

Joint Town Council and School Finance Committee Meeting Minutes
COUNCIL CHAMBERS
Falmouth Town Hall
MARCH 27th, 2016 – 4:30PM

Members Attendance: Ned Kitchel, Andrea Ferrante, Charlie McBrady

Others in Attendance: Claudia King (Town Council); Caleb Hemphill (Town Council); Karen Farber (Town Council Chair); Aaron Svedlow (Town Council); Lucy Tucker (School Board Chair); Danielle Tracy (School Board); Cindy Han (School Board); Josh Barrett (School Board); Jen Libby (School Board); Caryn Bickerstaff (School Board)

Nathan Poore (Town Manager); Peter McHugh (Finance Director); Susan Gibney (Accountant); Amy Lamontagne (Assistant Town Manager); Dan O'Shea (School Director of Finance and Operations); Geoff Bruno (School Superintendent)

The meeting was called to order @ 4:35PM

1. Presentation of proposed FY 2018 Town Budget.
 - a. Nathan Poore presented a Power Point summary of the FY 2018 Budget proposal that highlighted the budget challenges and solutions that proposed a Mil rate increase of .10 or 3.4% to the Town portion of the tax rate.
 - i. The Budget proposal included the addition of a Police officer, a Dispatcher, a Public Works Project Engineer and a Public Works Truck Driver/Laborer. These positions will allow the Town to continue to provide a high level of service to the Town.
 - ii. The proposal also included the addition of a weekend ambulance crew and Supervisor needed to keep up with increased demand for weekend ambulance service.
2. Nathan then presented a proposal to reduce the mil rate increase to \$.05 to reduce the Town portion of the mil rate to \$3.05 mils for an increase of 1.7%.
 - a. The plan included a reduction in the Open Space Appropriation by \$50K to \$250K, an increase in TIF funding of the Public Works Project Manager to 50% based on TIF projects representing 50% of the projects that position would manage and a \$10K reduction in Contingency expense.
3. Nathan the presented two FY2018 CIP Budget changes that do not impact the FY2018 mil rate.
 - a. The first change was a decision to use a combination of CIP and Special Revenue Fund transfers along with the use of uncommitted fund balance to finance the purchase of the Fire Department Tower Truck in FY2018 originally budgeted as a bond issuance.

- i. Staff felt that this plan allowed the Town to realize significant interest cost savings while maintaining adequate uncommitted fund balance to maintain the Town's AAA credit rating.
 - ii. This use of committed funds was also in compliance with the Town's Fund Balance Policy.
 - b. The second change was the FY2018 addition of various needed security improvements to three of the Town's fire stations and the Public Works building. These changes were identified after the presentation of the CIP proposed budget and are funded utilizing existing CIP fund balance.
- 4. Presentation of the proposed FY2018 School Budget.
 - a. School Superintendent Geoff Bruno and School Director of Finance and Operations Dan O'Shea presented a Power Point summary of the proposed FY2018 Falmouth Schools Budget.
 - i. School expenditures are projected to increase 3.27% and represent a roll forward budget with no new requests or headcount additions.
 - ii. The expense increase impact on the mil rate is projected to be \$.39 on the school portion of the tax rate.
 - iii. Governor LePage's proposed budget calls for a \$20 million reduction in General Purpose Aid to Education from the State. Falmouth's portion of the reduction is \$933K and represents a \$.41 mil increase to the school portion of the tax rate bringing the total proposed school mil rate increase to \$.80.
 - b. There was much discussion following the presentation regarding the budget proposal. Highlights of the discussion include:
 - i. Councilor Farber asked whether this Budget proposal contained funding for the Schools Capital Project Fund. The response was that the current budget proposal did not contain any further funding of capital projects.
 - 1. There was much discussion about the status of the Middle and High School Entryway construction projects and the needed Special Ed expansion in the Superintendent's building.
 - a. Funding alternatives were discussed including potential use of a combination of the School and Town's Unassigned Fund Balances.
 - ii. It was pointed out that \$3.4 million or 42.5% of the current \$8 million in proposed State funding covers debt service leaving only \$4.6

million for actual Aid for Education. This represents a reduction of State funding to 2008 levels.

5. Budget Overall Summary

- a. Nathan then summarized the overall impact of the Proposed Budget as follows:
 - i. The Town portion of the mil rate increases \$.05 to \$3.05 mils, an increase of 1.7%.
 - ii. The School portion of the mil rate increases \$.80 to \$12.21 mils, an increase of 7.0%.
 - iii. The County portion of the mil rate increases \$.03 to \$0.71 mils, an increase of 5%.
 - iv. The Towns Total mil rate increases \$.88 to \$15.97 mils, an increase of 5.8%.

6. Approval of the March 8, 2017 Minutes.

- a. Councilor Ferrante moved to approve the minutes of March 8, 2017, Councilor Kitchel seconded. Motion carried 3-0.

7. Adjourn - Councilor Kitchel moved to adjourn at 6:43PM

Respectfully submitted by Peter McHugh