

MINUTES OF MEETING OF WAREHAM FINANCE COMMITTEE

Date of Meeting: February 22, 2012

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
Bonnie Cottuli
Donna Bronk
Larry McDonald (Arrived at 6:40 P.M.)

Members Absent: Dick Paulsen
Dominic Cammarano
Rene Pickett

Also Present: Mark Andrews, Town Administrator (Arrived at 6:40 P.M.)
Derek Sullivan, Financial Analyst
Walter Cruz, BOS Liaison

III. CITIZENS PARTICIPATION

No-one came forward for Citizens Participation.

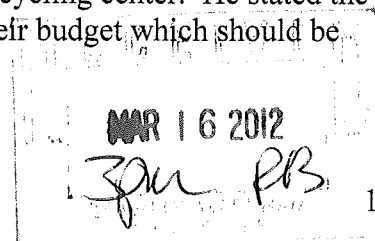
NOTE: The meeting proceeded w/ item V. Committee Business – A. Recycling Committee.

Present before the FinCom: Earl Russell, Recycling Volunteer

Mr. Russell stated the Recycling Committee recently met w/ the BOS & imparted how the committee is concerned re: the recycling program's financial situation. He explained what is required to run the recycling center financially. He submitted documentation re: said financial requirements. He noted that the recycling program only receives \$5,000 for a budget.

NOTE: Mr. McDonald & Mr. Andrews arrived at this time.

Mr. Russell explained if the recycling program doesn't obtain additional funding by March 2013, there won't be enough money to operate the recycling center. He stated the committee is requesting an additional \$3,000 be added to their budget which should be sufficient to get them through.



Mr. Gray asked how much income is generated at the recycling center for things like cans, batteries, etc. & how much income is generated from fees. Mr. Russell stated cans & bottles are a large part of the center's income. He stated the only other fees generated are from white goods, tires, & batteries.

Mr. Russell stated that everyone who works at the center are volunteers, except for the Recycling Coordinator, which is the center's biggest expense (the coordinator's salary).

Mr. Russell spoke re: the collection of metal & the center has someone that hauls metal away for free. Mr. McDonald feels there is an opportunity to generate revenue w/ the sale of this metal. He feels this is worth a conversation w/ the Recycling Committee. Mr. Heath asked Mr. McDonald to work w/ the Recycling Committee re: generating alternative revenues. Mr. McDonald stated he would oblige.

IV. TOWN ADMINISTRATOR'S REPORT

A. Police Budget Overtime Follow-up.

Mr. Sullivan distributed a document re: a police employee breakdown. (Attached as reference).

Mr. Sullivan noted the Memorandum of Understanding & what is received per the Quinn Bill. He noted incentive pay & a summary of overtime hours.

Mr. Andrews explained there will be new contract negotiations commencing w/ the Police Dept. & concerns & issues will be reviewed relative to overtime. He stated this review will also be done for other departments that utilize overtime. He stated w/ the new collective bargaining agreements, language will be clarified going forward re: overtime. He explained that overtime is based on seniority & collective bargaining. He stated the intent is to get clearer language re: sick time, finishing a regular work week before getting overtime, etc.

B. Audit Management Letter.

Mr. Andrews stated work continues on the Audit Management Letter issues. He stated all management issues identified for 2009, 2010, & 2011 are in a document he is preparing. He stated the Management Letter items encompass policies & procedures that will be utilized moving forward. He will get copies of this worksheet document to the FinCom.

Mr. Heath stated the Management Letter response is usually given by those who receive said letter (in this case, the BOS). He stated there doesn't seem to be any response. Mr. Andrews stated there are responses. Mr. Heath stated there is a status update provided, but it isn't really a response. Mr. Andrews explained that under a normal audit cycle, there would be a "normal" response, but timelines got scrambled. Mr. Heath expressed

concern that there is no written action plan w/ six months to go until the next audit. Mr. McDonald feels it would be helpful to have documentation of responses re: the audit so things can move forward. Mr. Andrews stated he will supply copies of the information & he will take any input the FinCom has. He noted he still plans on doing a six month audit (for the current fiscal year).

C. Reserve Fund Transfer Request.

The FinCom reviewed Reserve Fund transfer request #02-12. The amount being requested is \$ 55,000.00 for the Town Accountant Professional Account. The present balance in this account is \$28,253.00-. The purpose of this request is to cover the professional services of Baystate Municipal Accounting Group. The request is extraordinary & unforeseen because it was unknown at the time the budget was put together that an outside accounting group would be needed due to the resignation of Ms. Zaleski.

Mr. Andrews explained that it is difficult to project out in time re: the Town Accountant Professional Services account. He stated that the Town Accountant Professional Services account is different than the Town Accountant Salaries account. He stated this request is asking for a bridge between the salary line & the professional services line in the amount of \$55,000.

Mr. Andrews spoke re: a proposed Town Meeting Warrant article that will seek to repay this \$55,000. (See attached proposed article as reference). Mr. Sullivan explained the article proposal & the amounts shown. Discussion ensued due to confusion by some FinCom members as to the language in the proposed article as well as Mr. Sullivan's explanation. Mr. Heath explained in short, there is an accounting problem & the Town Accountant firm cannot be paid out of the salaries line item.

Mr. McDonald asked re: the contract w/ the accounting firm. Mr. Heath doesn't feel this is the subject. He stated the subject is the transfer request. Mr. McDonald expressed concern that if this transfer is made, there may be a further request later on. He wants to make sure that more money will not be requested & that this present request is enough to cover what is needed until the end of the year.

MOTION: Mr. Gray moved to approve Reserve Fund Transfer Request #02-12 in the amount of \$55,000 contingent upon submission of a proposed Town Meeting Warrant article. Ms. Bronk seconded.

VOTE: Unanimous (6-0-0)

D. DOR Update.

Mr. Andrews stated the tax rate has been set. He informed the FinCom of a meeting w/ DOR that was held last week & proceeded to review & discuss meeting notes he generated of said meeting. (Attached as reference).

Mr. Trudell spoke re: the increase to the Town Accountant position posting vs. how much the Town is currently paying the accounting firm. Mr. Sullivan explained briefly & stated it is pretty proportional. Mr. Trudell feels a new Town Accountant could potentially cost more, including benefits, vs. continuing w/ the accounting firm.

Ms. Bronk asked why the Chairman of the FinCom was not invited to this DOR meeting. Mr. Andrews explained it was a meeting requested by the DOR & it was not his meeting. Ms. Bronk feels it would have been logical that the Chairman of the FinCom be in attendance at this meeting.

Mr. Gray stated when he sat on the Town Accountant Search Committee, it was shown that hiring an accounting firm would be under cost vs. a full-time Town Accountant.

E. Update of Reconciliations of Cash & Expenditures.

Mr. Heath stated the FinCom would appreciate information to see if reconciliations are being done or not. Mr. Andrews stated he will address this at the next FinCom meeting.

NOTE: Mr. Andrews departed at this time.

F. December Monthly Financial Reports.

Mr. Sullivan submitted documentation of revenue & expenses through January 31, 2012. He briefly discussed the information submitted. (Attached as reference). He noted that w/ the Healthcare Trust Fund income, the employees pay their portion every week, but the Town pays their portion in one lump sum. He is estimating that the premium holiday will go into effect at the end of the fiscal year. Mr. Heath stated this is a policy decision by the BOS. He feels the FinCom should have quarterly reports on the Healthcare Trust status.

Mr. Sullivan also submitted FY2011 expenditure budget to actual report information. (Attached as reference). He stated these figures can now be applied as part of the FY2013 budget going forward & an updated schedule will be forthcoming as well as an update of FY2012 figures. He hopes to have everything updated & distributed by next week.

G. Healthcare Trust Fund & Premium Holiday.

Mr. Heath stated the Town Administrator is being extremely cautious w/ this matter. He stated there is a need to find out from the healthcare administrator what level of funding will be available. He feels there will be a holiday, but there is a need to move forward carefully w/ this.

NOTE: Mr. Sullivan departed at this time.

V. COMMITTEE BUSINESS

A. Recycling Committee. (Done)

B. Audit Committee Letter to BOS.

The FinCom members reviewed the Audit Committee letter to be sent to the BOS. No FinCom members had any edits or changes to the letter. Mr. Heath briefly recapped what the letter states.

NOTE: Mr. Trudell left the table at this time.

MOTION: Mr. McDonald moved to accept the letter & to send said letter to the Chairman of the BOS relative to requesting the BOS form an Audit Committee. Mr. Gray seconded.

VOTE: Unanimous (5-0-0)

C. Audit Management Letter. (Done)

D. MMA Convention Session on Emergencies.

Mr. Heath stated he attended a concerning session at the MMA Convention re: emergencies. He stated the biggest point raised at this session was that if there was an emergency & FEMA & MEMA came in, all Town contracts need to be in place or else there wouldn't be any kind of reimbursement.

Mr. Heath encouraged all FinCom members to attend next year's MMA Conference.

VI. ACTION COMMITTEE DISCUSSION

Mr. Heath stated the Action Committee met this evening, but he doesn't feel any progress has been made.

VII. FY2013 BUDGET REVIEW

A. Revenue.

Mr. Heath stated the latest update is that growth will be \$175,000 vs. \$100,000.

Mr. McDonald expressed concern w/ various areas of expenses vs. revenue.

B. Town Departments.

Mr. Heath stated there are rising costs in various areas. Mr. McDonald stated in reviewing departmental budgets, he is realizing there are things that can't be cut out of these budgets due to contractual issues, etc.

NOTE: Mr. Trudell returned to the table at this time.

Mr. Heath stated there are a number of areas where increases are coming in.

C. School Department.

Mr. Heath spoke re: the memo from the School Committee dated 2/14/12 showing in increase in the school budget. (Attached as reference). He spoke in detail re: capital school issues.

Mr. Heath feels the School Committee, the FinCom, & the BOS should get together to talk about the bus issue. He stated no solutions are being found at the present time. He requested the FinCom's permission to ask the BOS & the School Committee to meet jointly in a workshop meeting.

Mr. Gray informed the FinCom that he met w/ Dr. Rabinovitch, Superintendent to discuss the Minot Forest capital situation. They also spoke re: the school budget. He stated it was imparted to him that as far as school capital is concerned, the School Department is considering four items. They are as follows:

- Minot Forest School roof - \$500,000 (State to pay 60%).
- High School roof - \$350,000.
- Ten (10) school buses - \$900,000 (five (5) buses would be a repeat year after year w/ a \$450,000 cost every year).
- Technology & textbooks - \$435,000.

Mr. Gray stated these items add up to approx. \$2 million which may be asked for in a debt exclusion. He stated that the School Dept. has also looked at reducing the school budget by \$2.7 million which would include teacher layoffs. He stated there is a proposal to conduct two cuts; 1.) to reduce the budget by \$2 million & 2.) level funding the budget.

Ms. Bronk questioned if the School Dept. ever talks about cutting school administration costs, not just teachers. Mr. Gray stated the conversation was to cut everywhere.

Mr. Heath stated there are questions & this is why he feels the FinCom, BOS, & the School Committee should meet jointly in a workshop meeting.

Mr. McDonald asked re: minimum funding of the School Dept. & for an explanation. Mr. Gray stated there is a regulation that requires towns to fund schools a percentage of their town's budget. Mr. Heath stated minimum funding includes healthcare costs &

there may be an issue w/ the minimum funding because of the healthcare holiday. Brief discussion ensued re: what would happen if the minimum wasn't funded.

Discussion continued re: holding a workshop meeting w/ the BOS & the School Committee. Mr. Gray cautioned that there should be no conclusion of what the School Dept. plans to do just yet.

D. Other Budget Line Items. (None)

E. Capital Planning.

Mr. Trudell stated that Dr. Rabinovitch, Superintendent & Mr. Swett of the School Committee met w/ the Capital Planning Committee & expressed some of the School Dept.'s issues. He reiterated what Mr. Gray stated were the School Dept.'s priority capital items. He expressed concern re: not seeing overall plans to address issues w/ technology in the schools. He noted the next Capital Planning Committee meetings will be held on 2/29/12.

Mr. Heath briefly spoke re: the Town Administrator's five-year budget projection he submitted. He stated the projection shows revenue & expense trends & shows increasing deficits each year as well as a lack of capital items.

MOTION: Mr. McDonald moved the FinCom Chair send a letter to the BOS & the School Committee requesting a joint workshop meeting. Ms. Bronk seconded.

VOTE: Unanimous (6-0-0)

MOTION: Mr. Gray moved the FinCom request the School Committee meet w/ the FinCom to discuss issues relative to this fiscal year. Ms. Bronk seconded.

VOTE: Unanimous (6-0-0)

F. FY2013 Budget Review – Written Questions. (None)

VIII. LIAISON REPORTS

A. WPCF. (None)

B. School Committee, including Design Selection Committee & Minot School Project.

Mr. McDonald stated he attended a Master Plan Committee meeting relative to choosing a firm. One firm was chosen to come in on 3/13/12 to speak.

C. Library.

Mr. Heath stated the Library Board of Trustees have decided not to place an article on the Town Meeting Warrant, but they did vote to support the proposal to have the Town take over the Spinney Library.

D. Capital Planning. (Done)

E. Others. (None)

IX. NEW BUSINESS (UNANTICIPATED ITEMS)
(None)

X. APPROVAL OF MEETING MINUTES: JANUARY 4, 2012 & JANUARY 25, 2012

MOTION: Ms. Bronk moved to approve the meeting minutes of January 4, 2012. Mr. Gray seconded.

VOTE: Unanimous (6-0-0)

MOTION: Ms. Cottuli moved to approve the meeting minutes of January 25, 2012. Ms. Bronk seconded.

VOTE: (5-0-1)
Mr. Gray abstained

XI. NEXT MEETING DATE & TIME.


Mr. Heath stated the FinCom will be meeting every Wednesday in March. The next meeting will be held on February 29, 2012. He noted that there is a need to make sure the FinCom has a quorum for these upcoming meetings.

XII. ADJOURNMENT

MOTION: Mr. Trudell moved to adjourn the meeting at 8:50 P.M. Ms. Bronk seconded.

VOTE: Unanimous (6-0-0)

Respectfully submitted,



Kelly Barrasso, Transcriptionist

Date signed: 3/14/12

Attest: Sam Gray (KAB)
Sam Gray, Clerk
WAREHAM FINANCE COMMITTEE

Date filed: 3/15/12

Date copy sent to Town Clerk: 3/15/12