

# **Town Council Finance Sub-Committee Meeting Minutes**

## **COUNCIL CHAMBERS**

### **Falmouth Town Hall**

### **March 8, 2018 – 5:00PM**

**Members Attendance:** Ned Kitchel (Finance Committee Chair), Aaron Svedlow (Town Council)

**Others in Attendance:** Caleb Hemphill (Council Chair), Karen Farber (Town Council), Claudia King (Town Council);

Nathan Poore (Town Manager); Peter McHugh (Finance Director); Susan Gibney (Accountant), Jay Reynolds (Public Works Director); John Kilbride (Police Lieutenant); Howard Rice (Fire Chief); Ellen Planer (Town Clerk); Lucky D'Ascanio (Community Programs Director); Ethan Croce (Community Development Director); Pete Clark (Wastewater Superintendent); Jennifer Phinney (IT Director)

The meeting was called to order @ 5:15PM

- Councilor Svedlow moved to approve the minutes of February 15, 2018, motion was seconded by Councilor Kitchel. Minutes were approved.
- Peter McHugh then presented the FY2019 Town Budget to the group including a summary presentation and the FY 2019 Budget Book.
  - a. The group reviewed a schedule detailing operating and capital budget changes that were made since the last meeting on February 15.
    - i. Per the Committee request, staff reduced the budget tax requirement by \$147K in order to reduce the mil rate increase to 3% through a combination of additional revenue and expense and capital appropriation reductions. The reduction schedule is attached to this document.
    - ii. There was an addition of a \$172K BETE State reimbursement for State overpayment of BETE resulting from incorrect calculation of BETE reimbursement for the West Falmouth and Route One North TIFs for the last three years. This payment to the State will come from uncommitted fund balance as it is a prior-year adjustment.
  - b. The proposed budget included the addition of 1 full-time position in January 2019 (EMA/Fire Fighter/AEMT) needed to improve weekend ambulance coverage. Other large increases included wage increases, pension costs, and contingency funds.
  - c. The budget contains \$75K in Senior Tax Relief for senior's with incomes of \$30K or below.
  - d. These increases were offset by increased revenues and savings in street lighting costs and reduced transfers to the capital fund.
  - e. The proposed Town portion of the budget represented a \$.09 mil or 3% increase over the FY2018 mil rate to 3.04 mils. Over the last 10 years, the Town average annual expense growth is 1.63%. Peter also presented the state-adjusted analysis of mil rates for all of the Greater Portland Area communities for the period FY2007 through FY2015 (the state analysis has a 2-year lag) and Falmouth was one of the lowest 3 communities during the period with the mil rate in FY2015 being the lowest of all communities in the area for the second consecutive year.

- f. The group discussed the significant line items that drove costs or reduced non-tax revenues.
    - i. There was a discussion about increased ambulance charge bad debt and ways to possibly improve collections.
    - ii. The group discussed the new Senior Center and activity levels. Lucky D'Ascanio will be presenting a report to the Council at a future meeting about this subject.
    - iii. An additional item that will need to be funded in the FY2019 budget is the addition of a new School Resource Officer to improve safety of the Middle and Elementary School in September 2018. The group discussed the impact of this change to the mil rate.
  - g. Councilor Farber then asked the group to comment on their thoughts on the budget and areas that might provide additional relief.
    - i. There was much discussion about this and a determination that most of the ideas would cause next year's mil rate increase to increase at a higher rate.
    - ii. There was a suggestion to add a slide to the Budget presentation to detail budget cuts that had to be made from the Town Manager's original request to reduce the mil rate increase requirement.
- Adjourn – Councilor Svedlow made a motion to adjourn the meeting seconded by Councilor Kitchel. The meeting was adjourned at 7:07PM.

Respectfully submitted by Peter McHugh

## BUDGET CHANGES FROM Feb 15 MEETING

### Revenue

Increase Excise tax to reflect 3% growth over 2018	(16,142)
Use of Fund Balance to pay for BETE refund	(171,600)
Total Revenue Increase	(187,742)

Overlay increase for Library	26,363
Overlay increase for BETE Refund	171,600
Overlay Increase	197,963

### Operating Expense

Delay EMA/FF/AEMT to January 2020	(33,925)
Dept 112 Reduce Registrar Hours to 23/wk, rate to \$20/hr	(7,030)
Move Library \$26K Reserve to Overlay	(26,363)
Dept 171 Move Balance in Invasives Special Revenue to Recreation Special Revenue	(5,000)
Dept 111 Office Equipment	(1,000)
Dept 111 Allocate Anniversary Bonus to all departments	(15,971)
Anniversary Bonus allocated to other departments	10,860
Dept 121 Computer Services	(900)
Police Department - various cuts reviewed with John Kilbride	(4,324)
Fire Department - Howard Cuts	(10,000)
Capital Reductions (see Below)	(63,414)
Total Operating Expense Reductions	(157,067)

Total Tax Requirement Change	(146,846)
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### Capital Changes

Increase Public Works Building Appropriation	1,586
Move Street Lights to FY2018	(65,000)
Total Changes	(63,414)