

MINUTES OF MEETING OF WAREHAM FINANCE COMMITTEE

Date of Meeting: May 4, 2011

I. CALL MEETING TO ORDER

The meeting was called to order at 6:33 P.M.

II. ROLL CALL

Members Present: Donna Bronk, Chairman
Marilyn Donahue, Vice Chairman
William R.C. White, Clerk
David Trudell
Bonnie Cottuli (Arrived at 6:40 P.M.)
Dominic Cammarano (Arrived at 7:25 P.M.)
Frank Heath
Sam Gray

Members Absent: Dick Paulsen

Also Present: Derek Sullivan, Financial Analyst
Michael Schneider, BOS
Mark Andrews, Town Administrator
Claire Smith, Town Moderator
Walter Cruz, BOS (Arrived at 6:50 P.M.)

III. TOWN ADMINISTRATOR'S REPORT

A. Outstanding Articles/Motions

Mr. Andrews discussed the format for outstanding articles, including motions. He hopes to have this prepared by tomorrow or Friday.

B. Local Aid Update

Mr. Andrews distributed a local aid spreadsheet to the FinCom which he discussed.

Brief discussion ensued re: the Quinn Bill & a proposal for an educational program.

NOTE: Ms. Cottuli arrived at this time.

Mr. Andrews explained the House has initiated a program re: union negotiations relative to healthcare & co-payment reimbursement, such as the Town has done w/ several of its unions & savings programs.

Mr. White asked how much the Town pays for the unsupported portion of the Quinn Bill. Mr. Andrews stated approx. \$387,000. Mr. White expressed concern that this figure will

never go away. Mr. Trudell stated you could try to negotiate it out of contracts. Brief discussion ensued.

Brief discussion ensued re: Chapter 70 not being included in State Fiscal Stabilization Funds of \$65,280.00. Mr. Andrews stated he has spoken w/ Senator Pacheco who will be proposing some amendments to restore some money.

C. Budget

Mr. Andrews noted the budget format & he is working on fine-tuning some figures. He proposed having a workshop meeting on the budget after the FinCom reviews it.

Mr. Gray asked where the Town stands re: an accounting standpoint. He understands the Town will not be hiring an interim accountant at this time. He asked what role Powers & Sullivan (auditors) are playing. Mr. Andrews stated there is an outstanding personnel issue relative to the Town Accountant. Selectman Schneider stated journal entries being made are being supervised by Powers & Sullivan for accuracy.

Mr. Andrews stated cash reconciliations are being done. Powers & Sullivan can discuss this further when the FinCom meets w/ them. He suggested FinCom members send questions to Powers & Sullivan prior to tomorrow night's meeting w/ them. He explained that Powers & Sullivan has supervised all processes dealing w/ cash & expenses. He stated all accounting questions can be directed to Powers & Sullivan.

Mr. Andrews stated Powers & Sullivan cannot deal w/ the day to day operations. Selectman Schneider stated Powers & Sullivan are looking at individual journal entries that are made by the Assistant Town Accountant.

NOTE: Selectman Cruz arrived at this time.

Mr. Heath stated he has an abundant amount of questions to ask. Mr. Andrews stated Powers & Sullivan should be given these questions prior to tomorrow night's meeting & if needed, Mr. Heath could sit w/ one of the field workers for more information.

Mr. Heath asked Mr. Andrews to address the issue of school buses. He feels this matter should be discussed presently. Mr. Andrews stated he needs to discuss this matter w/ the BOS first.

Mr. Trudell asked re: the matter of an ambulance. Mr. Andrews explained there are several faulty ambulances & ambulance deficiencies. He has asked Mr. Evans, EMS Director to report on the ambulance issue. He stated he is looking at a three tiered approach which he discussed. 1. Put the best ambulance back on the road. 2. Looking to see how to get the second ambulance back on the road. 3. Looking into utilizing mutual aid from Rochester, Marion, & Mattapoisett. To replace one ambulance will cost approx. \$204,000. He is working on possibly obtaining a possible donation of an ambulance to the Town. In conclusion, there is a need for two ambulances. One is in the Capital Plan for 2012 & the other is in the Capital Plan for 2013.

Mr. Trudell explained that if the Town can obtain one new ambulance now & repair one w/ a new chase, we can wait until 2013 for another. Brief discussion ensued.

Mr. Andrews stated the ambulance matter should be considered an emergency issue. Ms. Cottuli noted that Wareham supports other communities relative to ambulance services vs. other communities supporting Wareham. She asked if there are any financial benefits relative to mutual aid. Mr. Andrews explained that the Town adopted the mutual aid package for the police & mutual aid for other areas is being looked at, such as for EMS & the street sweeper. Mr. Trudell feels there is some involvement w/ insurance billing & mutual aid relative to ambulance use.

D. School Dept. Revolving Funds

Mr. Trudell asked re: information relative to the two revolving funds for the School Dept. He asked if there is an understanding if these requests are valid. Mr. Andrews stated Town Counsel & the School Dept.'s counsel are still working on this matter. They will be meeting tomorrow.

NOTE: Mr. Andrews & Mr. Sullivan departed at this time.

IV. BUSINESS

A. Article & motion assignments.

Article & motion assignments were made for the Annual & Special Spring Town Meeting Warrant articles.

B. Audit discussion.

Ms. Bronk stated that the FinCom & BOS will be meeting w/ the auditors tomorrow, May 5, 2011 @ 5:00 in Room 23 of the Town Hall.

Ms. Marilyn Donahue asked what the expected outcome is relative to this meeting. Ms. Bronk explained the FinCom wanted to speak w/ the auditors themselves along w/ the BOS. Ms. Marilyn Donahue stated the FinCom should make it clear that Powers & Sullivan are to be independent auditors & not getting involved w/ day-to-day operations. She feels doing journal entries is doing the work. She stated if the auditors cross this line, they are renegeing on their independence.

Present before the FinCom: Jane Donahue

Ms. Jane Donahue stated Powers & Sullivan are auditing & if they make recommendations the Town can act on the recommendations or not. Ms. Marilyn Donahue just wants to make sure that ethics are being upheld. Mr. Gray feels the work of the auditors seems to be going close to the line, especially since is stating that any accounting questions should be addressed to the auditors. Mr. Heath feels it is a fine line. He explained the auditors can audit what has already been put into the system or about to be put in, but they can't make the entries. He stated they can't supervise entries either

which would take away their independence & violate their contract. Mr. Gray feels it is interesting that an audit is being made before an entry is being made.

Present before the FinCom: David Walton

Mr. Walton stated at the BOS meeting recently, the auditor stated he is not the accountant nor is he doing the accounting.

NOTE: Mr. Cammarano arrived at this time.

Ms. Jane Donahue stated the auditors are auditing after the fact. Mr. Heath understands they are auditing the current information going into the system presently. He explained the auditors can't tell the Assistant Town Accountant where to put something, but they can state there is an error. He would like to ask what the audit of the system is.

Ms. Marilyn Donahue expressed concern re: Free Cash status. Ms. Bronk stated hopefully this information will be given tomorrow. She noted part of Free Cash for FY2010 is available, but some is not. Mr. Heath stated there is a possibility that the Town won't have available Free Cash by Town Meeting. Discussion ensued.

Ms. Cottuli expressed concern re: statements the Town Accountant (Elizabeth Zaleski) made re: the abilities of staff members in the Accounting office. She stated Ms. Zaleski had relayed that there was a lack of education among the other staff. She expressed concern of existing staff being able to carry this matter through. Ms. Bronk stated she understands the concern, but there is a need to hear from the auditors & the DOR. She added that the FinCom can only advise. Mr. Cammarano also shares Ms. Cottuli's concern.

Ms. Cottuli expressed concern re: how the FinCom can advise w/ the lack of ability.

Mr. Gray stated if the auditors state they are not watching the day-to-day activity & they actually are watching it, he would be concerned. He added there doesn't seem to be anyone else that can do it. Ms. Marilyn Donahue stated that Mr. Foster, Town Treasurer/Collector has stepped up to assist.

Ms. Marilyn Donahue stated she would like to review the budget presently & go into Town Meeting united. Ms. Bronk stated there is a need to work w/ the BOS as well. She stated the FinCom needs to know what the bottom line is.

Ms. Bronk stated she has heard through the DOR & the auditors that they have recommended the hiring of a qualified accountant, but the Town Administrator is stating there is an outstanding employee/personnel issue. Selectman Schneider stated the Town still has a Town Accountant (Elizabeth Zaleski) on the books. Ms. Marilyn Donahue stated there is a need for a timeframe for the process. Selectman Schneider stated it should move forward quickly once the process begins. Mr. Heath feels there is a need to have an interim person to oversee what is going on in the Accounting office who is qualified right now to handle the matters in this office. The FinCom has made their

recommendation re: hiring another Town Accountant. Mr. Gray feels someone is needed in the office that is an accountant.

Mr. Cammarano asked if the BOS has a plan based on what the auditor may say. He stated there is a need for a direction for the Town. Selectman Cruz stated the FinCom asked for the meeting w/ the auditor & it has been set up & questions can be asked. He stated the FinCom will be getting the information from the auditors the same time as the BOS does. He stated there is a need to hear Plan A before going to Plan C. He noted that Powers & Sullivan are qualified to get all the information everyone needs.

C. Budget discussion.

Mr. Trudell stated he had an opportunity to sit w/ the Town Administrator today. He stated Mr. Andrews is amenable, prior to Town Meeting, to listen to any issues that need to be addressed by the FinCom re: the budget.

Ms. Marilyn Donahue noted the FinCom's job relative to dealing w/ the budget. She stated there is a need to define any changes, cuts, etc. This needs to be done.

Ms. Cottuli stated she still hasn't seen the Town Administrator's final version of the budget. Brief discussion ensued.

D. Approve meeting minutes: April 20, 2011.

To be handled later in the meeting.

V. ANY OTHER BUSINESS

A. Healthcare premium holiday.

Ms. Bronk stated a member of the FinCom went to Boston & spoke w/ a DOR representative re: the proposed healthcare premium holiday. The FinCom member has stated he was told by DOR that DOR would not be in favor of the use of a healthcare holiday. Ms. Marilyn Donahue reiterated that DOR doesn't advise doing this.

Mr. Cammarano stated this has been done in other towns, but hasn't been successful.

Ms. Cottuli stated the auditors have noted that the Healthcare Trust Fund is healthy & they feel a healthcare holiday would be a good idea.

Discussion ensued re: concerns relative to a FinCom member bypassing the FinCom, BOS, & FinCom Chair by going up to DOR.

Discussion ensued re: if Town Meeting doesn't approve this healthcare holiday, an alternative will be needed to fill the gap.

Mr. Heath suggested having the healthcare administrator come in & give firm assurances relative to the fund. He feels this should be done prior to Town Meeting.

Mr. Trudell stated the FinCom Chair needs to reiterate that proper procedure needs to be followed relative to asking department heads for information.

Ms. Bronk stated she will check to see if the healthcare administrator is available to meet w/ some of the FinCom members.

B. Capital Planning update.

Mr. Trudell stated the Capital Planning Committee met today to discuss the ambulance issue. Also discussed was concerns relative to data processing bids, but it is being worked out.

NOTE: The meeting proceeded w/ approving meeting minutes.

MOTION: A motion was made & seconded to approve the meeting minutes of April 20, 2011.

VOTE: Unanimous (8-0-0)

VI. ADJOURNMENT

MOTION: A motion was made & seconded to adjourn the meeting at 8:16 P.M.

VOTE: Unanimous (8-0-0)

Respectfully submitted,

Kelly Barrasso
Kelly Barrasso, Transcriptionist

Date signed: 6/1/11

Attest: William R.C. White
William R.C. White, Clerk
WAREHAM FINANCE COMMITTEE

Date filed: 6/2/11

Date sent to Town Clerk: 6/2/11

