

Minutes of Finance Committee-Final

DATE: September 10, 2008

LOCATION: Sanford Hall
Medway, MA 02053

PRESENT: Frank Faist, Eric Arbeene, Jeff Devolder, Phil Giangarra, Jan Fish, Mark Brown, Larry Ellsworth

ABSENT: Phyllis Cerel

GUESTS: Suzanne Kennedy, Barbara Durand, Melanie Phillips

PURPOSE: Regular Monthly Meeting

Frank Faist called the Finance Committee (Fin Com) meeting to order at 7:03pm.

Treasurer/Collector-Melanie Phillips

The Treasurer/Collector presented the Committee with a list of definition of terms and an analysis of Bonds. There are 13 different bonds ranging from \$71K to \$11.5 million which finance multiple items including water and schools. Ms. Phillips presented a pie chart, which broke down the percentages of debt.

Bans are used to borrow short-term debt for projects that are under construction. Bans can be obtained for a lower interest rate and then "refinanced" or combined. They are also useful for improving your bond rating.

Debt borrowed this year will be for CPC projects passed at Town Meeting last spring.

Rans were defined as financing for when the community is delayed sending out tax bills and the money is needed to fund until tax money comes in. Medway is not planning to use Rans, as our tax bills will go out in a timely manner.

Jeff Devolder requested that Ms. Phillips provide FinCom with a spreadsheet containing interest rates for Bonds and Bans including an amortization schedule. Ms. Phillips will email FinCom with this document.

Ms. Phillips explained she is looking into "refinancing" the bond for a better rate and is working with the fiscal adviser on this project.

Eric Arbeene asked how this related to other towns having the school debt the majority of all debt. Ms. Phillips believes it is pretty common. She also explained that Medway is in the 10% range of debt service to budget. The BOS do not wish to increase that percentage and she feels Medway should be in the 5% range.

Ms. Phillips reviewed the CPC projects voted at spring Town Meeting and will take out a Ban in October to pay those requests already submitted. When all projects are completed she will do one Bond for a larger sum and a better interest rate. Mark Brown will follow-up with CPC to ensure all projects approved move forward as not all departments have submitted their requests to complete their approved projects.

Town Accountant-Barbara Durand

Ms. Durand explained that an IT Director has been hired, but not started to work for the Town yet. The Town and School will share this position with funding by the school department budget this year.

There were positions that are to be funded as a result of the Charter.

An upgrade for a procurement position in the Town Accountant's office is in ongoing negotiations with the union and the funds have not been spent to date.

An upgrade to the planning board is also still under union negotiations, this upgrade will be retroactive.

Advertising has continued for an HR Director and the savings of that expense should be noted as this position is new, so there will be no retro pay when someone is hired.

The police have settled their contract negotiations but municipal has not.

The Superintendent and Town Administrator will begin discussions in January/February to conclude by Spring Town Meeting, as the school will be at the end of their three-year contract.

The Town books are closed and with the auditor, some numbers may change slightly but the bottom line is closing FY08 \$213,000 more in revenues and not expending \$1 million she thought we would, thus that excess money will fall to free cash. A very positive start and well ahead of last year. The Auditor has told Ms. Durand that the audit is going well and the cleanest of all his clients. Great job Ms. Durand and her staff.

The Water Department became an enterprise fund 7/1/08. A conservative approach was taken due to the economy and it appears to have paid off.

A 5-year revenue and expense forecast will be presented to the Board of Selectmen on 9/15/08.

Real estate tax income is at 98% and is normal for this time of year considering the economy.

After the Fall Town Meeting the Recap sheet (proforma) will be submitted to the state in December so the state can certify the tax rate. Bills need to go in the mail by 12/31/08. Ms. Durand is comfortable with this timeline.

The assessor's estimated \$100K in new growth. Ms. Durand spoke to the chairman to check on the status and was told the assessor's will get back to her with an update the end of September.

Financial Software has gone to RFP. Seven vendors have responded. Ms. Durand put together a committee of department heads and staff to review the proposals. Three vendors were asked to come in so staff of the town and school could view and fill out evaluations. These evaluations were considered in making the final decision. Tyler Technologies (Munis) was selected, as permitting and school software was included and key to the decision. Ms. Durand is working on a rollout schedule with Munis she is hopeful that payroll will begin in January 2010 and general ledger/taxes etc July 1, 2009. There will be a 6-9 month data collection and training period and she believes the change over

does require double entry. The contract includes the first year of maintenance for the same fee paid currently. The school's annual maintenance fee will be removed from their budget, to show their annual savings. There is some flexibility if there is a need to add features. The new Superintendent has worked with this software before and both the school and town are excited to get on board.

Going forward there will be a need for a new server, which will be paid for by a grant. The Treasurer/Collector will need a high quality printer, which will be funded by CPC funds.

There will be three Warrant Articles for the Fall Town Meeting pertaining to accounting procedures for the Solid Waste, Water, and EMS enterprise funds. These articles will rescind articles 3, 6 and 8 from the May 2008 Town Meeting and replace with the DOR recommended accounting presentations for these articles. The new accounting presentation for the enterprise articles will book all enterprise revenue and allocate expenses including indirect costs and reserve monies to the enterprise fund and eliminating a "double" accounting of indirect expenses. A handout, which explains the articles, will be handed out at the Fall Town Meeting to supplement the explanation of the changes to the accounting procedure.

Town Administrator Comments-Suzanne Kennedy

A draft budget calendar, as well as the Fall Town Meeting Warrant will be presented to the BOS on 9/15/08. The Warrant and Calendar will then go to Town Counsel to review. The Warrant will be transmitted to FinCom on 10/21/08 (via email to Frank) and the TA requests it is completed by 11/5/08. The Town Administrator suggests a FinCom meeting prior to 11/5 to answer any questions. The constable will post by 10/21/08.

Liaison's should ask that their committees to discuss their articles in the very near future and the Planning Board should be invited to the 10/29 FinCom meeting to review their articles.

*It was decided that FinCom meeting 10/8 will remain for now and the secretary will add 10/29 to the meeting schedule.

A joint meeting of BOS, FinCom and the School Committee will be arranged by the Town Administrator, FinCom recommended it be held in October

Upcoming Training seminars and workshops:

- 9/15 7pm Sanford Hall-GASB 45 with BOS
- 9/22 7pm Sanford Hall-Open Meeting Law
- 9/24 7pm Sanford Hall-Tax Recapitulation
- 10/15 7pm Sanford Hall-Public Records Law

Liaison Committee Changes

The committee discussed some changes to the liaison list. Paul Marble will now serve on the Snow and Ice Committee and remove himself from the Revenue Enhancement Committee. The Planning Board has many sub-committees. Design review needs to be covered and Jeff Devolder volunteered to become involved with the Master Plan Committee.

On a side note: Phil Giangarra has been trained to work on the FinCom page of the web-site.

General Government-nothing to date

Public Safety-nothing to date

Education-noted above, Frank will set up tour of schools for FinCom members interested.

Health and Human Services-Phyllis Cerel-not present

Culture and Recreation-Phyllis Cerel-not present

Revenue-nothing to date

ATM Book-nothing to date (Frank is in the process of outlining procedural steps in preparing)

Public Works-nothing to date

Snow and Ice-nothing to date

Revenue Enhancement-has not begun yet

Planning Board-Phil was asked to remind Suzy to use the form developed last year. PB continues to work on the "bottle cap lots" project for use of multi-level developments (Industrial, commercial, residential)

Board of Selectmen-TriCounty Rep attended and will promote better communication and more documents to support their budget. Rte 109 modification presentation by a design engineer was helpful to begin to look at this project, but still in the concept phase.

Community Preservation-nothing to report

Capital Improvement Plan-Mark will be in contact with CIPC; he'd like to see a better document presented to show the financial impact and goal. He will confirm that all projects will be completed this FY.

Paul Marble suggested that information should be posted on the web-site with information regarding recycling and that the revenue helps the town. It was decided that Paul would contact the Board of Health for their opinion on the wording for the posting.

Discussion regarding contact with the School Committee

Frank has met with the new Superintendent and has spoken to Diane Borgatti, Chairman about setting up a meeting with FinCom.

Jeff Devolder as Liaison has attended some SC meetings and noted that the Superintendent is requesting a curriculum review. Jeff would like to ask the Business office to present multi year views of their budget as it would be make sense and allow for a shared understanding of their budget. Mark would like to see a clarification on "level service" and/or the definition so that all groups/departments are clearly on the same page.

Frank asked the SC how FinCom can get similar information to what we get from other departments, for a clearer presentation of the school budget and also budget to actuals for the past few years.

Frank would like FinCom to comprise a list of questions that can be presented to the SC prior to meeting with them. A meeting of the SC, Superintendent and Fincom would be a positive step to bond the groups together. Frank will set up this meeting for either 10/2 or 10/16 and will set up a group tour as well.

FinCom Budget review

Nothing to report this month.

August 13, 2008 Minutes

Motion by Phil to approve minutes as written, seconded by Paul, no discussion, all in favor.

Motion passes.

Action items held over from FY2008

DOR Rep-scheduled for 9/24.

Barbara Durand-in attendance tonight, will attend again in the 2nd quarter.

Melanie Phillips-in attendance tonight.

School Committee-Frank working on this

Tri-County-BOS met with and requested better communication
Subcommittee updates-will ask for updates each meeting
Additional meetings-additional meetings will be planned for in the month of March

Secretary Pay vote

Motion by Paul to approve secretary pay of 11.50 hours @ \$12.52 per hour for a total of \$143.98, pay 8/9/08 through 9/5/08. Seconded by Eric, no discussion, all in favor, motion carries. Frank requested that the secretary divide out the hours spent since 6/30/08 on the FinCom Appointment Committee versus FinCom and report back at the next meeting. This will be helpful for budgeting for next summer.

Association of Town Finance Committee

Wendy will pdf/email the registration form for the Annual meeting to all members. Frank will check past records and budgets and report via email how many members FinCom will pay for their attendance.

Motion to adjourn at 9:30pm by Paul, seconded by Eric; no discussion, all in favor, motion carries.

Respectfully submitted,
Wendy Harrington
Finance Committee Secretary
*Minutes approved 10/29/08