

MEMO

TO: City Council members

FROM: George Lapointe, Chair, Finance Committee

DATE: 8 November 2019

SUBJECT: Committee report

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The Finance Committee has met twice since the last Council meeting, on 15 and 28 October. The agenda for the 15 October meeting was to organize Committee work for the coming year with emphasis on improving our Committee process. The agenda for the 15 October meeting was:

Issue prioritization

Prioritize the issues below so that the Finance Committee has adequate time on each issue.

2. Discussion of budget process for next year

- a. Timing
- b. How to resolve disputes
- c. How to improve the make process better

3. Audit Report

The Committee decided to meet with the auditor to better understand the audit document. This meeting took place on 18 October. Committee members expressed their appreciation for Keel's patient and thorough presentation of the audit report

4. TIF

- a. fund allocations
- b. City policy on authorizing TIF fund expenditures are authorized
- c. Status of the RFP for external financial audit of TIF funds

5. Including internship budget in TIF fund allocation

With respect to TIF issues, the Committee did not vote to advance TIF fund allocations because of some ongoing questions about the TIF allocations. The Committee discussed the utility of a TIF allocation policy so that TIF funds will be allocated for various activities such as budget offset, capital expenditures and economic development; we will work on this at a future meeting. The Committee does recommend funding the remainder of the cost of the summer intern from TIF funds. When we were closing the City budget, funding for the position from July and August was removed, the TIF funding will take care of that obligation.

6. Use of cemetery operating fund balance and trust fund drawdown as revenue for the general fund in FY20 budget

The City has maintained a cemetery operating fund and currently has a balance of \$18,973. City staff recommended that these funds be applied to the \$20,474 revenue line for cemetery, drawing only the remaining needed balance of \$1,501 from the Portland Trust Cemetery fund. This will both maintain assets in the fund and clear an account at Androscoggin Bank. The Finance Committee approved this recommendation for Council consideration.

#### 7. DECD correspondence on changing the downtown TIF district

City Manager Rudy received guidance from DECD regarding modifications to the TIF district, including changing the boundaries to include the Hubbard Free Library, changing the maximum spending limits in any specific use line in the TIF district as originally approved, and correcting the error in the Original Assessed Value (OAV). The Finance Committee will hold a separate meeting to review the response received from DECD. This meeting may also be an opportunity to review the TIF policy draft with the TIF Policy Committee before submitting to Council for final approval and implementation.

#### 8. Out of Service Fire Truck – RFP to dispose of the old truck

The City was approached about disposing of the old fire truck that has been parked at the Sand Pit for several years. The Finance Committee directed the City Manager to issue an RFP for the truck.