

**MINUTES OF MEETING OF WAREHAM FINANCE COMMITTEE**

**Date of Meeting: November 2, 2011**

**I. CALL MEETING TO ORDER**

The meeting was called to order at 6:35 P.M.

**II. ROLL CALL**

Members Present: Frank Heath, Chairman  
David Trudell, Vice Chairman  
Sam Gray, Clerk  
Donna Bronk  
Dick Paulsen  
Bonnie Cottuli  
Larry McDonald

Members Absent: Dominic Cammarano  
Rene Pickett

Also Present: Mark Andrews, Town Administrator  
Derek Sullivan, Financial Analyst  
Walter Cruz, BOS Liaison

**NOTE: The meeting proceeded w/ item VI. Town Administrator's Report.**

**A. Accountant's Position.**

Mr. Sullivan discussed the quotes (RFQ) for financial services that were sent out to the following three firms: Baystate Municipal Accounting Group, Inc., Financial Advisory Associates, Inc., & Melanson Heath & Company, PC. He noted the Town received two responses. The first response was a proposal from Baystate Municipal Accounting Group, Inc. The second was from Financial Advisory Associates, Inc. stating they would not send a response, but to please keep them in mind for future opportunities. Melanson Heath did not respond to the RFQ.

Mr. Sullivan stated the BOS voted to move forward w/ Baystate Municipal Accounting Group, Inc. He noted that Selectman Holmes & Town Counsel are working on the contract. The contract will go through December 2011.

Mr. Paulsen feels this accounting firm (Baystate Municipal Accounting Group, Inc. is a bargain at \$66.00 per hour. He feels this hourly rate seems low. Mr. Sullivan noted that some other contractors would be higher.

Mr. Paulsen asked if the company chosen was vetted. Mr. Andrews explained that the company was checked through the MA Municipal Managers Association. He stated many towns are looking for qualified accountants. He noted this is peak season for tax issues. He explained this will be a two month relationship w/ this company & it is the intention to put the Accountant's position out again for a longer-term contract whether it be for services or a Town Accountant. He stated there wasn't a robust pool of candidates. Mr. Paulsen again asked if this company was vetted & w/ what towns. Mr. Sullivan stated the Town's VADAR system people were asked re: this company & they were told that this company is who VADAR goes to w/ questions. VADAR is the Town's accounting system. Mr. Paulsen asked if other towns were spoken to re: this company. Mr. Andrews stated that every reference on the MA Municipal list was checked, such as the Town of Grafton, Northboro, as well as the lead representative of the VADAR system. He stated there is a need for a firm to "hit the ground running". He again stated all references have been checked thoroughly & he can provide the list to the FinCom.

Mr. Trudell questioned, while this is going on, who will continue to be the Town Accountant. Mr. Andrews stated the main representative of the company will be the Town Accountant & he will report to him (Mr. Andrews).

Mr. Gray stated he was a member of the Accountant Selection Committee & he was impressed w/ this company & he feels they will do an excellent job. He added that the company's reference from VADAR was very good. The company indicated that when the search commenced for a more permanent Town Accountant, they would help w/ the interviewing processes & help in the change over when finding a Town Accountant & making it less expensive than what was budgeted for. He feels there may be some "doubling up" of the company's services & when a new full-time Accountant is hired.

Mr. McDonald asked if the company would be able to meet w/ the FinCom. Mr. Heath stated there is a stipulation w/in the contract re: the number of meetings & hours that the company will attend. Mr. Andrews stated he will arrange something at some point to introduce the company to the FinCom. Mr. Gray stated that one question the company was asked was could they meet w/ committees in the evening & the company answered yes that they would meet w/ committees from time to time.

Mr. Paulsen stated Mr. Andrews stated he spoke to other towns as references for this company. Mr. Heath stated the list of references that were spoken to will be provided by the Town Administrator. Mr. Paulsen wants to make sure the Town Administrator spoke to these references. Mr. Heath stated at this time, Mr. Paulsen's comment was out of order.

Ms. Bronk stated the FinCom had a competent member (Mr. Gray) sitting on the Selection Committee & she takes his recommendation on this company positively. Ms. Cottuli concurred.

Mr. Heath stated he attended the second interview w/ this company. He stated many questions were asked & this company is very familiar w/ municipal procedures & accounting & their answers to questions were very precise.

Ms. Bronk stated the company should get their feet wet first & then the FinCom can meet w/ them. Mr. Heath stated possibly, the company could come in the first week of December. Ms. Bronk concurred. Mr. Heath stated he will send a request for this to the BOS Chair.

Mr. Andrews noted that the first search for a Town Accountant showed difficult (in finding an Accountant). He thanked Mr. Gray for his help on the Search Committee.

### **B. State Funding.**

Mr. Andrews stated on October 27, 2011, Governor Patrick signed Chapter 142 of the Acts of 2011, which appropriated \$65 million in supplemental budget for cities & towns of the Commonwealth. This additional local aid will be distributed to municipalities on October 31, 2011. He announced that the Town has received \$121,000 of this money. He has no ideas or plans for the money at this time & he feels it is prudent to hold onto this money for now.

Mr. Heath asked what the procedure is for expending these funds. Mr. Andrews stated there are only three options the State has given for expending these funds. They are as follows:

- Applied as estimated receipts when setting the FY2012 tax rate;
- Appropriated as an available fund during FY2012; or
- Any funds not appropriated must be closed to fund balance (Free Cash) at the end of FY2012.

### **C. Status of Audits & State Filings.**

Mr. Andrews stated he has been in contact daily w/ Powers & Sullivan, the auditing firm & he stated they are working on closing down FY2010 & FY2011. It will also be helpful to have the new Accounting firm on board. He noted there is no penalty for missing timetables re: to filings. He stated DOR is aware of where the Town is & that setting the tax rate is being worked on. He stated the DOR representative for the Assessors was in Town Hall today gathering information for setting the tax rate.

Mr. Paulsen asked re: time parameters for filing. Mr. Andrews stated Schedule A is being worked on & w/ the new accounting firm coming on-board, it should be filed by December 31, 2011. Mr. Heath stated the deadline was October 31, 2011. Mr. Andrews stated DOR has been kept abreast of this as has Powers & Sullivan. Mr. Sullivan stated he spoke to DOR asking if any documentation is needed & there isn't. He also stated DOR is aware of the Town's status of Free Cash certification as well. Mr. Andrews stated that Schedule A & other reports needed for the recap sheets are due December 31,

2011. He stated the audits should be done sometime in November (per Powers & Sullivan's estimate).

Mr. Paulsen discussed an April letter from DOR in which DOR was very specific about having an audited statement before setting the tax rate. He feels there is another piece of the puzzle needed to set the tax rate. Mr. Andrews explained the balance sheets will be critical for DOR & the balance sheets will be submitted. The balance sheets are part of the process to set the tax rate. He believes the process has been laid down to set the tax rate.

Mr. Paulsen again spoke re: the DOR letter stating an audited statement is needed. He stated the Town may not be able to set the tax rate on time if the audits are not completed soon. Mr. Andrews stated he will be keeping the BOS updated when any new information comes forward.

Ms. Cottuli asked re: the status of the generator for the Police station. Ms. Bronk asked re: the ambulance status. Mr. Heath asked that these questions be answered at the next FinCom meeting.

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

### **III. CITIZENS PARTICIPATION**

No-one came forward for Citizens Participation.

### **IV. APPROVAL OF MEETING MINUTES: OCTOBER 19, 2011 & OCTOBER 24, 2011**

**MOTION: Ms. Bronk moved to approve the meeting minutes of October 19, 2011. Mr. McDonald seconded.**

**VOTE: (6-0-1)  
Mr. Trudell abstained**

**MOTION: Ms. Bronk moved to approve the meeting minutes of October 24, 2011. Mr. Gray seconded.**

**VOTE: (6-0-1)  
Mr. Trudell abstained**

### **V. COMMITTEE REORGANIZATION**

To be handled later in the meeting.

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

- A. Accountant's Position. (DONE)**
- B. State Funding. (DONE)**
- C. Status of Audits & State Filings. (DONE)**

## **VII. TOWN MEETING REVIEW**

Ms. Bronk feels Town Meeting was successful. She was disappointed re: Article 1 relative to how the school buses & the ambulance were not dealt with. She is puzzled as to why many items were pulled from Article 1. Mr. Heath stated there was discussion & answers at Town Meeting re: what happened. He stated voters decided to not move forward on Article 1.

Mr. McDonald feels the FinCom was not the "goat" of Town Meeting & Town Meeting was clear where they were going. He stated there are problems in Town that need to be fixed & when they are fixed, things can move forward.

Mr. Paulsen stated he had asked a question re: Medicare reimbursement re: ambulance services. He stated he called the main agency in Washington, DC re: Medicare reimbursements & he explained what he was told. He explained it looks like 4% of Medicare will be cut, but there is a need to factor this in to the budget & its consequences. He hopes the Town Administrator will come w/ an analysis of this potential situation.

Mr. McDonald discussed the Burgess Plan. Ms. Cottuli stated this is an old program, but understands it is still active.

Mr. Heath stated there is a need to start compiling a list for the Town Administrator (when he meets w/ dept. heads) to address some of these issues. He stated any suggestions should be sent to the FinCom Chair.

Mr. Gray clarified that the article funds dealing w/ the Harbormaster purchases came from a special Harbormaster account & not the General Fund.

Ms. Cottuli stated here overall perspective of Town Meeting was that the FinCom was well organized. She was disappointed w/ the changes that arose right before Town Meeting commenced because it creates confusion & the FinCom gets informed at the last minute. As a whole, she feels Town Meeting went well.

Mr. Heath thanked Selectman Cruz for getting information for the FinCom re: the Warrant. He has heard feedback on the recap of Town Meeting & it was felt that Town Meeting was more informed.

## **VIII. FY2013 BUDGET**

## **A. Capital Planning.**

Mr. Trudell stated the Capital Planning Committee will be having a meeting on November 7, 2011 & hopefully the committee will be able to get the five year plan finalized to give to the Town Administrator to give to the BOS. The committee has not addressed the issue of financing the items, but the list will meet the criteria of giving the Town Administrator it on time to forward to the BOS.

Ms. Bronk asked if the FinCom can think about putting an un-biased group together to make recommendations for capital planning at Town Meeting. Mr. Trudell explained that the Charter requests the Capital Planning Committee make the recommendations to the Town Administrator. Once this report is given to the Town Administrator & subsequently to the BOS, the reality is it is the Town Administrator's choice re: projects/capital.

Mr. Trudell feels the Town Administrator could have involved the Capital Planning Committee before he (the Town Administrator) went before Town Meeting w/ his capital items which ultimately did not get the support he would have wanted. He stated there is a need to communicate to the Town Administrator what the priorities should be. Ms. Bronk feels there is a need to communicate to the BOS. Mr. Heath stated by Charter, the communication needs to be to the Town Administrator.

Ms. Bronk feels it behooves everyone involved to be as together as possible at Town Meeting. Ms. Cottuli concurred & there is a need to be more together on what the priority "buy in" should be.

Mr. Paulsen stated one issue that arose (re: Article 1) is an outside bonding company issued a ruling that the lease plan could not go forward at the 11<sup>th</sup> hour. He questioned what troubled the bonding company re: the Town's finances for leasing. He would like to know the answer to this which prompted a dramatic effect on their thinking. Mr. Heath stated the motion was written as to borrow for the lease. Every bonding company would be "spooked" by this language & they don't do this. He explained that borrowing for operational expenses is not done. This is why the FinCom wanted the article addressed. He again explained when the motion changed from the original, it became a problem. He will confirm this. Mr. McDonald feels the article was written poorly because it mixed things up, such as borrowing language, leasing language, etc.

Mr. Trudell spoke re: an issue approx. four years ago when the Town Administrator then didn't deal w/ capital matters & the BOS said there was no money & the capital plan was not dealt with. In the preceding years, nothing was done re: capital. He stated the present Capital Planning Committee has tried to get things prioritized which is commendable, but there is still a need to convince the Town Administrator what the priorities are.

Mr. Gray stated part of the capital items in Article 1 were the school buses. He noted that one difficult thing re: preparing to vote on two school buses (at Town Meeting) was

there isn't an overall plan relative to the school buses. He feels strongly that before any issue goes before Town Meeting re: buses, an overall plan is needed. This type of plan is necessary. Mr. Heath stated the BOS is spearheading this issue & the first discussions will be held tomorrow. Selectman Cruz stated as he understands, the meeting will be held at 11:30 P.M. He noted the make-up of this committee at last night's BOS meeting.

#### **B. School Committee.**

Mr. Heath stated the all day budget meeting for the School Dept. will be held in the near future. Mr. Swett of the School Committee will let the FinCom know the date & time.

Mr. Heath stated by Charter, there is supposed to be a meeting/public hearing on the school budget in which the BOS & the FinCom must attend. This is to be held in January. He will get the specific date & report back to the FinCom.

#### **C. Town.**

Mr. Heath stated he will get the date(s) from the Town Administrator re: department head budget discussions. Questions should be submitted to department heads beforehand relative to what they will be asked.

**NOTE:** Mr. Swett stated the public hearing on the school budget will be held on January 18, 2011 at 7:00 P.M.

### **IX. NEW BUSINESS**

There was no new business.

**NOTE: The meeting went back to item V. Committee Regorganization.**

Mr. Heath stated he will be addressing the reorganization of the FinCom at the next meeting to be held on November 16<sup>th</sup>. He asked the FinCom to think about this.

Ms. Bronk asked if Mr. Heath is resigning as Chairman. Mr. Heath stated that is his plan. He explained that running meetings are one thing, but it also takes a lot of time to deal w/ finding solutions, working w/ various departments, etc. He stated things tend to fall apart when solutions are needed. He doesn't see any progress w/ solutions. He saw at Town Meeting that he was out of sync w/ the FinCom. He explained his job is to speak on the FinCom's behalf. He feels he did not do an efficient job.

Mr. McDonald stated from his standpoint, he feels Mr. Heath represents the FinCom very well & he has learned a lot. He feels Mr. Heath's leadership is needed at this critical time.

Mr. Heath stated there are issues coming up for the next Town Meeting that he doesn't see any compromises for.

Mr. Trudell stated the feeling Mr. Heath has that he can't deliver the vote of the FinCom, can be interpreted as no confidence. He stated seeing the time Mr. Heath puts in & his leadership is a given. He stated the feeling Mr. Heath felt he received of a no confidence vote at Town Meeting is real, but the FinCom has strong feelings. He stated the FinCom should support the Chair because Mr. Heath has to go out & get the answers. He feels Mr. Heath is everything the FinCom Chair should be.

Mr. Trudell asked Mr. Heath to explain who is best suited to fill the gap if he departs as Chair. He stated the FinCom has put a lot of faith in Mr. Heath & there is a need to know if he sees someone on the FinCom who can lead & move forward.

**X. NEXT MEETING DATE & TIME**

The next meeting date is November 16, 2011 at 6:30 P.M.

**XI. ADJOURNMENT**

**MOTION:** Mr. Trudell moved to adjourn the meeting at 7:55 P.M. Ms. Bronk seconded.

**VOTE: Unanimous (7-0-0)**

Respectfully submitted,

Kelly Barrasso  
Kelly Barrasso, Transcriptionist

Date signed: 11/16/11

Attest: Sam Gray  
Sam Gray, Clerk  
WAREHAM FINANCE COMMITTEE

Date filed: 11/17/11  
Date copy sent to Town Clerk: 11/17/11