

**Town of Orono
Council Committee Meeting**

**Monday, February 29, 2016 at 5:30 p.m.
Council Chamber – Municipal Building**

Minutes

1. Roll Call

Present: Council Chairman Cindy Mehnert, Sam Kunz, Judy Sullivan, Mark Haggerty, Tom Spitz, Town Manager Sophie Wilson, and Finance Director Jessie Daniels.

Finance

2. Presentation of FY15 Audited Financial Statements and Meeting with Town Auditors

Auditors Casey Leonard and Joshua Kochis of Runyon Kersteen Ouellette provided a brief presentation of the FY2015 Audit Report. *(The presentation is attached to the minutes.)*

They stated that the audit went well, received a clean opinion, and there are no issues of non-compliance. They reviewed the general fund: assets; liabilities and deferred inflows of resources; fund balance; revenues; expenditures; property tax collection rates; revenues and expenditures pie charts; and unassigned fund balance as a percentage of the budget and as compared to other municipalities.

Mr. Leonard stated that the Town has a very good tax collection rate of 97.42%, which increased 1.38% from FY14.

Mr. Leonard stated that the Town's unassigned fund balance for FY15 is 15.66% of the budget, which decreased from last fiscal year, and is a healthy percentage. He noted that a healthy range is generally between 8/3% to 16.7%. Ms. Wilson noted that the Town's policy for the unassigned fund balance is between 11-15%.

The auditors reviewed each of the comments listed in the Schedule of Findings and Responses. The following are brief summaries of the discussion:

Internal Control Manual

Mr. Leonard recommended revising the internal controls manual to include all policies that are in place to be more specific and consistent with current internal control procedures. The manual should be reviewed and approved by Council.

Reserves (9800) Accounts.

Mr. Leonard recommended continuing to record the revenues and expenses in these accounts and work towards consolidating the reserve accounts.

Budget Posting Error

Mr. Kochis noted budget posting errors due to the transition to a new accounting software program. He recommended that all budgeted revenues and expenditures be posted and checked against the final approved budget.

In regards to Ambulance Receivables, Ms. Wilson noted that Town changed to a new billing and collection company. She noted the positive results. Ms. Wilson stated that staff will be working on a write off policy to bring to Council.

The Committee agreed to move the acceptance of the FY15 audited financial statements and independent audit report to the next Council agenda for consideration of approval.

Operations

3. Brief Town Manager's Update

Town Manager Sophie Wilson provided brief updates on the following topics:

- Ongoing Warden Service Search and Rescue for missing person.
- Combined Sewer Overflows (CSOs) – Three CSOs: September 2015, January 2016 and February 2016. Staff will be reviewing flow data to address any issues with the system.
- OTO Fiber Corporation Update - on budget and RFP for Feasibility Study.
- Forest Management Plan – information to Council.
- Post-2018 Solid Waste discussion with PERC – March 1, 2016 at 6PM
- Town Manager's Evaluation ongoing (noted by Cindy Mehnert).
- Upcoming NIMS Training for Council.
- Code enforcement concerns, ordinance updates.
- Executive Session for March 14, 2016: Labor negotiations and reasonable accommodations request.

4. Adjourned at 7:15 p.m.

Minutes are not verbatim. A tape-recorded version is available in the Town Office.

Respectfully submitted,

Nancy W. Ward
Administrative Assistant