

Town Council Finance Sub-committee Meeting Minutes
COUNCIL CHAMBERS
Falmouth Town Hall
December 16th, 2015 – 5:00PM

Members Attendance: Caleb Hemphill, Karen Farber, Ned Kitchel

Others in Attendance: Russell Anderson (Town Council), Charlie McBrady (Town Council), David Goldberg (Town Council), Lucy Tucker (School Board), Cindy Han (School Board), Dee Conroy-Vella (School Board), Claire Harrington (School Board), Caryn Bickerstaff (School Board), Danielle Tracy (School Board), Josh Barrett (School Board); Nathan Poore (Town Manager); Peter McHugh (Finance Director); Susan Gibney (Accountant), Geoff Bruno (School Superintendent), Dan O'Shea (School Director of Finance and Operations), Parker Madden (Runyon, Kersteen, Ouellette), Hank Farrah (Runyon, Kersteen, Ouellette), Amy Lamontagne (Assistant Town Manager)

The meeting was called to order @ 5:00PM

- Ned Kitchel made a motion to approve the Minutes of November 16, 2015 and Karen Farber seconded. The minutes were approved.
- 2015 CAFR Results.
 - a. Hank Farrah and Parker Madden presented the FY2015 audit and financial results to the group.
 - i. Hank Farrah was the partner in charge of the audit and said there were no material findings in the audit and the Town will receive an unmodified opinion that the FY2015 financial statements are fairly stated in all material aspects and that there were no material weaknesses or significant deficiencies with the Town's internal controls.
 - ii. Parker Madden then presented the FY2015 financial results noting all departments were either on or better than budget and revenues exceeded budget.
- Budget Overview and Anticipated challenges and opportunities
 - a. Nathan presented an overview of the Town FY2017 Budget including a discussion of challenges and opportunities that have been identified so far in the Budget process.
 - i. Items discussed included Salary and benefits, the Police and Public Works contracts, potential Library Bond issue timing, Pension, expense savings opportunities and service fee opportunities.
 - b. Dan O'Shea then presented an overview of the School Budget Process including challenges and issues the School Board will be facing.
 - i. Items discussed included the hiring of a Garden Manager, the future of participation fees, training initiative funding and capital planning issues.
- Overview of Unassigned Fund Balance
 - a. Peter McHugh presented a Statement of the General Fund Unassigned Fund Balance.
 - i. The Unassigned Fund Balance decreased by \$1.6 million from the FY2014 Fund Balance due primarily to Supplemental Appropriations

for the Town Hall Renovation, Mason Motz Renovation and the Library Architectural Design offset by an excess of Revenue over Operating expense of \$1.5 million. The Unassigned Fund Balance is currently at 26% of the Town's Budgeted Annual expenses and is well above the requirements of the fund balance policy.

1. There was a group discussion about the results and a request from Councilor Farber for a presentation of the Supplemental Appropriations made as part of the Capital spend-down plan at the next Finance Committee meeting .
- YTD FY2016 Financial Report.
 - a. Peter McHugh presented the Financial Results versus Budget for the period ending November 30, 2015. Revenues are currently \$4.9 million higher than budget which is normal for this time of year as many taxpayers choose to pay the full year of their property taxes instead of splitting the payment.
 - b. Operating expenses are currently \$500K lower than Budget in part due to timing of Police wage increases and seasonality. As with Revenue, the pacing is in line with what the Town saw in FY2015 and can expect to see results very similar to FY2015 in FY2016.
 - Adjourn
 - a. Councilor Hemphill moved to adjourn the meeting and Councilor Farber seconded. The meeting adjourned at 6:36PM.

Respectfully submitted by Peter McHugh