

Town Council Finance Sub-Committee Meeting Minutes FALMOUTH ELEMENTARY SCHOOL CAFETERIA September 30, 2020 – 3:00PM

Members Attendance: Janice De Lima (Finance Committee Chair), Ted Asherman (Town Council), Jay Trickett (Town Council)

Others in Attendance: Amy Kuhn (Council Chair), Hope Cahan (Town Council) Nathan Poore (Town Manager); Peter McHugh (Finance Director); Howard Rice (Fire Chief), Mike McDade ((Falmouth TV Station Manager), Maggie Fleming (Administrative Analyst).

The meeting was called to order @ 3:00PM

- **Selection of Finance Committee Chair - Councilor Asherman nominated Councilor De Lima, Councilor Trickett seconded. Councilor DeLima was selected Finance Committee Chair.**
- **Councilor Asherman moved to approve the minutes of June 22, 2020, motion was seconded by Councilor De Lima. Minutes were approved.**
- **Fire Department Update**

Chief Howard Rice presented an update to the group on the current status of the Falmouth Fire Department.

- a. **By the end of July, the department hired 9 new Firefighter/EMTs, the 9th hire was a replacement for the vacant full-time Fire Captain who left the department.**
- b. **First month results were 152 calls with average attendance of 6.3 Firefighters. This compares to the same period last year that had 168 calls with average attendance of 4 firefighters. This response improvement was due to the 3 full-time shift firefighters attending 124 calls for the month.**
- c. **The new firefighters also improved response times.**
- d. **The remaining 5 Firefighters scheduled to start January 3 have been selected.**
- e. **The Chief also has been meeting with Fire Chiefs in surrounding communities to discuss future plans to increase working together to meet growing needs in all communities cooperatively. He recently met with Chiefs from Windham, Cumberland and Westbrook.**
 - i. **The group discussed long-term planning needs and the current status of live-in students- we currently have 4 with 2 openings to be filled with the new semester at SMCC.**
- f. **Nathan then reviewed Phase II and III of the staffing plan with the group: Phase II will be the hiring of an additional 14 FF/EMT positions sometime in 3-5 years and Phase III being a more regional approach to staffing to ensure that all firefighters in surrounding communities are kept busy while creating the capacity needed to serve all communities.**
 - i. **The Town has hired a consultant to help facilitate the discussion between communities and recommend efficient arrangements going forward.**
- g. **The group discussed the challenges that currently exist in implementing a more regional approach.**

- **Peter McHugh and Nathan Poore presented an update of FY20 financial results and the current outlook for FY2021. Highlights of the presentation include:**
 - a. **FY20 General Fund Revenues exceeded Budget by over \$1 million**
 - i. **Property tax collection was a healthy 97.5% exceeding our historical average, auto excise exceeded Budget by \$81K, Permit and Fees exceeded Budget by \$94K, State Revenue Share exceeded Budget by \$233K, State Aid for Education was \$202K higher than Budget and interest earnings/gain on sale of investments exceeded Budget by \$441K.**
 - b. **FY20 Operating Expenses were \$284K lower than budget with all departments coming in below budget.**
 - i. **Both Town and School General Fund balances will show growth for FY20**
 - c. **Staff presented the FY21 outlook**
 - i. **The Valuation growth rate matched the Budget estimate. The FY21 tax rate came in at the Budget rate of \$17.05**
 - ii. **The latest State Revenue Share projection was \$980K, \$86K higher than Town Budget estimate.**
 - iii. **Auto Excise tax continues to be strong driven by new car sales.**
 - iv. **Current revenue is pacing at \$200K over budget which will help if revenue pace falls later in the year.**
 - v. **Operating Expenses are currently pacing \$400K less than Budget**
 - 1. **Town is delaying expenditures when it makes sense.**
 - d. **Based on 1st quarter results, Nathan felt the outlook for FY21 is reasonable, but staff will continue to watch monthly results very closely. If the outlook takes a turn for the worse, staff is prepared to create a contingency plan on a moments notice.**
 - e. **Staff reviewed the results of a comprehensive rebuild of the Town capital spending plan over the summer.**
 - i. **From FY21 through FY23, staff further deferred spending by \$180K**
 - ii. **Additions include a \$9 million Bond issuance in FY23 to fund renovations at Central and Winn Road Fire Stations and \$474K over 5 years to purchase Police Body/Cruiser Cams.**
 - iii. **Current plan increases overall CIP Fund balance from the projected FY21 balance of \$1.3 million to a more reasonable \$3.7 million by FY30.**
- **Staff presented the FY2021 Budget proposed Mooring fees for a final review before they are implemented in October.**
 - a. **There was much discussion about the distribution of funding between residents, non-residents and commercial accounts. In addition, the group discussed the current waiting list for moorings and whether it is right to have residents waiting for a mooring when non-residents have moorings.**
 - i. **The group discussed different pricing proposals, revenue sources, vacancies and came to the conclusion that more research needs to be done before further changes can be discussed.**

- b. The Committee decided to leave the rates as approved with the FY21 Budget.
 - i. The group committed to look at this in the FY22 Budget and investigate mooring vacancies, resident versus non-resident issues, commercial usage and possible alternate pricing strategies.
- Other Issues/Topics
- Councilor Kuhn gave an update on the Falmouth Land Trust request for Town participation in the purchase of an open space parcel. The Land Trust informed her that they would not be coming before the Council to request funding as they were able to raise the money through their fundraising efforts.
- Councilor Trickett then presented his thoughts on the upcoming Budget process and how it could be improved to determine what changes in services are needed due to changes in resident’s lives and priorities in the post-pandemic reality we find ourselves in.
 - a. The Budget process should continue to require Tier I, II and III scenarios.
 - b. The process should focus less on comparisons to prior year and raising line items by a percentage.
 - c. The process should be nimble and allow an evaluation of what the right mix of services should be in light of changing needs.
 - d. The process should evaluate new and creative ways to fund and evaluate resources and enable the Town to address equity issues.
 - e. Councilor Trickett then discussed the current school situation and asked the question why the Town and School are not buying testing kits to enable testing of students and teachers needed to increase the number of in-person instruction days.
 - i. There was a group discussion and general agreement that these are things worth considering. There was a discussion about how best to determine what changes in services residents would want either through a survey or consultant. Nathan suggested they could use the current Vision and Values process to help with this.
 - f. The group decided to look into these issues and continue the discussion. It was decided that the Town should immediately investigate the acquisition of virus testing capability.
 - i. Councilor Kuhn said she would reach out to the School Superintendent and School Board Chair to set up a meeting to discuss this.
- Mike McDade presented a new software back-end product for the Town website which would improve the presentation of agendas, meeting minutes and attachments while also providing a safer, more efficient way to archive and store these items.
- Adjourn – The meeting was adjourned at 5:20PM.

Respectfully submitted by Peter McHugh