



# *Committee on Audit*

June 15, 2016 – 7:30 PM - **Minutes**

City Hall, 133 William Street, City Council Chamber, Room 214

**MEETING: COMMITTEE ON AUDIT**

**DATE: JUNE 15, 2016**

**TIME: 7:30 P.M.**

**PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING**

**PRESENT: COUNCILLORS JOSEPH LOPES, CHAIRMAN; BRIAN GOMES (7:37); LINDA MORAD; KERRY WINTERSON**

**ABSENT: COUNCILLOR JAMES OLIVEIRA, VICE-CHAIRMAN DEBORA**

\* \* \*

Councillor Lopes called the Audit Committee Meeting to order and took attendance.

\* \* \*

Notice, City Clerk of reference of a Written Motion, Councillor Lopes, requesting that a Representative from Hague Sahady & Co., P.C., brief the City Council's Committee on Audit on the end of the year of 2015 Audit Statements (Ref'd 4/14/16) was received and placed on file by Councillor Morad and seconded by Councillor Winterson. (1)

Mary Sahady of Hague, Sahady and Company was present to address the Committee. A conversation ensued between the Committee members, Ms. Sahady and Mr. Sky. Ms. Sahady reported the following:

That the city is in good shape both reserve wise and audit wise. The city has healthy reserves, and it is a plus that we have begun to address the OPEB issue which will need to be fully funded by 2036.

Ms. Sahady reviewed the audits findings as it related to the Statement of Activities against net cost and we were fine. She did review the misconception that the most money is spent on schools when it is not. The city's biggest expense is public safety. The School Department receives a multitude of grants which lowers the city's contribution to that budget; but this is not so for public safety. She reviewed that the two biggest funds the city has are the General Fund and Wastewater Fund. It was advised that the city in the future will need to look to establishing an enterprise fund for the Wastewater Department.

The city's operating budget is \$286,000,000 and through March of 2016 there is an increase in free cash based on the tax title sales that are taking place.

The city has three (3) Enterprise Funds which includes Water, Airport and the Division of Parking. The audit did find an issue with the bookkeeping for the Airport, this was due to the number of changes in management; but steps have been taken by the city to rectify this.

The only account that suffered a deficit for 2015 was snow and ice; but the good thing is that M.G.L. allows you to cover this deficit.

In summary, the city has come a long way. She attributes instituting the MUNIS System as a plus now that it is up and running. The revised budgeting structure and process has come a long way as well. The bad thing is that the city has lost its Auditor and it would be in a better position as soon as one is hired.

Ms. Sahady was asked if their audit tests for efficiencies in departments and redundancy, she replied they did not. Ari Sky said his department is working on the redundancy issues and the timeliness of getting all invoices paid through purchasing. He informed the Committee that the city just awarded Hague, Sahady another three (3) year contract based on their recent RFP submission.

On motion by Councillor Gomes and seconded by Councillor Winterson, the Committee VOTED: To take "No Further Action" on this matter at this time.

Councillor Gomes made a motion to adjourn, which was seconded by Councillor Winterson.

This meeting adjourned @ 8:26 p.m.

ATTEST:

---

Clerk of Committees