

## **MINUTES**

### **FINANCE COMMITTEE MEETING Thursday, March 2, 2017 – 5:30 p.m. Town Manager's Office**

Present: Councilor Jim Hager, Chair; Councilors Paul Smith and Marla Stelk

Also Present: Casey Leonard from the auditing firm Runyon Kersteen Ouellette; Town Manager David Cole; Finance Director Sharon Laflamme

1. Consideration of the minutes of the October 4, 2016 Meeting

A motion was MADE by Councilor Stelk, SECONDED by Councilor Hager and VOTED to accept the minutes of the October 4, 2016 Meeting as distributed. Unanimous vote.

2. Review and discuss Town audit for fiscal year ended June 30, 2016

Casey Leonard presented the 2015-16 audit. Mr. Leonard reported that the audit went very well. The Committee reviewed a handout that included a summary of audit results; general fund -- fund balance; general fund – revenues; general fund – expenditures; general fund – revenue distribution; and general fund – expenditure distribution; unassigned fund balance as a percentage of budget – Town and School.

Mr. Leonard reported that there were no material weaknesses and that the Town was given a clean audit. He discussed one significant deficiency relative to segregation of duties in the Finance Department, which is due to the relatively low staffing levels. This deficiency statement is common for 70 percent of Maine municipalities. He encouraged the Committee to continue asking questions and reviewing financials to provide a system of checks and balances.

Mr. Leonard reported that the Town received a Certificate of Achievement in financial reporting for the thirteenth straight year. The Certificate is looked at very favorably by financial and bond institutions.

Mr. Leonard reported that the Town's unassigned fund balance as a percentage of budget for Town and School was 12.58%. RKO recommends one to two months of expenditures which equals 8.33% to 16.66%. The Committee discussed the importance of a good fund balance and that the Town is compliant with its fund balance policy.

The Committee reviewed the Reports Required by Government Auditing Standards and the Uniform Guidance. Mr. Leonard reviewed the Schedule of Expenditures of Federal Awards for Town and School, School Activity Fund, and Uniform Guidance comments.

Mr. Leonard reported that one of the more significant provisions of the Uniform Guidance that affects the Town is the procurement standards. Under the new procurement standards, the Town is required to have a documented purchasing policy, which, at a minimum, incorporates the provisions of the Uniform Guidance. Mr. Leonard recommended that management review the applicable provisions of the Uniform Guidance and update its procurement policy appropriately. The grace period applicable to the Town expires on June 30, 2017.

Mr. Leonard suggested that the Town obtain some model policies. The Finance Director will reach out to municipal finance directors and will also talk to the School Business Officer.

(Staff left the meeting at 6:17 p.m. to give the Finance Committee an opportunity to talk to the Town auditor in private. Staff rejoined the meeting at 6:40 p.m.)

3. Review and discuss December financials.

The Committee reviewed and discussed December 2016 financials. The Finance Director reported that at 50% of the fiscal year completed, 48.8% of the budget has been expended, 50.5% of property tax has been collected and 55.8% of non property tax revenue has been collected.

The Finance Committee asked that the Finance Director research and report back at the next meeting about Account #4301 (PLN-Land Use/Development Fees of the Revenue report, which shows that \$3,200 was received by the Town as compared to \$100 budgeted.

5. Review of requests for write off of taxes.

The Committee reviewed requests to write off real estate taxes The Finance Committee is authorized to write off taxes up to \$500 per tax year.

A motion was MADE by Councilor Stelk, SECONDED by Councilor Hager, and VOTED to abate taxes on the following properties:

Property Location	Tax Year	Total	
31 Main Street, Suite 1	2016	\$ 38.48	
11 Cedar Circle (Map 2-1.97 )	2017	\$255.90	
	2016	\$308.09	
	2015	<u>\$430.24</u>	\$994.23
54 Hayride Road (Map 7-1.E22)	2017	\$ 44.65	
	2016	\$ 92.95	
	2015	<u>\$208.66</u>	\$346.26
57 Gossip Pond Road (Map 7-1.03)	2015	\$242.47	
61 Gossip Pond Road (Map 7-1. D5)	2016	\$ 99.94	
	2015	<u>\$236.50</u>	\$336.44
57 Harvey Road (Map 7-1. G12)	2016	\$96.45	

Unanimous vote.

The Committee requested that the Assessor report back to the Committee on the procedure used to determine value and property tax for campers and trailers at Wassamski Spring Campground.

7. Schedule next meeting

The Committee scheduled the next meeting for May 25 at 5:30 p.m.

8. Adjournment

There being no further business, the meeting adjourned at 7:15 p.m.

Respectfully submitted,

Jeri Sheldon, HR Director