



CITY OF DOVER

AD-HOC FINANCIAL POLICY REVIEW COMMITTEE - MINUTES

Meeting Type: Regular Meeting
Meeting Location: Office of the City Manager –
288 Central Avenue, Dover, NH
Meeting Date: Thursday, March 25, 2010
Meeting Time: **4:30 PM**

Members Present: Mayor Scott Myers, City Councilor Catherine Cheney, School Board Member Ken Appel, Paul Kageleiry, John Leggett, City Manager Mike Joyal and Finance Director Dan Lynch

Members Absent: None

Meeting commenced at 4:30 pm.

1. Review Committee Charge:

Mayor Myers reviewed the charge of the committee as established in language adopted by City Council resolution on 1/13/2010 and include in committee members' binders.

2. Establish Organizational Rules:

Committee members reviewed and discussed changes to draft of committee bylaws. Motion to adopt with amendments for vice chair, adding citizen forum requirement to agendas and correcting typos Leggett/Cheney – Unan.

3. Review Existing Policies

City Manager Joyal referenced the existing policies found in the members' binders and provided overview of financial policies related to municipal government in general. Financial policies in local government serve as guidelines for operational and strategic decision-making related to overall financial management. The fundamental dimensions of financial policies are contrasted by whether they are established formally vs. informally, they require strict accountability vs. flexibility, they are truly policies vs. administrative procedure and they are actionable vs. philosophical. Financial policies are important as they provide guidance to new staff and board members, ensure consistency and quality control, help strengthen the organization during times of financial difficulty, educate elected officials and others regarding the rationale for certain actions and/or decision-making. There is a distinction to be made between policy and procedure. Policy is an overarching goal or objective to be achieved established primarily by the governing body whereas procedure is how that goal or objective is achieved. The National Advisory Council on State and Local Budgeting, formed in the late 1990's, established a series of recommended practices including guidance on financial policies relating to key functional areas. These functional areas include budgeting process, revenues and expenses, fund balances, capital improvement planning, debt management and investment matters.

Finance Director Lynch noted the importance of a local government maintaining discipline in adherence to its established financial policies as it directly impacts its credibility in the eyes of current and potential creditors and others interested in the financial well being of the community



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including taxpayers and current and future businesses locating and/or expanding into the community.

Finance Director Lynch noted the forthcoming GASB 54 changes relating to the terminology associated with Fund Balance reporting and the need for incorporating these new definitions into the forthcoming policy recommendations.

4. Set Future Meeting Dates/Agenda

Committee members agreed to reserve 4:30pm the last Thursday of each month for future meeting dates. The City's financial advisors and independent auditors will be invited to attend a future meeting to present information and address committee member questions. City Manager Joyal indicated that he will assemble additional materials and send out prior to next meeting.

5. Adjourn

Motion adjourn Appel/Leggett – Unan.