

MINUTES OF MEETING OF WAREHAM FINANCE COMMITTEE

Date of Meeting: January 26, 2011

Date of Transcription: January 27, 2011

Transcribed by: Kelly Barrasso

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, Chairman (Arrived at 6:40 P.M.)
William R.C. White, Clerk
Richard Paulsen
Bonnie Cottuli
Dominic Cammarano (Arrived at 6:50 P.M.)
Frank Heath
Sam Gray

Member Absent: David Trudell

Also Present: Mark Andrews, Town Administrator
Elizabeth Zaleski, Town Accountant
Mr. Farmer, Plymouth County Retirement Systems

III. TOWN ADMINISTRATOR'S REPORT

A. Governor's 2012 Budget.

Mr. Andrews updated the FinCom on the Governor's message relative to the FY2012 State budget.

Mr. Andrews stated he has written to Senator Pacheco & Representative Williams Gifford asking them to advocate for the Town relative to shares of allocation from the FY2012 State budget. He noted he is watching local revenues carefully.

Ms. Bronk stated the FinCom will draft a list of questions relative to the FY2012 budget to submit to the Town Administrator.

Mr. Heath asked what the probability is of the actual numbers being presented by the Governor. Mr. Andrews answered by stating the Governor wants to be "the Education Governor". He feels the Senate will be the key relative to the budget. A number of budget versions will come out of the House & the Senate most likely will go towards the middle.

B. Snow & Ice.

Mr. Andrews informed the FinCom that he has asked for BOS approval to deficit spend for snow & ice.

Discussion ensued re: contract help for snow & ice & watching the situation closely (re: snow & ice expenditures).

Mr. Paulsen explained some towns have a formula they utilize for funding snow & ice expenditures, but not Wareham. He would like to discuss the pros & cons of utilizing a formula.

Ms. Donahue disagrees w/ utilizing a formula to fund snow & ice. By doing so, it could stick the Town w/ money appropriated only for that use, all of it may not get used, & then the money is stuck there. She suggested possibly putting more money in reserves to be utilized if needed. She does understand Mr. Paulsen's point. There is such a large fluctuation from year to year relative to the snow & ice account.

NOTE: Mr. Cammarano arrived at this time.

Mr. Andrews stated a formula would be hard to come up with.

Ms. Zaleski stated in 2009, the snow & ice amount was \$559,000 & in 2010, the snow & ice amount was \$229,000. She explained these were figures shown on the recap sheet.

Mr. Paulsen feels there are big overruns in this account & they shouldn't be pushed off down the road.

Mr. Andrews discussed management procedures relative to contract help & costs. He noted this isn't something that can be done w/ a formula.

Mr. White would like to hear at the end of the season what the total of snow & ice expenditures are so the impacts are known relative to funding for this account. He has backed off from the idea of utilizing a formula & would rather get more realistic funding into this account. Discussion ensued.

C. GIC Plan.

Ms. Cottuli asked re: the Governor's push for the GIC (health) Plan. Mr. Andrews feels the Town is best protected now w/ how they are handling health benefits & it is the best approach for the Town. If the Governor tries to interrupt this, there would most likely be an uprising on Beacon Hill. The Town is doing well w/ its healthcare program. The GIC menu is not that great in his opinion. He doesn't believe the Legislature will allow the Governor to move ahead w/ this idea. He noted once you are in the GIC Plan, you can't get out.

IV. DISCUSSION W/ PLYMOUTH COUNTY RETIREMENT SYSTEMS

Present before the FinCom: Mr. Farmer

Mr. Farmer discussed the Town's actuarial valuation as of January 1, 2010, the percentage utilized, & assumptions utilized (at 8 ¼ %). He noted the Town's debt would be paid off in 2029.

Mr. Farmer discussed Plymouth County Retirement Association's performance in the past ten years.

Mr. Farmer noted the Town has 104 inactive employees. He stated the liability that represents this number can be ignored because it is money already in the fund.

Mr. Farmer discussed valuation costs, such as normal costs & he discussed assessments & investment performances.

Mr. Gray asked how the money is invested. Mr. Farmer discussed how this money is invested, such as equities. He will get this information to the FinCom. He also discussed who manages these investments.

Discussion ensued re: administrative expenses.

Mr. Farmer departed at this time.

V. BUSINESS

A. Departmental Budget Summit Schedule.

Mr. Andrews stated he is working w/ department heads to see where they are at. He would like to hold this budget meeting sooner than later. His secretary will work w/ the FinCom secretary to find a day to hold this summit.

B. WPCF Update.

Mr. Andrews stated focus is being paid to the WPCF operations & control costs. The services of Woodard & Curran are being utilized. There is an option at looking into utilizing technology to monitor the pump stations. This is called a "skater system". This would allow those involved to see what is going on remotely vs. paying employees to do this. Mr. White recalls being told in past years that DEP stated this was not allowed. Brief discussion ensued.

Mr. Andrews stated that Mr. Camphina, the new WPCF Supervisor is attending a seminar relative to Enterprise Funds.

Mr. White asked what contribution Mr. Sanguinet is making at the WPCF. Mr. Andrews explained that Mr. Sanguinet has a solid background in this area & will assist Mr. Camphina get to the goals set for him. Mr. Sanguinet is also working w/ the Town of Bourne. He noted he is building a team who understands how to run & operate the plant. He also noted Mr. Sanguinet has a three-month contract. He discussed funds being utilized to pay Mr. Sanguinet. Ms. Zaleski stated there have been some positions that were funded, but not filled & that is where the money is coming from.

Discussion ensued re: the WPCF Enterprise Fund & the need to actually start seeing progress being made on paper. Mr. Andrews stated the WPCF Enterprise Fund is a work in progress. The audit being conducted will tell what is there & what needs improvement. The audit report should be completed in less than two months.

Ms. Cottuli would like to see some sort of business plan for the WPCF that can be given to people at Town Meeting so they understand what is going on & how it is operating.

Mr. Andrews & Ms. Zaleski departed at this time.

NOTE: Mr. Cammarano expressed concern re: the administrative expenses being charged through the retirement plan discussed this evening. Mr. Gray stated the Town is paying 5% of the total expenses. Mr. Paulsen stated the Town is paying \$80,000 in administrative costs out of \$2.4 million which equals to approx. 2% - 3%.

Discussion ensued re: the managers of the retirement fund & if changes can be made.

C. Budget discussion.

Ms. Bronk spoke re: the ad-hoc committee that has been formed so that various entities can work together to deal w/ the budget. The committee will include members of the BOS, FinCom, & School Committee as well as the Town Moderator. She stated she & Mr. Heath could serve on this committee.

Ms. Bronk explained the focus of this committee will be to trim the budget on both sides (Town & Schools) & present a solution at Town Meeting.

Ms. Cottuli expressed concern w/ stripping down the budget on Town Meeting floor. Ms. Bronk stated there is a concern of not wanting to get on Town Meeting floor & fighting each other over the budget.

Ms. Bronk asked if the FinCom wanted to have representation on this committee. Discussion ensued.

Ms. Cottuli expressed concern re: the committee hashing out things that will no longer be an issue down the road. Lengthy discussion continued.

Discussion ensued re: a proposal to vote on all articles at the next Town Meeting & then voting on the budget at a meeting in June.

MOTION: Mr. White moved to have Mr. Heath be a delegate to the ad hoc Budget Sub-Committee. Mr. Gray seconded.

VOTE: Unanimous (8-0-0)

MOTION: Ms. Donahue moved to have Ms. Bronk be a delegate to the ad hoc Budget Sub-Committee. Mr. White seconded.

VOTE: Unanimous (8-0-0)

Discussion ensued re: having an alternate in case one of the delegates cannot make the meeting. The FinCom concurred to have Mr. Gray be an alternate.

The FinCom members proceeded to review & discuss departmental budgets & noting questions & deficiencies/inaccuracies they see.

D. Next Meeting Date.

The FinCom concurred to meet on Wed., February 2, 2011.

VI. ADJOURNMENT

MOTION: A motion was made & seconded to adjourn the meeting at 9:00 P.M.

VOTE: Unanimous (8-0-0)

Respectfully submitted,

Kelly Barrasso
Kelly Barrasso, Transcriptionist

Date signed: 2/2/11

Attest: William R.C. White
William R.C. White, Clerk

WAREHAM FINANCE COMMITTEE

Date filed: 2/3/11
Date copy sent to Town Clerk: 2/3/11