much is actually in that account. Could you put a paragraph in writing for the full Board tonight to tell the full Board how much is in that account please.

Mr. Sherman stated where it stands is somewhere around 8.2 million dollars.

Chairman Hirschmann asked is that invested at what interest rate.

Mr. Sherman asked Joanne, what are you around 6 ½%.

Ms. Schaffer replied in the affirmative.

Chairman Hirschmann asked could you just give us one letter for tonight's Board meeting. The fund balance that you have disclosed which is 3.3 million dollars and the revenue stabilization account's balance of 6.8 million dollars and the interest rate which it is invested at so the full Board has that information when they discuss things tonight.

On motion of Alderman Pinard, duly seconded by Alderman Thibault, it was voted to have Finance provide a letter to the full Board to include fund balance, revenue stabilization account and the interest rate which it is invested.

Mayor Baines stated the School District did submit their snapshot on time so I want the record to show that.

Chairman Hirschmann asked with regard to this is there anything else that the Finance Department wants to go over while we are on this.

Mr. Sherman replied in the negative and stated the one thing I want to make the committee aware of is the 3.3 million dollars is before the 1.4 million dollars. So if you do decide to give the School the 1.4 million dollars that comes right out of it.

Chairman Hirschmann stated we made a motion on is we want to hear from the Finance Department the fund balance of the City of Manchester and we are not talking about someone else's deficit problem if they have it we will discuss that in another arena. As far as that item goes we are done.

Chairman Hirschmann stated we are not going to take up item 8 today.

Communication from Randy Sherman, Deputy Finance Officer, relative to management audits/reviews.

TABLED ITEMS

9. Accounts Receivable Tentative Write-Offs Not Recommended by Finance. (Tabled 10/24/00)

10. Review of Accounts Receivables Write-offs. (Tabled 8/23/00 and 10/24)

11. Proposed revisions to ordinance governing outstanding accounts receivable. (Tabled 10/24/00 to allow Finance to meet with City Solicitor and Information Systems.)

NEW BUSINESS

Alderman Levasseur stated one of the questions the auditor and I had was the amount of monies that are being given to the process for the BIP Program so I would like to make a motion for the City Clerk to send a letter to Intown Manchester requesting a complete copy of the check register for the BIP and technical assistance money spent since the program inception to be sent to the Committee on Accounts Enrollment.

On motion of Alderman Levasseur, duly seconded by Alderman Pinard, it was voted to have the City Clerk send a letter to Intown Manchester requesting a complete copy of the check register for the BIP and technical assistance money spent since the program inception be sent to the Committee on Accounts, Enrollment & Revenue Administration.

There being no further business to come before the committee, on motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee