

MINUTES OF MEETING OF WAREHAM FINANCE COMMITTEE

Date of Meeting: January 4, 2012

I. CALL MEETING TO ORDER

The meeting was called to order at 6:31 P.M.

II. ROLL CALL

Members Present: Frank Heath, Chairman
David Trudell, Vice Chairman
Sam Gray, Clerk
Dick Paulsen
Bonnie Cottuli
Donna Bronk
Dominic Cammarano (Arrived at 6:50 P.M.)
Larry McDonald
Rene Pickett (Arrived at 6:40 P.M.)

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

III. APPROVAL OF MEETING MINUTES: DECEMBER 28, 2011

MOTION: Ms. Bronk moved to approve the meeting minutes of December 28, 2011. Ms. Cottuli seconded.

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

IV. TOWN ADMINISTRATOR'S REPORT

A. Financial Reports.

Mr. Andrews noted the submittal to the FinCom, of the October FY2012 Monthly Expenditure & Revenue Report Executive Summary. (Attached as reference).

Mr. Sullivan explained the new format for the reports that will include all data. He noted this October FY2012 monthly report focuses on budgets that exceeded 33%. He read & briefly noted items a-h under 1. General Government, items a-b under 2. Public Safety, item a. under 3. Public Works, and item a. under 4. Culture and Recreation.

NOTE: Ms. Pickett arrived at this time.

Mr. Sullivan discussed items 1-12 under the Revenue Budget.

Mr. McDonald commented on the item dealing w/ legal services & that \$42,500 was charged against this line that should have been charged against an FY2012 article labeled Reserve for Collective Bargaining/Settlements that was funded at \$242,065. Mr. Sullivan explained this issue & stated an adjustment will be made. He stated the \$42,500 was for a settlement re: the former Town Accountant. He stated this amount was placed in an article that was voted upon at a prior Town Meeting.

Mr. McDonald asked re: what the purchase for \$80,057 was in the MIS/Data Processing Dept.. Mr. Sullivan stated he can get the information from Mr. Underhill re: what this purchase was.

Ms. Cottuli asked re: the line item for non-net school spending & how it shows it is at 75%. Mr. Sullivan stated he did not bring this information this evening. Mr. Heath asked Mr. Gray (as School Dept. liaison) to ask this question to the appropriate entity. Mr. Gray agreed to do so.

Mr. Andrews briefly discussed the December disbursement of local meals & hotel/motel option he submitted to the FinCom. (Attached as reference).

Mr. Sullivan discussed the information relative to actuals collected.

NOTE: Mr. Cammarano arrived at this time.

B. Status of State filings.

Mr. Andrews announced that the Town has completed all filing requirements re: setting the tax rate for the Town. He will be reviewing worksheets w/ the Town Accountant.

Mr. Paulsen asked if tax bills have gone out. Mr. Andrews stated they have. He explained the tax rate was set on December 28th & the bills were sent out on December 30th. The tax bills are due back February 1st.

Brief discussion ensued re: the tax bills only having one return envelope enclosed which may cause some issues for the second quarter. Discussion also ensued re: looking at saving money in the future by not sending envelopes & utilizing an electronic billing payment system. Mr. Andrews stated he will be discussing the electronic billing payment system w/ colleagues at the MA Municipal Association Conference & he hopes to work towards utilizing this type of system.

V. 2013 BUDGET

A. Department head meeting dates and format.

Mr. Heath stated the agenda has been posted for the departmental budget meeting to be held on Wednesday, January 11, 2012 commencing at 9:00 A.M. in the Town Hall Cafeteria.

B. List of relevant questions for department head meetings.

Mr. Heath stated he would like questions for the departmental budget meetings in hand prior to the meeting. Several members of the FinCom submitted their questions to Mr. Heath. Mr. Heath noted these questions can not be forward via email.

Mr. Heath discussed some of his questions that he has already given the Town Administrator for review.

Brief discussion ensued re: needing the breakdown of overtime, reimbursements for certain activities, for example the police.

Mr. Heath stated since not all FinCom member questions were submitted, he asked that any other questions be sent via the Town's email, but cautioned against carbon copying someone. He will need these questions w/in 48-hours so he can get them to the Town Administrator for review prior to the departmental budget meetings.

Ms. Bronk stated she would like to see the increase in fees comparison for the Building Dept. as well as the Harbormaster's Dept. She would like to see a comparison if any of the fees/income has increased.

Brief discussion ensued re: getting updated figures from the prior fiscal year for the budget book.

Mr. McDonald feels it would be helpful (for the departmental budget meeting) to have head counts, head count comparisons, etc. Mr. Heath stated this information has been requested of the Town Administrator. Mr. McDonald stated he needs to see an actual head count for FY2012 vs. the proposed FY2013. Mr. Heath stated this information is included in the budget book.

Mr. McDonald stated he has learned that there is on-call pay for some departments. He understands this may be a contract issue. Brief discussion ensued.

Mr. Paulsen noted the issue of overtime. He briefly discussed a prior position he held where employees worked six days on & had two days off. Mr. Heath stated different shifts & different options can be looked at. Ms. Pickett stated one option is to utilize flex days w/ longer work days for those flex days. Mr. Heath stated the greatest concern would be coverage.

Ms. Bronk stated that the Police Dept. depends on overtime to make a living. Ms. Cottuli stated this can apply to many other departments depending on the overtime. She feels overtime is breaking everyone. Mr. Cammarano stated he understands what Ms. Bronk is

stating re: overtime & education, but he doesn't feel education has anything to do w/ pay scale & it shouldn't be. Ms. Bronk disagreed. Mr. McDonald stated this is why there are educational incentives to obtain promotions. Mr. Trudell stated people accept jobs & they know what the salary is up front. He understands that departments, such as police & EMS have overtime. If a position doesn't pay enough money, then the person needs to make a decision to look elsewhere. Ms. Bronk wants the Wareham police officers to be compensated fairly & she feels education is extremely important. She noted the Quinn Bill & how the Town is stuck w/ it. Mr. Heath stated there is a need to see the breakdown of overtime for the Police Dept. He has spoken to the Town Administrator re: the FinCom holding the right to call back any department for more discussion if needed.

C. Capital budget considerations.

Mr. Heath stated he has asked re: the \$121,000 that the State gave to the Town, but it has not been put into the budget as of yet.

Ms. Bronk stated she is only seeing some capital money being put into the budget, but it is only going towards what the Town Administrator wants, not what the Capital Planning Committee recommended. She asked how to get items/issues that are important all in the budget. Mr. Trudell explained the Town Administrator charged ahead at the previous Fall Town Meeting w/out consideration of the Capital Planning Committee's recommendations prior. He stated it is the Town Administrator's budget. He stated if the Town Administrator can't get the Capital Planning Committee on board, then the Capital Planning Committee will issue information on their stance on the matter. He would like everyone to be on the same "sheet of music".

Ms. Bronk suggested an article be placed on the Town Meeting Warrant to address the Capital Planning Committee's recommendations, suggestions, etc. re: capital. Brief discussion ensued. Mr. Trudell feels the Capital Planning Committee will work out its position. He stated not much can be done until it is known what money will be available.

Ms. Cottuli asked if the FinCom could receive the Capital Planning Committee's top priority list re: capital. Mr. Heath stated this is still being worked on, although the five-year plan has been submitted, but not prioritized.

Ms. Cottuli stated in the Town Administrator's synopsis, it addresses capital items that will be paid for by the meals tax monies. Mr. Trudell stated funds can't be dedicated that go into the General Fund. The meals tax has nothing to do w/ the capital planning budget.

Mr. McDonald stated the reason there is a clamor to put money aside for capital is because no money is ever put aside for capital. He stated the issue of the capital problem has not been addressed relative to putting aside monies. Ms. Cottuli stated there is a need to address a better plan for addressing capital needs, for example, putting aside 1%-2% of the budget towards capital needs. Mr. Trudell noted that the DOR recommends putting aside 4%-5% of the budget for capital needs. Mr. McDonald questioned if a

Charter change could be done to addressing putting money aside for capital in the budget. Mr. Heath stated only the BOS can decide if a committee can be formed for this & a large number of signatures would be needed for a Charter change. Mr. Gray stated he understands the need for funds for capital. He stated the major question is money & there is no money. He stated to obtain the funds needed, drastic cuts would need to be made which would mean bodies. He noted another option would be to have an override to raise revenue. He stated any of the options he just noted would be a hard sell & not optimal. Mr. Heath noted that unemployment benefits for municipal employees is different than in the private sector. He stated any savings made to cut personnel would go towards paying unemployment benefits. Brief discussion ensued.

Mr. Heath noted the cuts the School Dept. has made.

Mr. Paulsen stated he doesn't see any addressing of the Healthcare Trust or GASB 45 liabilities (totaling \$89 million) down the road. He stated this is not being recognized & avoiding it is just like the capital issue. He stated these numbers continue to grow. He stated the Town needs to start thinking about funding these liabilities. Mr. Trudell stated the attitude of the Plymouth County Retirement system is it will take care of itself. Discussion ensued re: the liability issues & what the Town faces.

Ms. Bronk asked if it would behoove the FinCom to approach the BOS to have a discussion of this liability matter & make clear the urgency of the situation. Mr. Heath stated he could approach & ask the BOS Chair.

NOTE: The meeting proceeded w/ item VII. New Business (Unanticipated Items).

Mr. Gray discussed the school bus issue & asked if there have been any response to the letter the FinCom sent re: this issue. The FinCom members proceeded to read the letter that was sent. Mr. Heath stated he has not received any response as of yet.

Mr. Gray stated when the discussion re: the capital budget arises, the bus issue needs to be a major focus.

VI. LIAISON REPORTS, IF ANY

Mr. McDonald feels a discussion was held w/ the Library director & the Capital Planning Committee re: how to proceed w/ their capital needs. He feels everyone is on the same page now. Brief discussion ensued re: what transpired & how things will move forward.

Mr. McDonald feels the Library Board is comfortable in moving forward & w/ the process.

Mr. Cammarano stated the Building Dept. is looking for more funds to pay for their part-time help & to generate more revenue. He explained this department will be instituting a ticket/fine program. He discussed what is done presently if a violation is found & the

suggestion of instituting this new program. He noted there needs to be more enforcement.

VII. NEW BUSINESS (UNANTICIPATED ITEMS)

Done.

VIII. NEXT MEETING DATE AND TIME

Mr. Heath stated the next meeting will be held on January 11, 2012 for the departmental budget meetings. On January 18, 2012 there will be a meeting re: the school budget hearing & on January 25, 2012, the FinCom will be holding a public hearing on the budget.

Brief discussion ensued re: utilizing the Town's email system for all correspondence.

IX. ADJOURNMENT

MOTION: Mr. Trudell moved to adjourn the meeting at 8:10 P.M. Mr. Cammarano seconded.


VOTE: Unanimous (9-0-0)

Respectfully submitted,



Kelly Barrasso, Transcriptionist

Date signed: 2/22/2012

Attest: 

Sam Gray, Clerk

WAREHAM FINANCE COMMITTEE

Date filed: 2/23/12

Date copy sent to Town Clerk: 2/23/12



TOWN OF WAREHAM

54 Marion Road
Wareham, MA 02571

Derek D. Sullivan
Financial Analyst
(508) 291-3100 x 3108
(508) 291-3124 FAX
dsullivan@wareham.ma.us

Memo

To: Walter B. Cruz, Sr., Chairman, Wareham Board of Selectmen
From: Derek Sullivan, Financial Analyst
CC: Franklin Heath, Wareham Finance Committee Chairman
CC: Mark Andrews, Town Administrator
Date: 1/4/2012
Re: October FY12 Monthly Expenditure and Revenue Reports – Executive Summary

This is the first month for the new format with user input rather than a pure Vadar report. This is a summary that concentrates on those budgets that have exceeded the 33% expected year-to-date expenditure.

1. General Government

- a. Town Meeting Wages: Represents the wages from one of two annual Town Meetings and although the line is at 40% expended it still falls below the true 50% test.
- b. Selectmen Expenses: There is a \$5,000 postage fee that was charged against their expenses line and it should have been charged against General Services.
- c. Town Administrator Expenses: This represents a \$6,232.80 Town-wide paper purchase that was charged against the Town Administrators budget. The bulk purchase was made as a cost savings procedure and the Accounting office is segregating the cost per Department and will update.
- d. Assessor Expenses: This line includes the Vision Appraisal revaluation costs.
- e. General Services: If we add the \$5,000 postage that was charged against the Selectmen's budget the percent expended increases to 32.36%.
- f. Legal Services: \$42,500 was charged against this line that should have been charged against FY12 Article labeled Reserve for Collective Bargaining/Settlements that was funded at \$242,065.
- g. MIS/Data Processing: Expenses are at 87.9% including a large purchase order for \$80,057. Many of these costs are up front expenses and October's expenses only increased .26% over September's expenses.
- h. Planning Board Expenses: Their expenses are at 92.7% after closing out various projects.

2. Public Safety

- a. Police Salary: Police wages are at 38% but the a settlement was paid from their budget that should have been paid from the legal settlements line which should have been charged against FY12 Article labeled Reserve for Collective Bargaining/Settlements that was funded at \$242,065. Their actual wages are at 33.21%.
 - b. Police Expenses: Police expenses are at 43.7% of their budget which represents a 6.94% increase over the previous month and shows a decline in spending as many costs were upfront expenses and also included a one-time cost of a software upgrade. The Chief has been instructed to monitor expenditures to make sure they are in line with the budget.
3. Public Works
- a. Municipal Maintenance Expenses: Expenses are at 90.1% with \$140,070.73 expended for the costs of Tropical Storm Irene. The Municipal Maintenance Director has worked closely with the Chief of Police submitting all requests for reimbursement.
4. Culture and Recreation
- a. Library Expenses: Library expenses increased by 3.9% over September expenses. Much of the Library's expenses were upfront costs such as annual equipment rentals/leases.

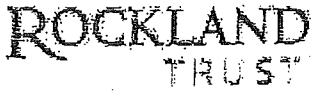
Revenue Budget:

- 1. Real Estate: Trending 2% higher than same period FY11
- 2. Motor Vehicle Excise Tax: This tax will traditionally lag and most of the revenue is received in the third quarter.
- 3. Penalties and Interest: This revenue is 22% higher than the same period in FY11.
- 4. Fees: This revenue is 13% higher than the same period in FY11 mainly due to decrease in the budgeted amount.
- 5. Rentals: Rentals are higher versus the same period FY11 but this is due to the lowered budget.
- 6. Licenses and Permits: This revenue is similar to FY11 at the same period.
- 7. Fines and Forfeitures: This budget was increased for FY12 and although it is lagging the FY11 benchmark it is within line for the year to date budget.
- 8. Investment Income: This is lower by approximately \$2,200.
- 9. Misc. Recurring Revenue: This is in line with the FY11 benchmark.
- 10. Misc. Non-Reoccurring Revenue: This represents the transfer in to pay for the revaluation and retiree life insurance income.
- 11. State Cherry Sheet Revenue: This is paid quarterly.
- 12. Transfers in from other Funds: The \$466,019 represents the transfer in from the WPCF Admin Fee.

December Disbursement of Local Meals and Hotel/Motel Option

	FY12 - Q1 August Collection*	FY12 - Q2 Sept, Oct, Nov Collection	Year to Date Total	Full Year Projection as of 1/3/12
FY12 Actuals	\$ 42,991.78	\$ 116,232.79	\$ 159,224.57	\$ 317,747.34
Local Meals-DOR Estimate	<u>44,143.15</u>	<u>117,123.25</u>	<u>161,266.40</u>	<u>321,822.00</u>
Actual vs. Est. Surplus/(Deficit)	\$ (1,151.37)	\$ (890.46)	\$ (2,041.83)	\$ (4,074.66)
 Estimate to Actual Percent	 97.39%	 99.24%	 98.73%	 98.73%
	 FY12 - Q1 June, July, Aug Collection	 FY12 - Q2 Sept, Oct, Nov Collection	 Year to Date Total	 Full Year Projection
FY12 Actuals	\$ 23,009.56	\$ 19,238.38	\$ 42,247.94	\$ 57,460.55
FY11 Collections @ 150%	<u>20,694.00</u>	<u>21,667.50</u>	<u>42,361.50</u>	<u>57,615.00</u>
Actual vs. Est. Surplus/(Deficit)	\$ 2,315.56	\$ (2,429.12)	\$ (113.56)	\$ (154.45)
 Estimate to Actual Percent	 111.19%	 88.79%	 99.73%	 99.73%

*Per previous memorandum this represents only the month of August revenue collected due to first year adoption schedule.



Advice of Credit

TOWN OF WAREHAM
ATTN TREASURER COLLECTOR
54 MARION RD
WAREHAM, MA 02571-1428

12/30/2011

Effective Date	Account Number	Originating Company
12/30/2011	XXXXXX4430	COMM OF MASS

Department	Reference Identification	Amount
GAXDORINTFLOCOPT113500009910 0CambridgeStreet	DEPARTMENTOFREVENUE617-626-3515	MEALSTAXSEP-NOV2011 ★ \$116,232.79 ✓
GAXDORINTFLOCOPT113490011010 0CambridgeStreet	DEPARTMENTOFREVENUE617-626-3515	ROOMSOCCSEP-NOV2011 \$19,238.38 ✓
GAXDORINTFLOCAID12LSPV240710 0CambridgeStreet	DEPARTMENTOFREVENUE617-626-3515	FY12QTR.2CH.70 \$2,529,235.00 ✓
GAXDORINTFLOCAID12LSPV328710 0CambridgeStreet	DEPARTMENTOFREVENUE617-626-3515	FY12Q2UNRESTRICTAID \$388,124.00 ✓
GAXDORINTFLOCAID12LSPV269510 0CambridgeStreet	DEPARTMENTOFREVENUE617-626-3515	FY12QTR2CHOICE \$68,794.00 ✓
	Total:	\$3,121,624.17

cc: Derek Sullivan
12/30/11



Wareham Finance Committee
Memorial Town Hall
54 Marion Road
Wareham, MA 02571

January 3, 2012

Mr. Geoff Swett, Chairman Wareham School Committee

Cc: Walter Cruz, Chairman Wareham Board of Selectmen

Dear Chairman Swett:

At its December 28, 2011 meeting, the Finance Committee discussed your request concerning its participation in a meeting on January 18, 2012 to discuss the formation of a special committee to study the school bus issue in more depth and would like to offer our comments to you and Board of Selectmen Chairman Cruz.

First, and of most importance, the Finance Committee supports the idea of "solving" the problem. It is our understanding that the Board of Selectmen have formulated and passed a resolution to address the situation in more detail and their plan, while focused on the matter as much as yours, proposes a different structure, composition, scope and authority for such a committee. In the considered opinion of the Finance Committee, we believe that the Board of Selectmen and the School Committee should jointly resolve and move forward with one format for the committee prior to our participation. The Finance Committee would hope that the two parties could do this quickly as time is a critical consideration. Once a format is forthcoming, the Finance Committee would certainly be pleased to consider what its role might be and thank you for your interest in it being a part of the solution.

Sincerely,

Frank Heath, Finance Committee Chairman
As directed by the Wareham Finance Committee

