

Town Council Finance Sub-Committee Meeting Minutes
LARGE CONFERENCE ROOM
Second Floor
Falmouth Town Hall
October 28th, 2019 – 5:30PM

Members Attendance: Ted Asherman, Janice De Lima, Jay Trickett

Others in Attendance: Amy Kuhn (Council Chair), Caleb Hemphill (Town Council), Tommy Johnson (Town Council), Hope Cahan (Town Council)

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

The meeting was called to order @ 5:35PM

- **Elect a Chairperson**
Councilor Ted Asherman nominated Councilor Janice De Lima to serve as Chairperson, Councilor Jay Trickett seconded the nomination. Councilor Janice De Lima was elected Chair of the Finance Committee.
- **Review of Budget Development Schedule**
 - a. The group reviewed the proposed Finance Committee meeting schedule for the remainder of the fiscal year including agenda topics and timing.
 - i. Councilor Trickett commented that one meeting a month may not be enough to completely review the budget.
 - 1. The group agreed that additional meetings could be scheduled as needed throughout the budget process.
 - ii. Councilor Trickett reminded the group that discussion at the Council Retreat called for staff to present alternative budgets: a flat budget; a 2% reduction budget; and a 2% increase budget.
 - iii. Councilor Kuhn would like to request that the school also present alternate budgets.
 - iv. Councilor De Lima would like to request that the school accelerate their budget process in order to allow more time for review and feedback.
 - 1. Councilor Kuhn and the committee members will reach out to the school to make this request.
 - v. After some discussion, the group decided that they would like to see a budget spreadsheet at the upcoming November 20 Finance Committee meeting to give the group some idea what the budget will look like.
 - vi. Councilor De Lima also asked if the Town identifies the costs of frivolous lawsuits.
 - 1. Nathan responded that there currently are no lawsuits pending for the Town.
 - vii. A request was made to move the Budget Book format review from the January 8, 2020 meeting to the meeting on November 20 to allow more time for discussion and review.
- **Presentation of Preliminary FY19 unaudited results**
 - a. Peter McHugh presented the FY19 financial results highlights include:

- i. Revenues were above budget by \$803K due primarily to an unrealized gain on investment of \$306K, investment earnings \$263K higher than budget, intergovernmental revenues \$181K higher than budget (\$96K school, \$41K revenue share, \$39K FEMA), and excise taxes \$112K.
 - ii. Operating expenses were \$365K lower than budget as all departments underspent their budget.
 - iii. Supplemental appropriations added \$605K to fund transfers to other funds resulting in a net change in fund balance of \$435K.
 - iv. Unassigned fund balance as a % of operating expense increased from 21.4% to 23.9%.
 - 1. Councilor Trickett asked if there was a minimum fund balance requirement.
 - a. There is a Finance Policy that requires a minimum fund balance of 16.66% of the operating expense budget plus \$1,000,000 for CIP reserves. This comes out to a little over 19%.
- Other Items
 - a. Nathan Poore presented “An Act Increasing Municipal Agent Fees for Motor Vehicle Registrations” which increases the Agent Fees up to \$2 for new and renewals. Options to implement include a Council Order to implement mid-year or to make the fee increases part of the FY21 Budget.
 - i. The Committee decided to include it in the Budget process.
 - b. Nathan Poore then notified the group that staff will be coming to the Council for a Supplemental Appropriation of \$30,000 to support the unbudgeted Communication Plan implemented this year.
- Adjourn
 - a. The meeting adjourned at 6:40PM.

Respectfully submitted by Peter McHugh