

**MINUTES**  
**COUNCIL FINANCE COMMITTEE MEETING**  
**WEDNESDAY, AUGUST 3, 2016**  
**4:00 P.M. Municipal Building / Council Chamber A**

**1. Call to Order.** S. Babine, Finance Chair, called the meeting to order at 4:00 p.m.

**2. Those Present.** Finance Committee Members present – Shawn Babine, Finance Chair, Chris Caiazzo, and Peter Hayes; others present were Thomas Hall, Town Manager, Ruth Porter, Finance Director also present various Town staff and the public.

**3. Approval of Minutes.** Motion by P. Hayes, seconded by C. Caiazzo, to move approval to except the minutes of May 4 & May 11, 2016, Finance Committee meeting.

Motion passed: Vote – 3 Yeas.

**4. Discussion Items.**

a. Discussion and Review of the Financial Statement Year End June 30, 2016

There was a discussion and overview of the Year End Financial Statement of June 30, 2016. The Financial Statement at this time is an unaudited document. Upon the completion of the statements audit there will be some adjustments. The consensus of the Finance Committee is that the Town Finances are showing a positive trend.

R. Porter, Finance Director is confident that the excise revenues will exceed what has been budgeted.

S. Babine, Finance Chair requested a comparative updated financial statement packet be provided to the committee at the September meeting to view what has changed.

b. Discussion on Dashboarding/Trend Analysis

T.Hall, Town Manager stated the subject is slightly premature as we are only in the stage of advertising and hiring a Budget Analyst. Dashboarding/Trend Analysis are right in the wheelhouse of the position. Especially looking at the job description under essential functions 1,2,3,4, 5 & 11 speak to the aspect of job responsibilities are all financial in nature.

S. Babine provided manuals pertaining to trend analysis for review in anticipation of the new hire coming on board and digging right into all the materials. Although it will not happen in six months' time it will take the better part of a year to compile the data and analysis.

T.Hall, Town Manager will check with MMA to see if any of the manuals have copyright issues or may we make our own copies to share.

c. Discussion on Capital Planning Policy

The Finance Committee, the Town Manager & Ruth Porter, Finance Director discussed and reviewed the draft Capital Budget Policy. A synopsis of the overall discussion is that T. Hall, Town Manager will make recommended changes and bring the Capital Budget Policy to the Town Council in September.

Motion by S. Babine, seconded by C. Caiazzo, to approve the amended Capital Planning Policy be moved on to the Town Council for consideration.

Motion passed: Vote – 3 Yeas.

d. Discussion on Fund Balance Policy

S. Babine, Finance Chair proposed a rough draft of a new Fund Balance Policy. The proposed change would be to the second paragraph as follows:

The town has set a goal, to maintain the level of unrestricted fund balance equal to (10% instead of **8.3%**) (1/2) of Scarborough's Operating Budget for the prior fiscal year and to not fall below (8.3% instead of **5%**).

R. Porter, Finance Director to provide an Elected Officials Guide to Fund Balance.

Joe Cuetara could guide the Finance Committee as to what the true sweet spot would be 10, 12 or 15%?

e. Discussion on Town Manager Compensation Analysis

S. Babine, Finance Chair stated that last year the Town Council requested that the Finance Committee perform a general overview and analysis of how compensation going forward should be determined for the Town Manager. The Finance Committee will utilize the Human Resource Director to guide them in bringing forward a policy to the Town Council for consideration. The Finance Chair hopes that this can also assist in coming up with a policy that will be beneficial to all employees.

**5. Future Meeting Dates & Times:**

The Finance Committee will hold meetings for September on the 14<sup>th</sup> and the 28, at 6:00 PM in Council Chambers.

**6. Public Comment:** None

**7. Adjourn.** Motion by P. Hayes seconded by C. Caiazzo to adjourn at 5:30 p.m.

Vote – 3 Yeas

Colette A. Mathieson  
Recording Secretary