

MINUTES
COUNCIL FINANCE COMMITTEE MEETING
TUESDAY, SEPTEMBER 16, 2014
9:00 A.M. to 10:30 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 – William Donovan and Jessica Holbrook; also present were R. Porter, Finance Director, K. Bolton, School Finance Director, G. Entwistle, Superintendent, and School Board Members- C. Massengill, and J. Lang

2. Approval of Minutes. Motion by J. Holbrook, seconded by W. Donovan, to move approval to except the minutes of August 04, 2014, Finance Committee meeting.
Motion passed: Vote – 2 Yeas.

3. Discussion Items.

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

1. Kate Bolton, School Finance Director gave a general overview of how the spending is broken out into the different categories for the School Department's Budget. Ms. Bolton gave explanations of the reasons why the School Department must handle the funds by certain criteria due to State and Federal funding rules and reporting that vary depending on the category. It was also stated that once the voters have approved the School Department's Budget referendum the funds may not be moved into other categories arbitrarily. There are formulas that must be used and no more than 5% may be moved from one category to another. The School Department is required to report where the funds are being spent locally to the governing Board which is the School Board and is reported quarterly and year end. Reporting to DOE and the Federal Government for grant funds is done through an electronic reporting system monthly. Reporting for the General fund is done to the DOE quarterly. The School Department's budget cannot go over the budget that has been approved by the voters.

Councilor Holbrook inquired as to the funds that are received through grants such as Title I funds what percentage of the grant is reflective of the cost to run the program. K. Bolton, School Finance Director stated that the Federal Government instructs the School District as to the amount of funds that will be allocated to them for the Title I program. The School Department must then be sure the program runs within those parameters. Therefore the grant funds are already spoken for before the School Department receives them. In the beginning of the year grants are written stating what the funding will be used for.

Councilor Donovan inquired as to the status of the Fineberg Trust that is shown. K. Bolton, School Finance Director indicated that while still alive Mr. Fineberg originally donated \$100,000 to support the founding of the Scarborough

Education Foundation. Of which two allotments of \$10,000 each have gone to the support of the Scarborough Education Foundation. Upon Mr. Fineberg's death a bequest of \$150,000 was given to the Schools to support endorsement of arts in the Schools. The funds must be used for the specific purpose for which they were intended. The Scarborough School Board accepted the bequest from the Fineberg Trust.

Councilor Donovan inquired about the state agency client funding and what it consisted of. Ms. Bolton described that the state reimburses the School Department for "Children who are considered wards of the state". Some years the district will have 20 children and other years the numbers will be less. The School Department is required to bill the State of Maine monthly to collect any reimbursements.

Councilor Holbrook inquired as to how much the Town receives from State Revenues (GPA) for the Schools and is it worth it or should we be looking in the future to be self-funded? Councilor Holbrook stated that over the years more and more funding has been going away therefore should we be proactive rather than reactive by self-funding the School Department Budget.

There was a general discussion concerning the upcoming budget process and meetings. Councilor Holbrook suggested that the Town Manager and the Superintendent get together to schedule joint meetings for the two finance committees pertaining to the FY 2016 Budget.

The discussion on the School Departments budget was very informative as to the budget practices of the School Department. The exchange of questions and answers provided an understanding of the inner workings of the budget.

J. Holbrook, Chair opened the floor to public comment with none being made.

b. Review and Discussion of the Town Financial Statement – Year to date as of August 31, 2014

1. Ruth Porter Finance Director, gave a brief overview of the month-to-date financial report. The Director indicated that at this time expenditures were at 19% and tax collection was 62.4. Overall the Town Expenditures and Revenues are on track.

c. General Discussion

J. Holbrook, Chair stated that there will be no meeting in October and a regular Finance Committee meeting will be held in November.

J. Holbrook and the Finance Committee would like to have the following items discussed at future meetings.

(1) Review an updated Town "Personnel Staffing Plan", where we are and what staffing positions have not been filled due to FY2015 budget restraints such

as Purchasing Agent and Rescue staff. What positions will be in a future budget?

- (2) Review an updated report regarding Capital Equipment and Capital Improvement items that were not purchased due to the FY2015 budget restraints and what is in the pipeline over the next five years.
- (3) Have an Energy Committee liaison provide an update of what the committee is doing and any future plans such as solar panels, Tri-Gen etc.
- (4) Review the Town's General assistance pertaining to illegal immigrants and whether the Town is in compliance with the State's rules/requirements.
- (5) Revisit the Senior Property Tax Relief program and perhaps send it back to the Ordinance Committee. J. Holbrook Chair, would like to have the program reviewed and perhaps increase the funding in the future.

d. Public Comment

- Mr. Rovenor of 14th Street inquired why the Town had to go to referendum votes on two items, the Fire Truck and revaluation.

J. Holbrook Chair, was able to explain that we must go to referendum due to the Town's Charter and a Charter change would be necessary in order to do otherwise.

- Mr. Rovenor of 14th Street had inquiries about the proposed Ice Skating Rink such as what if they don't make money, what if they go out of business, are we giving the land to them or leasing it to them?

J. Holbrook Chair, was able to explain that no decisions have been voted on and that there is a workshop scheduled for October 1st. The workshop will provide an opportunity for many questions to be asked and answered.

4. Future Agenda Items.

- . Town Personnel Staffing Plan
- . Town Future Capital Equipment and Capital Improvement
- . Energy Committee Liaison – Report
- . Town General Assistance Report on State Rule's Compliance
- . Review Senior Citizen Tax Relief Program
- . Town Financial Statement Year to Date
- . General Discussions

5. Adjourn. Motion by W. Donovan, seconded by J. Holbrook, to adjourn at 10:30 a.m.
Motion passed: Vote – 2 Yeas.

Respectfully Submitted
Colette A. Mathieson
Recording Secretary