

**MINUTES OF MEETING OF WAREHAM FINANCE COMMITTEE**

**Date of Meeting: August 8, 2012**

**I. CALL MEETING TO ORDER**

The meeting was called to order at 6:05 P.M.

**II. ROLL CALL**

Members Present: Donna Bronk, Chairman  
Frank Heath, Vice Chairman  
Larry McDonald, Clerk (Arrived at 6:15 P.M.)  
David Trudell  
Bonnie Cottuli  
Tom Worthen  
Dominic Cammarano (Arrived at 6:54 P.M.)

Members Absent: Sam Gray  
Marilyn Donahue

Also Present: Derek Sullivan, Financial Analyst (Arrived at 6:30 P.M.)

**III. CITIZENS PARTICIPATION**

No-one came forward for Citizens Participation.

**IV. BUSINESS**

**A. Discussion w/ School Committee re: McKinney/Vento & Chapter 70 Funds.**

Present before the FinCom: Dr. Barry Rabinovitch, Superintendent of Schools  
Geoff Swett, School Committee  
Rhonda Vuegan, School Committee  
Mike Flaherty, School Committee  
Mr. Sylvia, School Committee

Mr. Swett stated that there is a situation that is unusual & urgent. He explained that after Town Meeting approval of the FY2013 budget, the State came through w/ two additional amounts of money that should go to the children of Wareham. He stated one source of money is coming from Chapter 70; approx. \$123,000 more than what was in the Town's budget. The School Dept.'s budget was reduced \$250,000 below last year's budget. Thus, the School Dept. budget is still below \$250,000, which may be below minimum. He feels it is appropriate for Town Meeting to appropriate the \$123,000 to the School Dept. budget. He added that the School Committee will publicly discuss where this money will be allocated/used.

Ms. Bronk asked if Town Meeting approval is needed to appropriate this money to the School Dept. even though it is Chapter 70 money. Mr. Swett stated yes, Town Meeting needs to vote to officially appropriate this money for that specific line item in the School Dept. budget.

Mr. Trudell asked what the BOS has said about this matter. Mr. Swett stated on this matter, the BOS have been mute. The School Committee will be meeting w/ the BOS to discuss this matter on August 21, 2012. Mr. Trudell stated thus, the School Committee is asking the FinCom for an endorsement of this matter w/out knowing how this money will be utilized.

**NOTE:** Mr. McDonald arrived at this time.

Mr. Swett stated there are many needs relative to schools, such as repair of the High School roof, textbooks, class size issues in the elementary schools, hiring of teachers, etc.

Dr. Rabinovitch stated because of the State budget process, the State's recommendation didn't come out until late June. This is why the State felt it could add this money to the formula after they looked at the numbers.

Mr. Trudell stated there were special election questions recently on the ballot. He feels the High School roof is another capital item that will continue to spiral down. He feels if the School Committee asked the BOS to use this money for the High School roof, they couldn't say no. Mr. McDonald feels if the School Committee designates this money & makes it clear what they will be using it for, the public would be more apt to support it. Mr. Swett stated use of this money will be debated in an hour at the School Committee meeting.

Mr. Sylvia stated the School Committee is asking the FinCom for a "leap of faith" relative to if the School Dept. receives this money & what it will be used for. He doesn't believe the School Committee has made bad decisions, but have made decisions that were best for students.

Ms. Cottuli hopes this will be a long-term fix with short-term money because this money may not be there next year. Dr. Rabinovitch stated the FinCom needs to remember the School Committee laid out a plan to the FinCom & showed there was a need for \$2 million more than what was received (Town cut School Dept. to level funding & there was still a short-fall of \$250,000). Now, the more Chapter 70 money has been disbursed. He stated this \$123,000 will now be put into the "base" & it should be included in next year's Chapter 70 funds to the School Dept.

Ms. Bronk stated there is also a crisis in the fifth grade(s) w/ 30 students to a class. She feels Chapter 70 money is educational money & should go to the School Dept.

Mr. Heath explained that Fall Town Meeting Warrant closes on September 11, 2012. The FinCom will write recommendations for these articles. He doesn't feel a motion is in order right now, but it will be handled through the FinCom's Warrant process (voting & writing a recommendation). He feels voting now on this matter would be pre-approving an article. Mr. Swett asked if an "un-binding" vote would be appropriate. Mr. Trudell stated he would like to hear from the BOS on this issue first. Mr. McDonald stated this is the School Dept.'s money regardless of what the BOS says. He would like to know where the money will be going. Mr. Heath stated the money goes to the General Fund first, but Town Meeting has the final say re: appropriation.

**NOTE:** Mr. Sullivan arrived at this time.

The FinCom members were polled re: how to proceed.

Ms. Cottuli – Wait on action  
Mr. Trudell – Wait on action  
Mr. McDonald – Wait on action  
Mr. Heath – Wait on action  
Mr. Worthen – Support action  
Ms. Bronk – Support action

Mr. Swett stated the second issue is of an urgent nature. He stated there is an un-funded mandate relative to transporting homeless students. He explained an audit was done, legislation was passed, & \$11 million is set aside in the State budget to reimburse towns that transport homeless children to their route community. It has cost the Town \$167,000 to do this. He explained how the Dept. of Education determines reimbursement costs. He explained the urgency is the School Committee is asking for \$125,000 to be added to the non-net line item vs. this money going into the General Fund. He stated he doesn't want to start out on September 4<sup>th</sup> cutting services, etc. He explained this money will give one more year of a standard transportation service that is needed. He expressed the need for this McKinney/Vento money & the urgency of this need.

Ms. Cottuli asked if this money will continue year to year. Mr. Swett stated yes & it is legally required that the State needs to reimburse towns annually. Ms. Cottuli stated this money should be used in the spirit it was meant to be. She can't see how this money can go into the General Fund & be utilized for something else. Mr. McDonald stated he agrees w/ the philosophy of this money, but he thinks a better "feel" re: this money is needed by the BOS. He feels these issues should be discussed & handled w/ the BOS & the School Committee, although he supports the philosophy of these funds.

Mr. Worthen stated he understood there were going to be cuts to transportation services (busing of K-8 only) & the charging of fees. Mr. Swett stated support of these proposals were not there by the School Committee. He stated these types of cuts would have to be thought of more if this money doesn't come through for transportation. He noted that \$125,000 will solve the operating budget problem for transportation. He also noted that

the modernization of the fleet issue is not solved, but this money being sought will buy the Transportation Dept. one year.

Ms. Vuegan stated the buying of buses & capital items have been kicked down the road. She stated maintenance is now eating into the operational budget & there are higher maintenance costs. She stated the School Committee has some hard decisions to make, such as deficit spending, cutting services, etc.

Ms. Cottuli stated the FinCom's function is to advise the BOS & Town Meeting. She feels this matter is up to the BOS to make a decision on. Mr. Heath stated the BOS met last night & they were aware of this issue. Now this issue is being put off for three weeks. He feels the BOS should have dealt w/ it last night. Ms. Bronk feels the BOS needs to be held accountable. She noted this matter will be placed on the FinCom's agenda for August 22<sup>nd</sup>.

The School Committee members departed at this time.

**NOTE:** The meeting proceeded w/ item VIII. New Business.

Present before the FinCom: Lt. Walcek

**NOTE:** Mr. Cammarano arrived at this time.

Mr. Sullivan stated when he spoke re: the FEMA & MEMA reimbursements w/ the FinCom previously, he felt that bringing in Lt. Walcek (who dealt w/ this matter) would be beneficial so he could answer any questions.

Lt. Walcek explained & discussed the two categories of FEMA reimbursement. All Town departments were asked to forward paperwork/documentation re: Hurricane Irene. A meeting was held w/ a FEMA specialist & this paperwork/documentation were submitted. FEMA took some money away & added some relative to the paperwork/documentation submitted. The Town received 75% reimbursement from FEMA. He stated FEMA was diligent in their verification of damages. He stated the Town was one of the better communities re: record keeping for this storm. He stated there were some things that the Town did not get compensated for, for example, stand-by time. Mr. Sullivan added that the reimbursement monies go into the General Fund & then are disbursed to departments.

Mr. Trudell stated he previously had expressed concern re: documentation errors, an after-action plan to make things go smoother next time, having a format to follow if this type of situation happens again, etc. Lt. Walcek stated an after-action report was submitted to the Federal government. He found that department heads were very accurate in their record keeping, they were careful, & helpful. Mr. Trudell asked if there are written policies & procedures re: what to do in this instance again. Lt. Walcek stated FEMA holds informational meetings & provide instructions in these areas.

Mr. McDonald stated when dealing w/ the year-end transfers recently, the Municipal Maintenance Dept. showed a deficit & the reason given for this deficit was that they were not totally reimbursed for their costs. Lt. Walcek stated the Federal government decided what they would pay for. He feels all the departments were amply prepared w/ documentation. He spoke re: proactive action by some departments, for example, Municipal Maintenance took down some trees, which the Federal government did not pay for. He added that the Town received \$119,000+ for Category B & \$135,000+ for Category A.

Discussion ensued re: pre-emptive action & reimbursement.

Lt. Walcek departed at this time.

**NOTE:** The FinCom proceeded to have a discussion w/ the Town Accountant.

Present before the FinCom: Brian Kudish, Town Accountant

Ms. Bronk stated the FinCom received an email from Mr. Kudish re: final FY2012 figures.

Mr. Kudish stated w/in the past five days, the FY2012 books were closed. He wants to make sure to verify & accurately check the information before submittal. He stated when this is done, he can come before the FinCom on August 22<sup>nd</sup> to answer any questions.

Ms. Bronk stated the FinCom will be holding Mr. Kudish's "feet to the fire" re: obtaining figures & reports on a regular basis.

Mr. McDonald asked if Mr. Kudish could come before the FinCom every three weeks for discussion. Ms. Bronk asked if Mr. Kudish could provide monthly information & meet monthly w/ the FinCom. Mr. Kudish stated yes.

Ms. Cottuli asked that Mr. Kudish provide a narrative & highlight important points along w/ the reports.

Mr. Kudish departed at this time.

**B. FY2013 Reserve Fund Transfer to Upper Cape Cod Tech Budget Line (Year ending 2013).**

Mr. Sullivan discussed the Reserve Fund transfer request #01-13 in the amount of \$220,346. The purpose of the request is to transfer money held in the Reserve Fund that will fully fund the UCCT FY2013 assessment. The request is extraordinary/unforeseen because it was unknown as to whether the other member communities would vote in favor or against the regional budget. He discussed what transpired at Town Meeting. He stated the Town has already paid its first quarterly payment to Upper Cape.

**MOTION:** Mr. McDonald moved to approve Reserve Fund transfer request #01-13 in the amount of \$220,346 to pay Upper Cape Tech School the Town's share of the FY2013 assessment. Mr. Trudell seconded.

**VOTE: (6-0-1)**  
**Ms. Cottuli abstained**

**NOTE:** Mr. Sullivan stated there are funds coming in re: Chapter 70 & McKinney/Vento. He suggested creating a revenue sharing system vs. in-kind payments. He explained his suggestion & how in-kind works. He stated w/ a revenue sharing agreement (w/ the School Dept.), everyone would already know where this money is going & it would stop the arguing about where the money is going. He feels this suggestion should be looked into.

Mr. Sullivan departed at this time.

**NOTE:** Ms. Bronk discussed two letters written by FinCom member Ms. Donahue addressed to the BOS re: the FY2012 audit status/DOR mandates & the Town's Emergency Management Plan. The FinCom reviewed the letters. (Attached as reference).

Brief discussion ensued re: the letters.

Ms. Bronk noted she & Mr. Heath will be attending the meeting held by DOR & various departments on August 13<sup>th</sup>.

Discussion ensued re: the tone of the letter re: the audit & if the tone should be stronger. Minor corrections were made to the letters.

**MOTION:** Ms. Cottuli moved the FinCom send the two letters to the BOS as corrected. Mr. McDonald seconded.

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

**V. ANY OTHER BUSINESS/DISCUSSION**

**A. Community Preservation Financial Report.**

Present before the FinCom: Angela Dunham, CPC Chair  
Sandy Slavin, CPC Clerk

Ms. Bronk stated the FinCom has been concerned re: CP finances.

Ms. Slavin stated the CPC's numbers have not been confirmed. She stated the Town still has not given the CPC the FY2011 figures. She understands the Town is waiting for

information from the old accounting firm the Town utilized & from Powers & Sullivan. She stated the Town is trying to get answers they need to get in sync.

Mr. Trudell stated there was room for improvement re: accounting of CP funds. He stated not long ago, everyone's numbers matched. He asked where things went wrong. Ms. Slavin stated things went wrong when the accounting firm left the Town. Mr. Trudell asked what the difference is between the CPC's figures & the Town's figures. Ms. Slavin stated the difference is at least \$150,000. Ms. Slavin stated the Town Accountant's office is working hard to resolve this issue. She stated the CPC is comfortable w/ CPC's figures. She stated according to CPC books, for FY2013 there is approx. a fund balance of \$1.3 million. She noted there is one application for this current Town Meeting which deals w/ the painting of Old Town Hall. She noted all allocations have been made (all debt requirements have been funded).

Ms. Slavin explained that last year, the State's match to the Town was 33% & she estimates this year's State match to be between 20% & 25%.

Mr. Trudell asked what the impact would be on the CPC if the percentage fee were reduced. Ms. Slavin stated the CP funds availability would be less & the State reimbursement would be less. Brief discussion ensued re: being able to pay debts & make allocations if the percentage were reduced. It was stated that new CP allocations will come out in FY2014.

Mr. Heath asked the CPC when Town Meeting Warrant articles come forward if they could provide updated information discussed this evening for the article.

#### **B. FinCom's mission statement for the media/public relations.**

Ms. Bronk stated discussion was held previously re: press releases to the media. Mr. McDonald feels it is important to have factual information that is discussed at FinCom meetings get out to the public. He suggested a column or blog on *Wareham Week* dealing w/ the facts. Ms. Bronk stated press releases could enlighten the public on issues, such as the Quinn Bill. She feels issues such as these should be out in public so they understand. Ms. Cottuli feels if just the facts are stated & the agenda items are clear & there are no opinions, it should be fine. Brief discussion ensued.

Ms. Bronk stated she will contact *Wareham Week* to make an appointment to discuss what the FinCom desires.

Mr. Heath stated that Mr. White has made several requests as well re: short clips of FinCom discussions being shown on local cable.

## **VI. LIAISON REPORTS**

### **A. Quinn Bill Committee**

Mr. Trudell stated that Ms. Donahue has the information on the Quinn Bill & Mr. Sullivan will have the Quinn Bill contract tomorrow. He noted one contentious issue is the Town is currently paying what the State isn't. He stated the Police Union can claim past practice if the Quinn Bill is done away with. He stated the Quinn Bill Committee has not met yet to put all the information together.

- B. WPCF**
- C. School Committee**
- D. Capital Planning**

Mr. Heath stated the Capital Planning Committee met last Friday & will meet this Friday. One issue being discussed is there is \$600,000 in the Stabilization Fund & the Town will not be bonding the Minot Forest School study. He suggested some of this money be put into capital planning.

Mr. Heath briefly spoke re: the FinCom's draft meeting schedule & fiscal deadlines.

- E. Library**
- F. Others**

**VII. APPROVAL OF MEETING MINUTES: July 11, 2012 & July 25, 2012**

**MOTION: Mr. McDonald moved to approve the meeting minutes of July 11, 2012. Ms. Cottuli seconded.**

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

**MOTION: Mr. Heath moved to approve the meeting minutes of July 25, 2012 as amended. Mr. McDonald seconded.**

**VOTE: (5-0-2)**

**Mr. Cammarano & Mr. Worthen abstained**

**VIII. NEW BUSINESS (Unanticipated Items)**

Mr. Cammarano asked re: the clean-up situation relative to the property on Sandwich Road. As he understands, several quotes for the clean-up were received, but the highest quote was accepted. He noted the asbestos issue at the site. He asked why this asbestos issue became the Town's problem when the company gave a bid & accepted the terms.

Present before the FinCom: Alan Slavin, BOS

Mr. Slavin stated this project involved the police, the Board of Health, the Fire Dept., & Inspectional Services. He explained there were asbestos shingles that needed to be handled separately. This was not done. DEP came in & a cease & desist on the clean-up



was given, thus the Town had to then do what DEP said. Mr. Cammarano questioned if this is the contractor's fault. Mr. Slavin stated it is a legal matter currently.

**IX. NEXT MEETING DATE & TIME**

The next FinCom meeting will be held on August 22, 2012.

**X. ADJOURNMENT**

**MOTION:** Mr. Trudell moved to adjourn the meeting at 8:21 P.M. Mr. McDonald seconded.

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

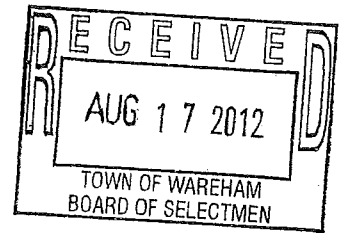
Respectfully submitted,

Kelly Barrasso  
Kelly Barrasso, Transcriptionist

Date signed: 8/22/12

Attest: Larry McDonald (K.B.)  
Larry McDonald, Clerk  
WAREHAM FINANCE COMMITTEE

Date copy sent to Town Clerk: 8/23/12



DATE: AUGUST 8, 2012  
TO: WAREHAM BOARD OF SELECTMEN  
FROM: WAREHAM FINANCE COMMITTEE  
RE: MASS DOR REQUIREMENTS

LADIES AND GENTLEMEN:

The Finance Commitment applauds your recent decision regarding the formation of an audit committee; however, we are concerned about the current status of the FY2012 audit and DOR mandates.

Correspondence received by the Town of Wareham from the Mass Dept. of Revenue earlier this year, included the requirement that the proper schedules prepared from audited accounts be filed with the State by November 1st. Although we were previously assured by Mr. Andrews that the accounting firm of Powers & Sullivan had been engaged to perform the annual audit in early fall, we have been informed that, in fact, they were not engaged. Due to scheduling and prior commitments, Powers & Sullivan will not be available to come to Wareham until the end of November, well past the deadline given by DOR.

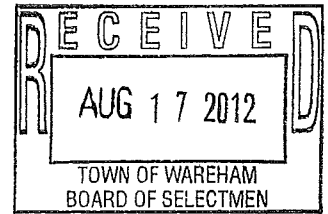
Failure to comply with the DOR deadline may have serious repercussions, including the state's refusal to certify free cash. The inability to use free cash will further burden the town and adversely impact capital spending.

We look to you to ensure that all financial reporting is completed in a timely manner and that the DOR requirements are met.

Respectfully,

A handwritten signature in black ink, appearing to read "Donna Bronk".

Donna Bronk, Chair



DATE: August 17, 2012  
TO: WAREHAM BOARD OF SELECTMEN  
FROM: WAREHAM FINANCE COMMITTEE  
RE: EMERGENCY PREPAREDNESS

LADIES AND GENTLEMEN:

Recent requests to the Finance Committee to transfer money from the reserve account to the municipal maintenance department to cover costs incurred during the 2011 hurricane prompted much discussion among members. The Finance Committee asked for and was provided with a breakdown of FEMA reimbursed items and the allocation among various departments. This schedule shows the 75% reimbursement by FEMA of approved items to Police, Municipal Maintenance, Water Pollution Control and Harbormaster.

We have also asked for, but not yet received a listing of expenses submitted which were not approved by FEMA for reimbursement. Our concern is that department heads and town officials may not be aware of what FEMA will cover and that proper paperwork and procedures for spending during the emergency are not being followed.

We therefore strongly urge you to require all department heads involved to prepare a Response to Action Statement to be filed with their records of requests and requisitions for the past hurricane. We hope that the lessons learned from this experience will prevent future mistakes.

In addition, the town's Emergency Management Plan needs to be reviewed to insure that it is comprehensive and includes every department that may be involved in an emergency so that expenses submitted by those departments will be allowed under FEMA regulations. We recommend that the new Town Administrator attend to this matter in the near future as hurricane season is already underway.

Respectfully,

A handwritten signature in black ink, appearing to read "Donna Bronk".

Donna Bronk, Chair