

Town Council Finance Sub-Committee Meeting Minutes
LARGE CONFERENCE ROOM
Second Floor
Falmouth Town Hall
November 19th, 2018 – 5:30PM

Members Attendance: Amy Kuhn, Hope Cahan

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), Andi Jackson-Darling (Falmouth Memorial Library), Steven Knapp (Falmouth Memorial Library), Vicki Swerdlow (Falmouth Memorial Library), Catherine Cleale (Falmouth Memorial Library), Allison Bishop (Falmouth Memorial Library)

The meeting was called to order @ 5:30PM

- **Approve Minutes of October 29, 2018**
Councilor Hope Cahan made a motion to approve the minutes, Councilor Kuhn seconded. The Minutes were approved.
- **Falmouth Memorial Library Request for a Supplemental Appropriation**
 - a. Andi Jackson-Darling and Vicki Swerdlow gave an update on Library operations and were happy to report that they would not need a supplemental appropriation. This is despite the fact that delays in Library construction have increased operation expenditures. The following items have eliminated the need for additional funds:
 - i. The delay also allowed the Library to continue to earn revenues.
 - ii. Moving expenses would be cut in half since they would not be moving back in this fiscal year as construction will not be complete.
 - iii. Rent savings at Mason Motz – 5 months versus 12
 - iv. It is possible that they may need additional funds if everything does not go as planned (possibly \$25K-\$30K) but that would come later in the fiscal year.
 - v. The Library group also stated that they feel that they will be able to repay the Town for the loan due June 2019 on time.
- **Foreclosure and Lien Report**
 - a. Town Clerk Ellen Planer presented the Foreclosure and Lien report to the group. She also described the Lien and Foreclosure timeline.
 - i. This year, there were 68 filed liens.
 - ii. There are currently 11 properties in foreclosure.
 - 1. 1 property came off the list this year and 3 properties were added for a net addition of 2 from last year.
 - iii. Town Manager Nathan Poore then discussed the Lien and Foreclosure process and recommended that the Council take no action this year.
 - 1. The group agreed with this recommendation.

- **TIF Update**

- a. Nathan presented a TIF update which included the impact of TIF Districts on Town finances, the financial performance of the TIF Districts versus in FY18, and reviewed the TIF Budget for FY19.
 - 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.
 - 2. TIF tax revenues were \$2.7 million in FY18 and expenditures were almost \$1.9 million. FY19 spending is budgeted to total \$5.5 million with \$3.9 million going toward infrastructure projects and \$773K going toward debt service for the Route One South Infrastructure project.
 - ii. There was a group discussion of TIFs and Councilor Cahan recommended that the inclusion of pie charts and graphs would be very helpful to the public understanding of TIFs. Councilor Kuhn asked if the Town knew the increased maintenance costs of growth in the TIF districts. Nathan mentioned that staff will work toward that goal.

- **Investment Results**

- a. Finance Director Peter McHugh presented the FY18 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, 2018, the Town's annual investment yield was 1.52% which was an improvement over the FY17 yield of 1.12%.
 - iv. At year-end FY2018, 48% 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 \$476K in FY2018 in interest income.

- **Senior Tax Assistance**

- a. Finance Director Peter McHugh presented the Senior Tax Relief Program process and results.
 - i. The program is based on the discontinued State Circuit-Breaker program including age and residency requirements and award formulas.
 - ii. The communication plan included a dedicated page on the Town website, a press release in August 2018, promotion by the Town Senior Coordinator, and 2 presentations at the Senior Center by the Finance Director.
 - iii. There were 29 eligible applicants who received a total of \$20,500 in tax assistance. 27 applicants were homeowners and 2 were renters.

- iv. The group discussed the program including what the plan could be for next year where the Council could make changes to income level requirements among other things.

- **Finance Committee Schedule and Agendas**

- a. The group reviewed the FY20 Budget schedule

- **Adjourn**

- a. Councilor Kuhn moved to adjourn. The meeting adjourned at 7:07PM.

Respectfully submitted by Peter McHugh