



**Town of Falmouth**  
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## Memorandum

**Date:** February 15, 2008  
**To:** Falmouth Town Council  
**From:** Falmouth Finance Committee:  
Will Armitage, Chair  
Ann Goggin  
Joe Wroblewski  
**Cc:** School Board Finance Committee:  
Kathy Hillman Reed, Chair  
Linda Cote  
Karen Farber  
Nathan Poore, Town Manager  
John McNaughton, Finance Director  
Randy Davis, Budget Analyst  
George Entwistle, Superintendent  
Dan O'Shea, Director of Finance & Operations  
**Re:** 2/15/08 Joint Finance Committee Meeting update/recommendations

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The Falmouth Finance Committee met Friday, February 15, with the Falmouth School Board Finance Committee to review and discuss the following items:

1) Budget Validation Process: Steps and timeframes; and 11 Cost Center format

The School Board Finance Committee updated the Town Council Finance Committee on the current requirements under the School Consolidation Law approved last year. The School Board requested the Town Council adopt the following Special Election for the School's Budget Validation Referendum:

Before April 21: Complete informal process; The School Board proposes a budget and the Town Council indicates what budget the Council intends to approve at the Council Budget Meeting.

Monday, April 21: Last Day the School Board may present its detailed budget document to the Council and the voters (must be at least 7 days before the Council Budget Meeting).

Monday, April 21: Last Day for the Council to sign the warrants for the Budget Referendum.

Monday, April 21: Deadline to deliver warrant and absentee ballots to the Town Clerk (at least 7 days before the Council Budget Meeting).

Monday, April 28: Council Budget Meeting (part of the regular meeting).  
Council formally approves the budget.

Tuesday, May 6: Special Election/School Budget Referendum vote (within 10 days after Council Budget Meeting, but not on Saturday, Sunday or holiday).

The timeline outlined above would provide the School Board with sufficient time to prepare a revised budget for Town Council action and inclusion on the June 10 regular election ballot should the initial referendum be turned down by the voters on May 6.

The Maine Legislature is considering a bill that would make the Budget Validation Process optional for 2008. There were two questions that came out of this discussion:

- Who has the authority to “Opt Out” of the Budget Validation Process for 2008 if the Maine Legislature passes the bill?
- How does the process above effect the Town Budget Process as required by the Town Charter?

## 2) Consolidation Plan/Process: Status; and Baxter School situation

Due to time constraints, the Committees did not discuss the Consolidation because the item is on the Council’s next Regular Meeting Agenda scheduled for February 25.

## 3) Supplemental appropriation from undesignated fund balance for a new local home heating fuel assistance program

Nathan Poore informed the Town Finance Committee that he had met with Councilor Cathy Breen, Town Clerk Kathleen Babeu, and representatives of several Falmouth churches on February 14 to discuss the future of the Falmouth Food pantry and the development of a new fuel assistance program.

It was concluded that due to the high cost of heating fuel and limited federal and state resources, there is the likelihood of a local demand for assistance that will not be funded. Nathan proposed the following supplemental appropriation for urgent needs:

- \$5,000 for current year heating needs that will be administered under the current General Assistance process based on need.
- \$5,000 for future heating needs during the next winter contingent on raising other sources of funds locally through donations to match or exceed the town’s appropriation.

The Finance Committee unanimously endorsed this proposal and recommended the Council approve this Supplemental funding request.

#### 4) Budget Status Update: New Requests; Status Quo; and Pressures

Dan O'Shea handed out information and updated everyone on the current budget process. There are a limited number of new budget requests that are currently being reviewed. Overall the school is trying to maintain the status quo with expenditures but there are several budgetary items that are placing unanticipated pressure on the school's budget specifically Special Education and Energy.

- Special Education funding continues to be problematic and increases in both in-district and out-of-district Special Education students have increased expenditures as mandated by law.
- A number of energy saving strategies and efficiency upgrades have been implemented that are generating savings, but these savings are being offset by energy cost increases.

#### 5) Revenues: Subsidy; Medicaid; and Grants

Dan O'Shea updated the Committees on the status of state and federal funding:

- The amount of State Subsidy is in question based on current discussions in Augusta. Currently the School is budgeting for flat funding from the State. The Committees discussed alternatives and options should State funding be cut as well as timing of funding notice.
- Medicaid and grants represent a small portion of the Schools budget and continue to decline.

#### 6) Next Steps: Vetting new requests; March 1, 2008 budget workshop; Meeting with Council; and Budget Validation Referendum

Dan O'Shea informed everyone that the School Budget will be finalized over the next two weeks. The following timeline for School Budget approval was discussed:

- Saturday March 1 - School Board's Budget Workshop
- Monday March 3 – School Board Finance Committee recommends final budget for School Board approval
- Week of March 10-14 (To Be Determined) - Joint Town Council/School Board Finance Committee meeting to review Recommended School Budget
- Monday March 17 – School Board Meeting to approve budget
- Monday March 24 – School Board makes first presentation of School Board Approved School Budget to Town Council preceding the April BVR Process outlined in item 1 above.

The Town Council and School Board Finance Committees recommend the above timeline be adopted in an effort to facilitate better communication with residents about the overall Town Budget.