

***Town Council Budget/Management Committee  
April 20, 2010 at 6:45 PM  
Town Council Chambers***

Present: Chairman Kenneth DiFazio  
Councilor Patrick O'Connor  
Councilor Arthur Mathews  
Councilor Michael Molisse  
Councilor Michael Smart

Also Present: Councilor Brian McDonald  
George Lane, Town Solicitor  
Frank Fryer, Town Clerk  
Maureen Duffy, Town Auditor  
James Wilson, Chief Financial Officer

Recording Secretary: Diane T. Hachey

Chairman DiFazio called the Budget/Management Committee Meeting to order at 6:45 PM.

**09 111-External Audit Proposals for Fiscal Year 2010-2014**

Ms. Duffy reported that in August of last year, she forward RFP's to five (5) auditing firms. Malloy, Lynch and Bienvenue was the lowest bidder and also her recommendation. Per the committee's request, an additional letter was forwarded to the companies in request of additional services, followed by a request for completion of a "Conflict of Interest" (COI) form.

Ms. Duffy noted that Powers and Sullivan did not complete the COI form, and that all questions were sufficiently answered by all other firms with either "NO" or "N/A". She further noted that one firm sought the advice of the State Ethics Commission as to whether the exam had to be completed—to which the State Ethics Commission responded that it was not a requirement. She further encouraged the committee vote soon as typically in May or June she schedules meetings with all affected parties, in order to initiate the audit process.

Councilor DiFazio noted that Malloy, Lynch and Bienvenue included in their RFP that if the audit work is less than anticipated then they would bill an hourly versus a flat rate, which has the potential to save the town money.

Councilor Mathews noted that O'Connor and Drew have been the town's auditors and it is time for a change and he would not be recommending that firm. Further he noted that Malloy, Lynch and Bienvenue's majority of experience is in the town (not city) form of government and this concerns him. His recommendations are the three firms with the most city form of government experience (Melanson, Heath and Company; Sullivan, Rogers and Company; and Powers and Sullivan) he also suggests exploring a three versus five year contract option.

Ms. Duffy noted her concern regarding where the additional funding would come from if the committee chose one of the more expensive firms.

Councilor Mathews confirmed that per the Charter the Mayor cannot prohibit us from choosing the best company and the least expensive company isn't necessarily the most qualified.

Ms. Duffy noted that Malloy, Lynch and Bienvenue noted experience in city form of government in their correspondence. She further noted that references were checked for Malloy, Lynch and Bienvenue only, as they were her suggested choice. References for the remaining firms have not yet been verified. She also confirmed that past practice, by the former Auditor, was that one firm was brought forth to the committee.

Councilor Smart concurs with Councilor Mathews in that Malloy, Lynch and Bienvenue do not possess the necessary experience in terms of a city form of government.

Councilor O'Connor raised his concern with the financial aspects of awarding a contract, not for just this fiscal year, but in fiscal years to come. He stated that although Councilors Mathews and Smart have concerns with the experience of Malloy, Lynch, and Bienvenue, he agrees with the recommendation of Ms. Duffy. To this end, he motioned for awarding of the auditing contract to Malloy, Lynch and Bienvenue for a term of 3 years, motion seconded by Councilor Molisse.

Councilor Mathews explained that he is not in support of this motion and although Melanson Heath and Company is \$9,000 more expensive, he wants to hire an audit firm based on experience.

Councilor Smart also noted that he will not support this motion due to the reasons cited by Councilor Mathews in addition to the fact that the learning curve will be excessive.

Councilor Molisse will support this motion as Ms. Duffy did her homework and has proven that Malloy, Lynch and Bienvenue are qualified. He is concerned that \$9,000 is an exorbitant amount of money.

Votes as follows:

Councilor Molisse-Yes  
Councilor Mathews-No  
Councilor Smart-No  
Councilor O'Connor-Yes  
Councilor DiFazio-Yes

3-2 passes favorably for awarding contract to Malloy, Lynch, and Bienvenue

With no further business to attend to, Councilor Molisse motioned to adjourn at 7:20 PM-motion seconded by Councilor Mathews and voted unanimously.

Respectfully Submitted by: Diane T. Hachey

Approved by: Chairman Kenneth DiFazio