

## COMMITTEE ON FINANCE

**April 18, 2000**

**Upon Recess of BMA**

Mayor Baines called the meeting to order.

The Clerk called the roll. There were fourteen Aldermen present.

**Present:** Aldermen Wihby, Gatsas, Levasseur, Sysyn, Clancy, Pinard, O'Neil, Lopez, Shea, Vaillancourt, Pariseau, Cashin, Thibault, Hirschmann

**Messrs.:** Kevin Clougherty

Mayor Baines addressed item 3 of the agenda:

**3. Bond Transfer Resolution:**

“Authorizing the Finance Officer to effect a transfer of Three Million, One Hundred Forty Eight Thousand, One Hundred Seventy One Dollars and Forty One Cents (\$3,148,171.41) from various bond projects to certain 2000 CIP projects.”

On motion of Alderman Clancy, duly seconded by Alderman Thibault, it was voted that the Bond Transfer Resolution be read by title only, and it was so done.

Alderman Sysyn moved that the Bond Transfer Resolution ought to pass and be enrolled. Alderman Pinard duly seconded the motion. There being none opposed, the motion carried.

### **TABLED ITEM**

On motion of Alderman Pariseau, duly seconded by Alderman Cashin, it was voted to remove the following item from the table for discussion.

- 4.** Communication from Mayor Baines advising that City staff is working with representatives of the Center of NH for collection of outstanding parking fees collection of \$308,132.18; and further, the City's internal auditors have been directed to review all similarly developed contracts and a contract processing procedure is being drafted to ensure proper controls in the future.

(Tabled 3/7/00)

Alderman Pariseau moved to accept the agreement between the City and JPA III Management Company, Inc. Alderman Cashin duly seconded the motion.

Alderman Wihby stated on the last page is the letter from Frank Biron basically saying that he had told us before when he was doing the audit. One of the things I noticed in here it said that they had recommended "the City formalize Administrative Policies & Procedures to provide guidance and consistency to departments" and I'm just wondering is that was the same item that we tabled because we didn't want to spend money at one of our meetings. I think the Finance Director was asking for \$100,000 or something to do this and we tabled it and yet we're going to try and put the blame on somebody not doing it, but yet we're not giving them the money to do the Administrative Policies & Procedures. If the Finance Officer could comment, your Honor.

Mr. Clougherty stated as you know, Mayor, we've been before the Committee on Administration and the Systems Advisory Committee to deal with this. The Systems Advisory Committee asked us to go to the CIP Committee and CIP, I believe tabled it looking for additional cost information and Diane Prew and I are providing that at their next meeting so that this can go forward.

Alderman Gatsas stated the letter that I'm reading certainly doesn't take the burden off the auditors.

Mayor Baines interjected, Alderman Gatsas, can I just make a comment that we do have a motion. I wouldn't mind discussing it but the motion is really to approve the agreement with the Center of NH, if we could finalize that then we can talk about the audit letter some more; that is a separate issue.

Mayor Baines called for a vote on the motion to accept the agreement. There being none opposed, the motion carried.

Alderman Gatsas stated I certainly will go along, but I do not think that it is a separate issue, I think it's the same issue because we're looking to take that over a 36 month period of three years when I believe the City's been at risk with the auditors. We paid them to do a financial statement, an audited financial statement. This is a material event, I don't care what they said in the letter about having put in policies and procedures; that is something that they should have asked for because it was a revenue. Now, it didn't happen once but it happened twice. So, obviously, I didn't see the letter that was sent for the response of this one, but that's the letter that we asked this Board...this Board asked the City Solicitor and

Finance to send to them putting them on notice that maybe we should collect it and they should take it over terms and we should take a look at their E & O Insurance. I thought that that's the direction this Board was going in and maybe I was wrong.

Alderman Lopez asked did the City Solicitor and Finance send the letter to the auditors.

Solicitor Clark replied this is the response to the first letter that went out. At the last meeting, the Board asked that a subsequent letter go out and that is in the process of being done.

Alderman Lopez stated I think Alderman Gatsas brought up a good point, we pay good money for these auditors to come in and do these things and they don't check out the revenue, I think they should be held accountable.

Mayor Baines asked do you have any comments, Tom.

Solicitor Clark replied the agreement with the Center of New Hampshire takes care of the principle. We'll continue to look at whether we can recover anything additional for other people. We will explore what the responsibilities of the auditors was and come back to this Board with it.

Alderman Lopez asked can we be assured that all legal processes against the auditors will be taken by the City Solicitor to ensure that we'll recover anything.

Mayor Baines stated so what we would really be asking the City Solicitor to explore where there is a possibility that any legal action should be pursued against the auditors and I would accept a motion.

Alderman Lopez moved to the Mayor's clarification of the motion. Alderman Pariseau duly seconded the motion.

Alderman Cashin asked does that satisfy Alderman Gatsas.

Alderman Gatsas replied it satisfies me to the point that we were waiting three years for monies that certainly weren't our fault (without interest). Now, I'm not saying that...obviously, the Mayor's Office worked out a deal with these people that I'm not opposed to, I say that's fine, but maybe it's the auditors who should be paying us three hundred and six on the front end and let them wait for their mistake over a three-year period.

Alderman Cashin stated it's my understanding that it's a continuing process, is that right, Tom.

Solicitor Clark replied that is correct.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

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

A True Record. Attest.

Clerk of Committee