

MINUTES
COUNCIL FINANCE COMMITTEE MEETING
TUESDAY, AUGUST 04, 2014
9:00 A.M. to 10:10 A.M. – Municipal Building / Council Chamber A

1. Call to Order. Jessica Holbrook, Finance Chair, called the meeting to order at 9:00 a.m. Finance Committee Members present – Edward Blaise, William Donovan and Jessica Holbrook; also present were Thomas Hall, Town Manager, and Ruth Porter, Finance Director.

2. Approval of Minutes. Motion by E. Blaise, seconded by W. Donovan, to move approval to except the minutes of June 17, 2014, Finance Committee meetings.
Motion passed: Vote – 3 Yeas.

3. Discussion Items.

a. Review and Discussion of the Financial Statement Period End June 30, 2014

1. Ruth Porter, Finance Director gave a brief overview of the month-to-date financial report end of year unaudited numbers will change only a little once audited. The final numbers will be done within the next two to three months once all of the adjustments to year end are complete. The Director stated that revenues collected for the Town to date are 98.7% revenues collected. The Director expects the year end will show more than 100% collected. The Town Manager stated that the Town continues to have an excellent collection rate from year to year. When it comes time for bonding financial institutes take into consideration a town's rate of collection.
2. The Finance Director indicated that looking over the individual Department expenditures the Executive line is overspent due to the legal litigation pertaining primarily to the tax abatement requests and secondly due to accrued vacation & sick time. The majority of departments are on track and will be within budget expenditures or under upon completion of the year end audit.
3. Councilor Donovan inquired if the Town and School come in under budget what happens to any funds that are left over in those budgets. The Finance Director stated that whatever funds are left always go into the general fund.
4. The Finance Director stated that the Revenues collected per department are right on schedule and should be at 100% when the yearend financials are completed.
5. The Finance Director stated at this time the School Department's budget is 98.7% spent but there are some wage accrual adjustments that will adjusted within the next couple of months. Should the balance remain the same it would be \$500,000 transferred into the School Department's general fund?

6. E. Blaise, Councilor inquired if it would be possible to have the School Department attend the next Finance Committee meeting to answer questions on their finance.

b. Public Comment

- Mr. Rovenor of 14th Street inquired if a question previously raised by Councilor Benedict pertaining to a complete audit on the disposal of the Wentworth school furniture had been answered? He further inquired about the \$40,000 artwork that had been purchased for the new school and if the fundraising had paid for the artwork or taxpayer dollars.

Mr. Rovenor further suggested that the Town and School Finance committees meet more often than once during the budget time. The suggestion was that the two committees meet once a quarter. By doing so, Mr. Rovenor stated there should be a complete understanding as to the full cost of running the schools by the two committees and the public.

When the taxpayers voted in favor of funding the new Wentworth school for 39 million dollars and the project costs when completed are 37 million dollars what happens to the remaining funds? Mr. Rovenor stated that he hopes that the two million dollars not needed would not be bonded or used.

When the land swap between the Town and the Lighthouse Motel occurred it is Mr. Rovenor's belief that the Town gave away more than it got back. Where did the \$100,000 come from to build the Walkway and park? There is no parking for the walkway so individuals are parking along Pine Point Rd. Although Mr. Rovenor has no objections to people parking on the road the Town should be charging the motorists by using solar meters.

Mr. Rovenor inquired if the Town had a contract with the Fire/EMS department on replacement schedule of their vehicles? Perhaps it would be beneficial to see if the life of the vehicles could be extended by repairs rather than replacement.

Mr. Rovenor also inquired as to a rumor of a newspaper article saying that yet another school needed to be repaired or replaced.

- Mr. Martin Tripp of 26 Ocean Wood Drive stated that recently he became aware that the Higgins Beach Bath House was funded by an accumulation of fund overages. Why weren't the fund overages put into the general fund?

Mr. Tripp was concerned that the raised traffic break on the Gorham Rd. by the newly constructed Wentworth School was a waste of at least \$100,000. Mr. Tripp stated there was no justification to build these speed breaks that would eventually become nothing but weeds.

Mr. Tripp stated that recently it was said that \$120,000 would need to be spent in order to update the school on Black Point Rd. Mr. Tripp suggested that was too much money to put into the school and the Town should sell the property to bring in revenues.

J. Holbrook, Finance Chair closed the public comments stating that the Finance Committee would try to provide answers in a timely fashion.

T. Hall, Town Manager and R. Porter, Finance Director were able to provide answers to some of the questions asked during public comment the rest will be provided at a later date.

c. Review and Discussion of Town & School Shared Services

There was an overview of Town and School shared services with a general explanation provided by the Town Manager. The largest exchange of services is between Community Services and the School Department. This exchange of services is the most complex and will take further time to provide the final numbers pertaining to hours and costs. The Town Manager indicated ultimately what is important is how the shared services benefit the Taxpayers of Scarborough. This report of shared services between the Town and School is just a work in progress which is planned to be completed in the early fall.

J. Holbrook, Finance Chair requested that a further step in the reporting take place which will require more effort and time to complete. J. Holbrook requested a report of all the shared services what would the cost difference be if the services were outsourced instead of done in house. J. Holbrook stated the question is what is the most cost effective method of handling the services in house or outsourced?

J. Holbrook, Finance Chair would like to have the School Finance Committee along with Kate Bolton invited to the next Finance Committee meeting scheduled in September per Councilor Blaise's suggestion.

4. Future Agenda Items.

- . School Financial Statement End of Year June 30, 2014
- . Town Financial Statement Year to Date
- . General Discussions

5. Adjourn. Motion by W. Donovan, seconded by E. Blaise, to adjourn at 10:10 a.m.
Motion passed: Vote – 3 Yeas.

Respectfully Submitted

Colette A. Mathieson

Recording Secretary