

Town Council Finance Sub-committee Meeting Minutes
COUNCIL CHAMBERS, FIRST FLOOR
FALMOUTH TOWN HALL
Thursday, March 14, 2013 – 3:00 PM

Members Attendance: Karen Farber, Sean Mahoney, and Chris Orestis.

Others Attendance Teresa Pierce (Town Council); Anthony Payne (Town Council); Bonny Rodden (Town Council); Nathan Poore (Town Manager); Robert Boschen (Finance Director); Amy Lamontagne (Assistant Town Manager); Howard Rice (Fire Chief); Ed Tolan (Police Chief); Jay Reynolds (Public Works Director); Jennifer Phinney (IT Director); Lucky D'Ascanio (Community Programs); Amanda Stearns (Community Development); Anne Gregory (Assessor); Kim Millick (Library); Andi Darling (Library); Rebecca Carrier (Library); Analiese Larson (School); **Andy Kinley** (School)

The meeting began circa 3:00PM

- 1. The Library presented support for its FY2014 contribution from the Town and a request for the Town to fund 50% (\$35,534) of the shortfall for capital improvements and major repairs.**
 - A request for a contribution of \$413,461 for the FY2014 year was put forward. There was discussion about governance for the Library and how the separation from the Town affects expenses and fundraising. There was also discussion about the percentage of funding that the Library provides for its operations.
 - There was question as to whether the income from the endowment could be applied to the roof repairs and other repairs/capital improvements.
 - The Library representatives claimed the endowment was restricted.
 - The interest income was used to balance the budget, but an unusual donation has been received, and the interest from the endowment is not applied to the operating budget. Could it not be used for the \$35K capital shortfall? The library said they would investigate this.
 - An order for \$35K will be prepared for the Town to fund the \$35K shortfall.

2. The Town Manager began the presentation of the FY2014 budget with all Directors present

- A PowerPoint giving an overview of the budget was presented.
 - Some minor requests for changes to the slides were made.
- The Town Manager and Directors answered any questions posed by Councilors related to each Department.
 - Funding for Social Service Agencies was raised by \$3K. Should this happen? Does the Town want to use tax dollars for independent social service agencies? It was recommended the Social Service budget remain at the increased total amount of \$18,500 and remain under the Town Clerk cost center/department, but no formal decision or action was taken by the Finance Committee

3. School overview and request for Capital Funds at 6:20PM

- During the Town presentation a pause was taken for the School to discuss capital improvements to the Middle School.
 - It was decided that the Middle School Wood Chip Boiler would be paid out of the unassigned fund balance. The Town Manager had checked with the Town Attorney on the voter referendum related to the Wood Chip Boiler and found this method of funding was acceptable.
 - Other capital improvements are requested to be undertaken at the Middle School. There is still a question as to how these will be funded. Should fund balance be used, a Bond Anticipation Note until these projects can be bonded with larger projects, or a direct Bond for these projects alone?
 - The School Board Finance Committee Chair, Andy Kinley noted that the Town acquired \$3.2MM from the sale of buildings on the Plummer-Motz campus. These Schools have been paid for and maintained through the School budget for years and were gladly given over.
 - It was clarified that the School did not think they owned these buildings and “gave” them to the Town.
 - It was noted the Town received \$3.2 MM from the buildings, but that \$1.2MM of that was used for open space. \$1.2 MM of that was used for the Wood Chip Boiler and there were maintenance/closing/disposal fees of \$300K by the Town when the Town assumed responsibility for those buildings. This leaves about \$500K that the Town could share with the School related to those buildings.
 - It was stated that while education is a priority, many individuals in the Town do not benefit directly from the Schools, and these individuals’ lifestyles and wants need to be addressed also.
 - The School will be responsible for drafting the Orders to be approved by the Council when the final projects to be constructed, amounts to be financed and the method of financing are decided
 - There are still decisions to be reached on this subject.

At approximately 7:00 PM, the Finance Committee took a recess to allow a special Town Council meeting. The Committee reconvened immediately after the special Town Council meeting at 7:05.

4. The Town Manager presented the remaining budget with the respective Directors present

- The remaining departments' (Police, IT, Finance and Admin) budgets were presented by the Town Manager and respective Department Directors.
 - The question was raised as to whether we have cyber insurance. The Property and Casualty application is being constructed for MMA in the next few weeks, and this will be addressed.
 - There was discussion about Harbor rates and raising them. Will the rates go to Harbor Patrol to cover the future capital purchases, etc.?
 - How will Economic Development committees be funded? Will they be funded from the Economic Development department? The Town Manager hopes there will be private contributions to support these committees from those whom benefit.
 - Questions were asked about the derivation of certain revenue numbers. All were answered to satisfaction including why there is an anticipated drop in auto excise tax. That drop was based on the expected volume of new car purchases dropping and the resulting drop in the mil rate from the first to second year of ownership.
 - There is a use of \$25K to keep the mil rate flat for the FY2014 budget. The Council questioned this. There was a discussion that given the times and what the School is bringing forward that this amount of money should be folded into the mil rate and the mil rate should be raised a penny.

5. Adjourn

The meeting adjourned circa 9:00 PM

Respectfully submitted by Robert Boschen