

MINUTES
COUNCIL FINANCE COMMITTEE MEETING
WEDNESDAY, SEPTEMBER, 2016
6:00 P.M. Municipal Building / Council Chamber B

1. Call to Order. S. Babine, Finance Chair, called the meeting to order at 6:00 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 .

3. Approval of Minutes. Motion by P. Hayes, seconded by C. Caiazzo, to move approval to except the minutes of August 3, 2016, Finance Committee meeting.

Motion passed: Vote – 3 Yeas.

4. Discussion Items.

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

Ruth Porter, Finance Director gave an overview of changes since the Finance Committee had last reviewed the Year End Financial Statement.

P. Hayes inquired what else may change and when will we have a final understanding of where the financials stand.

R. Porter, Finance Director stated that staff changes to the financial statements should be final in November.

b. Discussion of Undesignated Fund Balance Policy

There was an overview and discussion of the Fund Balance Policy. Finance Committee members were provided the current Fund Balance Policy of 2010 and a draft of the Undesignated Fund Balance Policy that S. Babine has been working on.

T.Hall, Town Manager provided materials on fund balance and the rating process from J. Cuetara the Town Financial Advisor.

S. Babine, Finance Chair proposed a rough draft of a new Undesignated Fund Balance Policy. The proposed changes would be to the second and third paragraphs as follows:

“The town has set a goal, to maintain the level of unrestricted fund balance equal to (10%) of Scarborough’s Operating Budget for the prior fiscal year and to not fall below (8.33%).”

“Once the Town achieves an unrestricted fund balance equal to (10%) of Scarborough’s Operating Budget, any excess above (12%) will be assigned for capital needs or property tax stabilization of the Town. By assigning any excess for capital improvements, the Town will reduce the amount necessary for bond financing and in turn, the related interest costs.”

Upon further discussion the Finance Committee agreed that there was a need for expanded definitions within the revised Undesignated Fund Balance Policy to be approved by the Town Council.

S. Babine will revise the Undesignated Fund Balance Policy with the changes that were discussed for the next meeting.

Motion by C. Caiazzo seconded by P. Hayes, to accept as written to approve the amended Undesignated Fund Policy.

Vote: 3 Yeas

c. Discussion of Metrics/Financial Condition Analysis/ Benchmarking

There was an overview and discussion on Metrics/Financial Condition Analysis /Benchmarking by the Finance committee.

T. Hall, Town Manager distributed some materials to review metrics/analysis & benchmarking.

S. Babine, Finance Chair has suggested that the members review the materials as homework and come back with 5 to 8 top recommendations for metric topics to be discussed at the next meeting.

S. Babine, Finance Chair recommended that all the metrics be put into a dashboard to be used for the upcoming budget process.

T.Hall, Town Manager stated that he'd rather start off small and do it well rather than start off to big.

5. Future Meeting Dates & Times:

The Finance Committee will hold meetings for October on the 12th and the 26, at 6:00 PM in Council Chambers.

6. Public Comment: None

7. Adjourn. Motion by P. Hayes seconded by C. Caiazzo to adjourn at 7:40 p.m.

Vote – 3 Yeas

Colette A. Mathieson
Recording Secretary