

Town Council Finance Sub-Committee Meeting Minutes
LARGE CONFERENCE ROOM
Second Floor
Falmouth Town Hall
November 15th, 2017 – 5:30PM

Members Attendance: Ned Kitchel, Andy Jones

Others in Attendance: Caleb Hemphill (Council Chair)

Nathan Poore (Town Manager), Peter McHugh (Finance Director), Susan Gibney (Accountant), Amy Lamontagne (Assistant Town Manager), Ellen Planer (Town Clerk)

The meeting was called to order @ 5:38PM

- **Approve Minutes of October 4, 2017**
Councilor Andy Jones made a motion to approve the minutes, Councilor Kitchel seconded. The Minutes were approved.
- **Foreclosure and Lien Report**
 - a. Town Clerk Ellen Planer presented the Foreclosure and Lien report to the group.
 - i. This year, there were 79 filed liens which is better than normal (usually around 100 are filed annually).
 - ii. There are currently 9 properties in foreclosure.
 - 1. 4 properties came off the list this year and 1 property was added for a net reduction of 3 from last year.
 - iii. Town Manager Nathan Poore then discussed the status of each of the foreclosed properties and recommended that the Council take no action this year.
 - 1. The group agreed with this recommendation.
- **TIF Update**
 - a. Nathan presented a recent study done by Camoin Associates analyzing the impact of TIF Districts on Town finances.
 - i. Based on the formulas for State Aid to Education, Municipal Revenue Sharing, and County Tax Assessment the TIF Districts improve the amount the Town receives in State Aid to Education and Municipal Revenue share and reduce the County Tax Assessment due to a reduction in the Town's property valuation.
 - 1. The impact of TIFs allows the Town to capture 2/3 more revenue than it would have seen if the valuation was not moved to the TIF Districts.
- **Investment Results**
 - a. Finance Director Peter McHugh presented the FY17 investment results.
 - i. Highlights include:
 - ii. The Town Investment Policy requires investments to meet 3 primary objectives in priority order:
 - 1. Safety – ensure preservation of capital
 - 2. Liquidity – the Town portfolio should be sufficiently liquid to enable the Town to meet all operating requirements

3. Return on Investment – the Town should strive to attain a market-average return taking into account Town cash flow needs.
 - iii. As of June 30, 2017, the Town's annual investment yield was 1.12% which was an improvement over the FY16 yield of .92%.
 - iv. At year-end FY2017, 46% of the Town's portfolio was invested in FDIC insured CDs and government securities. The remainder of fund balance was in the Town's operating bank account.
 - v. The Town earned \$264K in FY2017 in interest income.
- **Finance Committee Schedule and Agendas**
 - a. The group reviewed the FY19 Budget schedule
 - **Proposed Location Change of Budget Public Hearing.**
 - a. Councilor Farber requested the group consider moving the Budget Public Hearing on April 4, 2018 from the Elementary School Cafeteria to the Town Council Chambers.
 - i. This change would eliminate poor sound and video issues and improve the public's access to the information.
 - b. Nathan supported a location move and presented two alternate options:
 - i. Town Hall Council Chambers – live coverage
 - ii. Lunt auditorium – taped coverage
 - c. The group discussed the pros and cons of each of the potential sites
 - d. The group agreed that the meeting should be moved to the Town Council Chambers.
 - **Finance Director McHugh updated the group on a successful sale of the Elementary School refunding bond issue earlier in the day.**
 - a. Results met expectations delivering interest savings of over \$1 million over ten years. The Town will save \$160K and the remainder of the savings \$855K would go to the state which funds 84% of the bond repayment.
 - b. The Town retained a AAA rating from S&P for this issue.
 - **Adjourn**
 - a. Councilor Jones moved to adjourn. The meeting adjourned at 7:00PM.

Respectfully submitted by Peter McHugh