

## **MINUTES OF MEETING OF WAREHAM FINANCE COMMITTEE**

**Date of Meeting: December 15, 2010**

### **I. CALL MEETING TO ORDER**

The meeting was called to order at 6:30 P.M.

### **II. ROLL CALL**

Members Present: Donna Bronk, Chairman  
Marilyn Donahue, Vice Chairman  
William R.C. White, Clerk  
Dick Paulsen  
David Trudell  
Frank Heath

Members Absent: Bonnie Cottuli  
Dominic Cammarano  
Sam Gray

Also Present: Elizabeth Zaleski, Town Accountant

### **III. TOWN ADMINISTRATOR'S REPORT**

Due to deaths in the family, Mr. Andrews was not present at the meeting. He forwarded various materials for discussion.

#### **A. FY2012 Budget.**

Ms. Bronk stated that the FY2012 budget was presented to the BOS last night & the FinCom has received it this evening per Mr. Andrews. She suggested the FinCom members come up w/ questions relative to this budget to forward to Mr. Andrews.

#### **B. Betterment Analysis.**

Present before the FinCom: John Foster, Treasurer/Collector

Mr. Foster explained a presentation of the preliminary sewer betterment figures was made to the BOS last evening. He discussed what was presented at the BOS meeting. (Information attached as reference). He credited the two interns that assisted in obtaining this information.

Lengthy discussion ensued re: betterment revenue reserved for future debt, borrowing, & costs associated w/ betterments.

Ms. Donahue clarified what Mr. Foster's responsibility is relative to betterments.

Discussion ensued re: if there is another reserve for maintenance account at the plant. Mr. Foster doesn't think there is a separate account for this that he is aware of. FinCom members expressed concern re: not having reserves for such things as maintenance, upgrades, etc. The FinCom feels money should be set aside for these issues.

Mr. Trudell expressed the importance of the WPCF coming up w/ a capital plan.

**NOTE: Ms. Zaleski arrived at this time.**

**Mr. Foster departed at this time.**

Discussion ensued w/ Ms. Zaleski re: WPCF retained earnings. Ms. Zaleski discussed what retained earnings include. She explained that for FY2010, any retained earnings has been put in the reserve for debt account.

Ms. Zaleski noted that betterment projects have been turned over to the auditors so they can analyze the data.

### **C. Update on Auditor's Activity.**

Ms. Bronk noted that questions from the FinCom will be submitted to Mr. Andrews & Ms. Zaleski for the January 5<sup>th</sup> meeting between the auditors & the FinCom.

Ms. Zaleski stated that VADAR report has come in as of December 3, 2010. The revenue side was completed yesterday & the expenditure side of the report is being re-written. As of right now, the report VADAR has will not be accurate. She asked if the FinCom wants the VADAR report as it is now or a "dashboard" report. She noted hopefully by January 5<sup>th</sup>, the revenue & expenditure report(s) should be done accurately & will include the month of November.

Mr. White stated starting on a schedule of reports is critical.

Mr. Heath noted the numbers may not be accurate, but it would be helpful to see what the format of the report looks like. Ms. Zaleski stated she will speak to Mr. Andrews about this. She can show him the draft reports & if they are o.k., she could possibly submit draft reports to the FinCom.

Mr. Paulsen would like to see three years of data, for example, showing Reserve Fund Transfers because he feels this will give a perspective. Mr. Paulsen stated the auditors, Powers & Sullivan can't guarantee the history of data. Going forward, the format will be what has been decided. Ms. Zaleski discussed the columns being worked on now relative to the format. She noted once the cash is closed, the reports will come out.

Ms. Bronk asked when the 2010 books audit will come out. Ms. Donahue asked if it would be possible to add history to the report for FY2012. Ms. Zaleski discussed history given last year & she anticipates providing history this fiscal year.

Mr. Trudell asked re: Community Preservation figures relative to the auditors activity. Ms. Zaleski explained that part of the audit this year is going in depth & the auditors are going back to inception of the Community Preservation Fund to the present. Thus, the Community Preservation Fund is being re-created from day one.

Ms. Zaleski stated the CPC data & all audit data will take time to produce. All issues of past accounting are being reviewed in depth by the auditors to verify all books, departments, etc.

Mr. Trudell stated if any proposals come forward from the CPC, he will not be in favor of these proposals until the data is received. Ms. Zaleski stated if there is any data, it will be provided prior to Town Meeting.

FinCom members again expressed concern re: not having data, especially come the spring Town Meeting. The FinCom members concur that providing data should be a priority.

Ms. Zaleski departed at this time.

#### **IV. BUSINESS**

##### **A. Next meeting date & calendar of meeting dates.**

Discussion ensued re: the School Committee budget meeting to be held on January 5, 2011. Discussion ensued re: relationship issues between the School Committee & the BOS/Town-side of government.

Discussion ensued re: holding FinCom meetings the first & third Wednesday of each month. Mr. White urged the FinCom to set a calendar of meetings from now until Town Meeting.

The FinCom discussed the following meeting dates:

- December 22, 2010 – Discussion w/ Mr. Andrews re: budget
- January 5<sup>th</sup>, 2011 – Discussion w/ Powers & Sullivan
- January 19, 2011 – Discussion w/ BOS & School Committee

Brief discussion ensued re: compiling questions relative to the budget for Mr. Andrews to review.

Mr. Heath briefly discussed the City of Brockton & success they have had w/ their school system & approaches.

V. ADJOURNMENT

MOTION: A motion was made & seconded to adjourn the meeting at 8:20 P.M.

VOTE: Unanimous (6-0-0)

Respectfully submitted,

Kelly Barrasso  
Kelly Barrasso, Transcriptionist

Date signed: 12/22/10

Attest: William R.C. White (KB)  
William R.C. White, Clerk

WAREHAM FINANCE COMMITTEE

Date filed: 12/28/10

Date copy sent to Town Clerk: 12/28/10

# Preliminary Sewer Betterment Figures

Tom Lavin and Derek Sullivan  
Suffolk University

# Methodology 1 of 2

- Phase 1: Collection of Data Available in VADAR
- Phase 2: Collection of Pre-VADAR information
- Phase 3: Cross Check of Suffolk Pre-VADAR database
- Phase 4: Cross Check of Suffolk Pre-VADAR database
- Phase 5: Calculation of Outstanding Sewer Betterment Balance and Potential interest (PRELIMINARY)

# Phase 1: Collection of Data Available in

## VADAR

- Worked with IT to make request to VADAR
- Asked for all available data
- Received 4 Excel files:
  - Clerical Info
  - Balances
  - Original Commitments
  - Transactions

# Phase 2: Collection of Pre-VADAR information

Raw Data From Assessors'  
Office transferred to Suffolk  
database (Excel file):

- Original Sewer Betterment  
Commitment Log
- Property Payment Schedule  
Card
- Outstanding Principal  
Balances (Word)



## Phase 3: Cross Check of Suffolk Pre-VADAR database

For Each Property using the  
Assessors' Original  
Commitment Log :

- Input and Verified:
  - Current Owner(s)
  - Street Address
  - Interest Rate
  - Original Commitments

# Phase 4: Cross Check of Suffolk Pre-VADAR database

For Each Property:

- Verified (Using Cards):
  - Original Commitment
  - Adjusted Commitments
  - Interest Rate
- Calculated
  - Outstanding # of payments
  - Outstanding interest owed

# Phase 5: Calculation of Outstanding Sewer Betterment Balance and Potential interest

- Principal Balance
  - Collected by Project
  - Both Pre-VADAR and VADAR data
- Interest
  - Simple
  - By Project
  - Estimated for VADAR

# Preliminary Sewer Betterment Figures

Total	Total Balance		Total Est.	
	Owed	Future	Interest Paid	Est. Future Amount Paid
VADAR and Pre-VADAR				
Betterments	\$8,211,145.98	\$2,080,728.49	\$10,291,874.47	

Project Name	Balance Owed	Average Interest Rate	Average Number of Payments Left	Est. Future Interest Paid	Est. Future Amount Paid
Weveantic Shores	\$1,814,565.04	5.90%	12.17	\$885,052.63	\$2,699,617.67
Brianwood/Beaverdam	\$2,328,136.95	2.00%	16.60	\$437,328.40	\$2,765,465.35
Rose Point	\$3,011,271.66	2.00%	17.37	\$584,235.73	\$3,595,507.39
Sunset Island	\$37,367.00	7.00%	10	\$15,868.37	\$53,061.14
Seth F Tobey	\$62,495.12	7.00%	9	\$23,883.36	\$100,030.50
Riverside/Onset Heights	\$518,883.42	2.20%	10	\$64,928.08	\$576,145.51
Cranberry Hwy/ Depot St	\$264,541.10	5.00%	5	\$41,052.88	\$303,802.30
Pt Independence	\$46,020.62	5.00%	6	\$8,397.13	\$50,638.67
Jefferson Shores/Indian Mound Bch	\$125,857.24	5.00%	5	\$19,531.18	\$139,900.99
Pine Tree Estates	\$2,007.83	7.85%	4	\$450.73	\$2,374.06

Total Balance Owed			Total Est. Future Interest Paid	Est. Future Amount Paid
Total				
Vadar and Pre-Vadar Betterments	\$8,211,145.98		\$2,080,728.49	\$10,291,874.47

# Pre-Vadar Betterments

Project Name	Balance Owed	Interest Rate	Average Number of Payments Left	Future Interest From Cards	Est. Future Amount Paid
Sunset Island	\$37,367.00	7.00%	10	\$15,868.37	\$53,245.44
Seth F Tobey	\$62,495.12	7.00%	9	\$23,883.36	\$86,387.55
Riverside/Onset Heights	\$518,883.42	2.20%	10	\$64,928.08	\$583,821.52
Cranberry Hwy/ Depot St	\$264,541.10	5.00%	5	\$41,052.88	\$305,599.03
Pt Independence	\$46,020.62	5.00%	6	\$8,397.13	\$54,423.80
Jefferson Shores/Indian Mound Beach	\$125,857.24	5.00%	5	\$19,531.18	\$145,393.47
Pine Tree Estates	\$2,007.83	7.85%	4	\$450.73	\$2,462.64
<b>Total</b>	<b>\$1,057,172.33</b>			<b>\$174,111.73</b>	<b>\$1,231,333.45</b>

# Vadar Tracked Betterments

Project Name	Balance Owed	Average Interest Rate	Average Number of Payments Left	Est. Future Interest Paid	Est. Future Amount Paid
Weweantic Shores	\$1,814,565.04	5.90%	12.17	\$885,052.63	\$2,699,617.67
Briarwood/Beaver Dam	\$2,328,136.95	2.00%	16.60	\$437,328.40	\$2,765,465.35
Rose Point	\$3,011,271.66	2.00%	17.37	\$584,235.73	\$3,595,507.39
Total	\$7,153,973.65			\$1,797,996.05	\$8,951,969.70

Town of Wareham, Massachusetts

Long-Term Net Sewer Debt Outstanding as of July 1, 2010

Date of Issue	Purpose	Payment Type	TOTAL
<b>Betterment Projects</b>			
9/8/1989	Sewer FHA (ISS) 92-01 - 468,200	Principal	156,060.00
	Point Independence	Interest	46,818.00
8/28/1990	Sewer FHA (ISS) 92-03 - 560,600	Principal	28,030.00
	Indian Mound Beach & Jefferson Shores	Interest	840.90
7/18/1991	Sewer FHA (ISS) 92-05 - 190,000	Principal	19,000.00
	Pine Tree Estates	Interest	1,116.25
10/1/1997	Sewer (OSS) - 2,106,000	Principal	833,000.00
	Cranberry Hwy & Depot Street	Interest	167,400.00
8/1/2001	MWPAT 96-15 Sewer (ISS) - 1,470,980	Principal	521,435.65
	On-ne-set & Riverside	Interest	31,661.62
6/15/2002	Sewer Riverside (ISS) - 180,405	Principal	100,000.00
	On-ne-set Heights & Riverside	Interest	25,838.76
6/15/2002	Sewer Sunset Island (ISS) - 265,000	Principal	145,000.00
	Sunset Island Sewer Extension	Interest	39,153.76
6/15/2002	Sewer Thatcher (ISS) - 364,500 of 1,215,000	Principal	222,000.00
PART OF	Tobey Rd, Thatcher Ln & Kendrick Rd	Interest	65,429.25
5/15/2005	Sewer Planning (ISS) - 597,000	Principal	425,000.00
	Design Weweeantic/Rsp/Bwrd/BvrdDam	Interest	116,892.50
9/15/2005	Sewer (ISS) - 3,305,000	Principal	2,625,000.00
	Weweeantic Shores Sewer Extension	Interest	808,938.75
12/9/2008	MWPAT Pool 12 CW-05-10 (ISS) - 4,978,306.16	Principal	4,746,224.11
	Rsp/Bwrd/BvrdDam Sewer Extension	Interest	852,335.32
		Principal	9,820,749.76
		Interest	2,156,425.11
			11,977,174.87
			11,977,174.87



## Sewer Betterment Summary Report

Existing Betterment Projects	Betterment Principal	Betterment Interest	Outstanding Balance	Remaining Debt Princ & Interest
Point Independence	46,020.62	8,397.13	54,417.75	202,878.00
Indian Mound Beach & Jefferson Shores	125,857.24	19,531.18	145,388.42	28,870.90
Pine Tree Estates	2,007.83	450.73	2,458.56	20,116.25
Cranberry Highway & Depot Street	264,541.10	41,052.88	305,593.98	1,000,400.00
On-ne-set & Riverside	518,883.42	64,928.08	583,811.50	678,936.03
Sunset Island	37,367.00	15,868.37	53,235.37	184,153.76
Tobey Road p/o Tobey Rd, Thatcher Ln & Kendrick Rd	62,495.12	23,883.36	86,378.48	287,429.25
Sewer Planning Weweantic/Rose Pt/Brwd/BvrDam	-	-	-	541,892.50
Weweantic Shores	1,814,565.04	885,052.63	2,699,617.67	3,433,938.75
Briarwood / Beaver Dam	2,328,136.95	437,328.40	2,765,465.35	5,598,559.43
Rose Point	3,011,271.66	584,235.73	3,595,507.39	
	8,211,145.98	2,080,728.49	10,291,874.47	11,977,174.87
	MWPAT Sewer Admin Fees (0.075%)			192,904.92
				12,170,079.79
	Variance			(1,878,205.32)
	Tax Title Receivables (Swr Btrmnts & CI)			116,694.06
	Prior Payments (Projects Not Bettered)			670,883.05
	Betterment Revenue Reserved for Future Debt			2,853,569.68
	Balance			1,762,941.47