

**Town Council Finance Sub-committee Meeting Minutes
LARGE CONFERENCE ROOM, SECOND FLOOR
FALMOUTH TOWN HALL
Monday November 15, 2010 – 5:00 PM**

Meeting Minutes

Joint meeting with the School Board Finance Committee

Members Attendance: Teresa Pierce and Will Armitage.

Others Attendance: Bonny Rodden (Councilor), Fred Chase (Councilor), Faith Varney (Councilor), Beth Franklin (School Board), Analiese Larson (School Board), Andrew Kinley (School Board), Nathan Poore (Town Manager), Amy Lamontagne (Asst. Town Manager), John McNaughton (Finance Director), Randy Davis (Finance Department), Barbara Powers (School Superintendent), and Dan O'Shea (Director of Finance and Operations).

1. FY2010 Audit presentation by Greg Chabot of RKO.

Copies of the 2010 Comprehensive Annual Financial Report (CAFR) were distributed to those in attendance. Mr. Chabot offered a summary of his report and audit noting that there were no reportable conditions and that the general fiscal condition of the town is good. John McNaughton offered additional analysis and explanations about the content of the CAFR. John was recognized for his effort and acknowledgement of the certificate awarded to the town for its excellence in financial reporting.

2. FY2012 Budget Planning

There was a general discussion about budget development calendars and expectations. Nathan Poore reported that the town budget development schedule includes an effort to develop the budget one month earlier than previous years to better synchronize the process with the School Department budget development time line. Nathan Poore also suggested that the Council and School Board will need to schedule a date for the Budget Validation Referendum in 2011. There were no suggestions to change the proposed budget calendar.

Nathan Poore reported that there would be several challenges associated with the municipal budget including expectations that state revenue sources such as Revenue Sharing would likely decrease. He also reported that additional expenditures for contracted salary increases and former elementary school building maintenance would be part of the proposed budget. He indicated that it will be his goal to bring in a budget that is tax rate neutral but the added expense to maintain the elementary schools may make this goal insurmountable.

Dan O'Shea submitted a report that explained challenges for the School Department Budget. A combination of one time ARRA funding not being available in the future, state revenue curtailments and new debt will pose

significant challenges that will create a budget gap in excess of \$1,000,000. This does not include any increases in programming or curriculum related needs.

3. Review of purchasing practices/decisions – response to public comment

Nathan Poore presented a report that responds to recent allegations of poor decisions associated with purchasing items such as electricity, heating fuel, printer maintenance, and photo copying service/maintenance. There were no objections or questions about the report. Both School Board and Town Council Finance Committee members requested the information be posted to the town's web site.

**** At 6:20 PM, the joint meeting ended with the School Board Finance Committee continuing in the Large Conference room and the Town Council Finance Committee meeting moving to the Town Manager's office meeting area. The Town Council Finance Committee members discussed the report with continued suggestions to post the material on the web site and acknowledgement that the material was satisfactory and no further research or investigation is necessary.

4. Other issues/topics

Will Armitage nominated Teresa Pierce to serve as Committee Chairperson. Teresa Pierce seconded the nomination. There were no other nominations. The Committee voted 2 in favor and none opposed to elect Teresa Pierce to the position of Chairperson.

5. Schedule next meeting.

The next meeting will be on December 9, 2010 to discuss the Capital Improvement Plan and Budget.

Will Armitage moved and Teresa Pierce seconded a motion to adjourn at 7:05 PM – voted 2 in favor and none opposed. The meeting adjourned at 7:05 PM.

Respectfully submitted by: Nathan Poore, Town Manager.