

Town Council Finance Sub-committee Meeting Minutes

Council Chambers, First Floor

FALMOUTH TOWN HALL

December 18, 2013 – 4:00PM

Members Attendance: Karen Farber, Claudia King, Russell Andersen

Others in Attendance Teresa Pierce (Town Council); David Goldberg (Town Council)

Nathan Poore (Town Manager); Amy Lamontagne (Assistant Town Manager); Robert Boschen (Finance Director);

Lucy Tucker (School); Jan Andrews (School); Dee Conroy Vella (School); Analiese Larson (School); Andrew Kinley (School); Barbara Powers (School Superintendent); Dan O'Shea (School Department); Caryn Bickerstaff (School); Claire Harrington (School)

Greg Chabot (Runyon Kersteen Ouellette – RKO); Parker Madden (RKO)

The meeting began 4:03PM

1. Presentation of the Fiscal Year End 2013 Comprehensive Annual Financial Report (CAFR) with RKO representatives.

- An unmodified opinion was received. This is the preferred opinion.
- Greg Chabot presented the School Department Financial overview.
- Parker Madden presented the Town Financial overview.
- CAFR to be submitted for Certificate of Achievement for Excellence in Financial Reporting

2. Discussion with School on high-level important budget issues.

- **Town issues**
 - Projects mentioned that need review:
 - Town Hall Renovation – priority
 - Riverpoint Bridge – priority
 - Clapboard Island
 - Library
 - Quiet Zones
 - Open Space
 - Mason-Motz
 - There is an expectation that State revenue sharing will be reduced further for FY15.
 - There will be increases in valuation from the natural gas pipeline and Oceanview development, but they will not take place until FY16 (Tax Year 2015)
- **School issues**
 - Enrollment will drive discussions
 - Health insurance challenges

- There was a discussion on how the premium that was received on the bonds would be used. It would be used to contribute to the interest to be paid on the bonds. Note - This was confirmed with Dan O' Shea, Business Manager – Schools, via Email.
 - **The budget calendar was changed so the comprehensive budget presentation would be moved to April 10th, 2014 from March 31st, 2014.**
- 3. Approve minutes from the June 17th, 2013 and November 13th, 2013 meetings.**
- The minutes of both these meetings were approved.
- 4. Confirm November 13th meeting changes to original FY14:**
- **Calendar of Finance Committee meetings and FY15 Budget Milestones**
 - See 2 above
 - **Important Issues to be addressed in the FY14 Year**
 - Nathan spoke to operating revenue and expense effects and that will be able to handle the State reduction in revenue sharing mostly with the increase in auto excise tax for FY14.
 - We will make the assumption State sources are worst case scenario for FY15
 - We expect we will be \$100K short for balancing the FY15 budget for the Town.
 - The Committee wished to know what the Town would be giving up if our expenditures remain flat for FY15 as compared to FY14.
 - The fund balance policy – address the \$1MM additional amount over the 16.7%.
 - The Finance Committee should bring a recommendation to the Council of a desired level – possibly 25%.
 - A discussion on balances needed for projects occurred
 - The Finance Committee needs to prioritize projects
 - A draft will be created with available balance that would exist if the fund balance were at 25%; 18.5%; and 16.7% with the \$1MM additional.
 - a. The committee will then score the projects on a non-canned matrix to be developed by staff.
 - b. Priorities suggested were to:
 - i. Fix what is broken
 - ii. Improve what we own
 - iii. Consider new assets
 - For the January 6th agenda – add that the Finance Committee needs to prioritize projects and meet with the Library (first on agenda).

5. Discuss Fee Analyses Progress and Status for the following:

- **Harbor Fees**
 - Make this an enterprise account? This is on the backburner.
This will be addressed with the Harbor Committee in the spring.
- **Wastewater Fees**
 - A model is being finished to share with the Council/Committee. A raise of 5%-8% in fees may be recommended depending on the needs in the final model.
- **Community Programs**
 - Will be reviewed at the Feb 10th meeting.
- **Planning**
 - Is benchmarking their fees. Expected a change will be put in place for FY15.
- **It was suggested EMS fees also be reported on. They were recently increased.**

6. The prospect of Regional Assessing.

- A meeting was held on this subject. Currently Assessing Dept. is a \$210K budget. There is an opportunity for \$40K in savings and economies of scale with shared staff.

7. Other issues/topics.

- None discussed.

8. Adjourn

- The meeting was adjourned at 7:15PM.