

CITY COUNCIL WORK SESSION

Performance/Operational Audits

November 10, 2005 – 6:30 p.m.

Conference Room A

City Council Present: Mayor Sirrell, Assistant Mayor Grasso, Councilors Ferrini, Marchand, Pantelakos, Hynes, and Whitehouse and St. Laurent

City Council Absent: Councilor Raynolds

Officials Present: John P. Bohenko, City Manager; Judie Belanger, Finance Director; David Moore, Community Development; and Dianne Kirby, Deputy City Clerk

I. Call to Order

At 7:15 p.m., Mayor Sirrell called the work session to order and turn the meeting over to City Manager Bohenko.

II. Review of Purpose of Meeting

City Manager Bohenko stated that the work session was a continuation of the September 19, 2005 discussion on Performance/Operational Audits. He suggested that the first audit should be on overtime for the city as a whole. The audit could look at Fire, Police, Public Works, School, Sewer/Water, Recreation, Library and any other department that show a line item for overtime. He stated that the Council could set the guidelines they wish to review and put it out for firms to send in their proposals. He stated that he feels that the overtime issue is a way for the Council to find a useful tool for them as they go into the budget season. He stated that there is a large amount of dollars spent on overtime in the budget and this type of audit should have a 90-day turnaround and cost in the \$15,000 range. He went on to state that this audit could generate other ideas and questions, which could then develop into the next audit.

Councilor Whitehouse asked if the Council has ever agreed, to do a performance audit.

City Manager Bohenko stated that he has heard a consensus from the Council, but the Council has not formally voted to do an audit. He stated that the Council did request a work session on it to discuss it.

Councilor Whitehouse suggested fast tracking a charter change where the Council has line item control of the budget.

Councilor Pantelakos stated that a charter change is one way to go about it, but with the performance audit you will get feedback on how better to use our overtime.

Councilor Marchand stated that he likes the idea of the overtime audit of all departments. He feels a deeper audit of one department would inject a lot of politics. He stated that beginning with something that cross cuts all departments rather than to do an in-depth study on one department is a good way to introduce the concept and maintain fairness.

Councilor Pantelakos stated that she likes the concept of starting with one item and doing all the departments. She stated that she does not want to pick on any one department. She further stated that a charter change and line item control is hard to get a vote on and it becomes political. She stated that the Council should start with the overtime audit and expand to other items over the next two years.

Assistant Mayor Grasso stated that she would support the overtime audit and it is good to go across the board with all departments.

Councilor St. Laurent asked if the \$15,000.00 was to do an audit just on overtime with an outside auditor. City Manager Bohenko stated that he is unsure of the exact cost, and either our outside auditor or another could provide the audit. He stated that we would put out a request for a proposal. Councilor St. Laurent stated that he was concerned with how reliable the outside auditors are and how we get a reliable company that is going to be impartial. City Manager Bohenko stated that there are many independent auditors and they have ethical standards they have to uphold. Councilor Marchand stated that the Council can request and check references. City Manager Bohenko stated that interviews would be set up and references checked. Councilor St. Laurent stated that he agrees with the overtime audit, but is concerned with who determines which auditor is selected. City Manager Bohenko stated that the Finance Department should probably review the candidates. Councilor St. Laurent asked if the City Council could oversee the process. City Manager Bohenko stated that he could set it up to provide the Council with the top two candidates and the Council could interview them and make their decision. Councilor St. Laurent stated that he would like that.

Councilor Hynes stated that in the present Rules and Order, the Council accepts the budget for each department and each department develops and controls how it is spent. They can still move money from one account to another with approval of the City Manager. So if the Council cuts their overtime budget, will they have to ask the Council or the City Manager to spend other dollars on overtime or does the Council have to change the Rules and Order to control that so they cannot move dollars around without Council approval.

City Manager Bohenko stated that if the Council said they were going to put a cap on overtime and someone came to him and wanted to do a transfer of overtime he would come back to the City Council for approval.

Councilor Ferrini stated that he agrees with Councilor Marchand and the other Councilors that the overtime audit is needed. He requested to know how much meeting time was going to be needed to accomplish this audit.

Councilor Pantelakos stated that she agreed with Councilor Ferrini in that she did not want to put in a lot of meeting time over this. She stated that she did not want to micro manage the process.

Assistant Mayor Grasso stated that we have to realize that people in the business of performing audits would not be in the business long if they were not reputable. There are many firms that have been around for a long time. She stated that checking references is a good idea.

City Manager Bohenko stated that in the budget process for next year, if the Council wanted to put in a line item to do one or two audits per year that would be acceptable.

Assistant Mayor Grasso suggested that if any Councilor wanted to review all the resumes and get involved with the process they could get with the City Manager.

City Manager Bohenko stated that when they get down to the final two applicants, if any Councilor wanted to come in and review the resumes they are more than welcome to.

Councilor Marchand stated that he agreed with Assistant Mayor Grasso. He stated that he was on the audit side of the fence and the company's reputation is key. He also stated that this type of audit could be completed in time to be available for the 2006 budget process.

Councilor Whitehouse asked what line item the \$15,000.00 would come from. City Manager Bohenko stated that he would suggest that it come from the contingency fund.

The Council unanimously agreed in favor of hiring an auditor to do a performance audit on overtime within all departments of the city.

At 7:50 p.m., Mayor Sirrell closed the meeting.

Respectfully submitted by:

Dianne M. Kirby, Deputy City Clerk