

MINUTES  
OF THE  
FINANCE COMMITTEE  
TUESDAY, FEBRUARY 10, 2009  
SANDWICH PUBLIC LIBRARY  
142 MAIN STREET

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Present: Paul Kilty, Hank Tuohy, Bill Diederling, Ellen Yaffe, Veronica Mooney, Glenn Pare', Ellen Scott, Thomas Hickey

Also Present: Mr. Dunham, Selectmen Linell Grundman, John Kennan, Town Accountant Doreen Guild; Mary Stanley and SACAT

Absent: John Vibberts

Meeting called to order at 7:00 p.m.

**ITEM #2**  
**APPROVAL OF MINUTES**

**Review and Approval of Minutes of December 16, 2008-**

**\*MOTION WAS MADE BY MS. MOONEY TO APPROVE THE MINUTES OF DECEMBER 16, 2009 AS PRESENTED. SECONDED BY MS. YAFFE.**

**VOTE – UNANIMOUS**

**ABSTAINING – MR. HICKEY**

**Review and Approval of Minutes of January 13, 2009-**

**\*MOTION WAS MADE BY MS. YAFFE TO APPROVE THE MINUTES OF JANUARY 13, 2009 AS PRESENTED. SECONDED BY MR. TUOHY.**

**VOTE-UNANIMOUS**

**ITEM#3**  
**ANNOUNCEMENTS/CORRESPONDENCE**

None at this time.

Date for next meeting will be discussed later in this meeting.

**ITEM #4**  
**TOWN MANAGER'S REPORT**

-Presentation and overview of the FY'10 budget- highlighting the balances in accounts such as unemployment, which will need a Reserve Fund transfer, and the Snow & Ice deficit which is a little under \$200,000. The Revenue and Expense items will change as time goes along. The changes will be in the summary information. Overview of the Projected Revenues and Expenses – FY'10 (GHD DRAFT 2/6/2009). The Selectmen asked the Town Manager to include the note at the bottom left of this page, keeping a running tally, (Stabilization Fund Balance information) projected balance leading toward

Estimated FY'11. State Aid amount updated after 9C. It looks like the State Aid: Discretionary has been cut by 20%.

Brief overview of FY'10 Budget Totals (GHD DRAFT -- 1/6/2009)

Overview of Primary FY'10 (and FY'09) Budget issues (GHD DRAFT 1/26/2009)

The DPW will probably have a much larger deficit than we originally thought.

The Town Manager thanked Town Accountant Doreen Guild, Assistant Town Manager Doug Lapp, Human Resources Director Marie Buckner, Director of Assessing Ed Childs and Administrative Assistant Diane Hanelt for all their help putting the budget information and binders together.

Overview of Potential Ways to Offset projected FY'10 Deficit (GHD DRAFT 1/26/2009); Highlights of Recommended FY'10 General Government Operating budget at 3% (GHD DRAFT 1/26/2009); Town Manager Recommended FY'10 Budget Reductions if Operating budget Reduced to 2.0% Above FY'09 (GHD DRAFT 1/26/2009); Projected Revenues and Expenses – FY'10 (GHD FY'10 Budget Est. – 2/6/2009); Assumptions for Long Range Financial Plan – FY'10 – FY'13 (DRAFT 2/6/2009); Projected Revenues and Expenses – FY'08-FY'13 (GHD Budget Est. 2/6/2009); Projected Revenues and Expenses – FY'08 to FY'13 (GHD Budget Est. @ 2.0% 2/6/2009).

Overview of Where Does Each Dollar The Town Received Come From, Where Does Each Dollar The Town Spends Go and Where Does Each Dollar The Town Spends Go (School & General Government Expenses) – including pie chart graphs

Town of Sandwich FY'10 Budget Information with FY'08-FY'10 Finance Projections (DRAFT 1/26/2009); Table of contents For FY'08-FY'13 Financial Plan; Financial Plan Executive Summary; FY'09 Staffing Comparison (Sandwich, Yarmouth, Bourne, Mashpee and Duxbury) (GHD DRAFT- 2/6/2009).

The Town Manager gave a general overview of Account #141 – Assessing Department (Section #5 in the main budget binder) as an example.

The Town Manager and Town Accountant offered to meet with any department heads who wanted to discuss their budgets.

Mr. Dunham noted that the last page in section #5 of the FY'10 budget binder shows FY'10 Recommended General Government Budget / So-Called “Needs Budget”, If Submitted GHD's List Only, Not Reviewed with Board of Selectmen (Listed in Order of Budget Account) (GHD DRAFT – 1/26/2009)

The Finance Committee thanked the Town Manager and staff. It was noted that the municipal budget is so public and out there for everyone to look at.

Mr. Diederling noted that this whole thing about the staffing level of our town compared to other towns, when you look at other towns' average tax bills. I believe it is the lack of a commercial tax base and differences in what we get in state aid. Suggested adding another box at the end about what the percentage of residents to commercial tax base is with the other towns.

Ms. Scott noted that the Sandwich demographics summer homes in other towns rather than year round homes as in Sandwich makes some of the difference.

Mr. Pare' agreed with Ms. Scott's statement.

Mr. Diederling noted that there are actually three big points, demographics, State Aid, commercial tax base.

Ms. Scott asked how many towns in Massachusetts have a Community Preservation Act (CPA).

Town Manger noted that about 100 towns have CPAs.

Mr. Hickey commented about FY'11 capital requests and asked about the 9C cuts from the State and what they will mean to Sandwich.

Mr. Dunham mentioned that he will explain the 9C cuts in his next handout.

Brief discussion regarding the fact that the Town Manager has to allow for step increases. As the contracts are discussed it was suggested that there should be a discussion about 0% increases because there is no money in the budget?

Mr. Pare' noted that Selectman Dana Barrette offered a statement at last week's Selectmen's meeting that level funding does not mean level services.

Mr. Dunham explained the budget and public safety issues if the Police Department has to drop from three cars to two. It is important to try to keep coverage at three cars.

Mr. Pare' asked the Town Manager to get information as to what each department would look like if things continue the way they are going.

There was some concern expressed about the funding for the work campers for summer 2009. It was noted that if beach revenues increase the Town may be able to keep the work campers. The cost for the work campers has increased because they originally were paid \$50 per day per couple including a place to stay but they actually come under employee status so we have to pay hourly benefits.

Mr. Tuohy asked about how the Town can collect money for parking at Snake Pond?

Mr. Hickey noted that the Police Department does not allow parking on the street at Snake Pond so you have to use the parking lot which requires a resident to purchase a beach sticker.

Ms. Yaffe asked, given the deficit we are facing now and moving into the following year, what is going to be the process?

Mr. Kilty, in response to Ms. Yaffe's question, mentioned that he spoke with Selectman Chair. Linell Grundman and School Committee Chair Bob Guerin regarding a tri-board meeting. The Finance committee will be meeting next week on the 17<sup>th</sup> and the tri-board meeting will be held on Tuesday, February 24. There isn't a process right now. Mr. Kilty thinks the town can get by FY'10 but has no idea how it will get past FY'11.

Ms. Scott offered that what concerns her is the idea of getting by and thinks that is what the town is headed right now.

In response to Ms. Scott's question, Mr. Dunham confirmed that to re-appropriate the funds approved but not spent on FY'09 Fire Department budget and use it toward FY'10 expenses, such as the proposed capital budget and/or an offset for the mid-fiscal year "9C" cuts would require a vote of Town Meeting.

Ms. Yaffe, referencing item #7 under Highlights of recommended FY'10 General Government Operating Budget at 3%, noted that re-appropriating the funds approved at the Town Meeting for the Fire Department is the biggest way to offset the deficit. There aren't that many options. We need to tighten the belt and get through FY'10 and where are we going with FY'11? Doesn't see a way to get around it. We can't squeeze much out of expenditures. We need to discuss revenues. An over ride must be discussed by the Board of Selectmen.

Mr. Kilty noted that revenues are very limited.

Ms. Guild, referencing the pie charts showing where each dollar the town receives comes from and where each dollar the town spends goes including separating School and General Government expenses, noted that the Director of Assessing Ed Childs is very good at determining this information. Revenues streams are very limited.

Mr. Tuohy suggested that the employee salaries may have to be looked at.

In response to a suggestion that perhaps there should be more car ticketing in town, it was noted that ticketing quotas are against the law.

Mr. Diederling noted that if we are able to re-appropriate the Fire Dept. funding we would be doing very well.

Mr. Kilty mentioned that before you look at an override, we must consider a 2% budget instead of a 3% budget.

Mr. Pare' asked what cut back in services we are seeing with the same amount of money.

Mr. Dunham, looking ahead to FY'11, offered his thoughts if he had to cut 1 to 1.25 million. It would probably mean cutting about 15% of the town's work force.

Mr. Pare' noted that that may also mean cutting revenue generating employees.

Mr. Kilty asked Mr. Dunham to explain potential savings in group health insurance.

Mr. Dunham noted that the town has been very successful in getting employees to leave the indemnity plan. The town pays 75% and the employee pays 25% of their health insurance premium. Towns have less control over health benefits than the state. Towns can join GIC. We belong to Cape Cod Municipal Health Group and it is cheaper. We don't have any flexibility in costs. It doesn't seem like the Governor is going to unbind our hands on this.

**-FY'09 "9C" Reductions-**

Mr. Dunham gave an overview of Summary of FY'09 "9C" Cuts & Governor's FY'10 Initial Cherry Sheet Information including FY'09 "9C" Cuts; Initial FY'10 Cherry Sheet Information; FY2009 9C Reductions to Additional Assistance & Lottery; Mass. Dept. of Revenue, Division of Local Services, FY2010 Local Aid Estimates; FY2010 Local Aid Assessments; DOR Bulletin dated January 2009 re Addressing Budgetary Impact of FY09 Local Aid Reductions.

Total 9C Reduction to Additional Assistance & Lottery for the Town of Sandwich is \$136,697.

General discussion.

Mr. Pare', referencing the DOR Bulletin, asked about item #3 – Use Reserves as Offsetting Revenue Source.

Town Accountant Doreen Guild responded noting that it doesn't become and issue until she closes the books...until she has to report where the revenues came from and what it paid. Ms. Guild will bring the numbers of what the departments turned back last year as free cash to a future meeting.

Mr. Diederling, referencing the 9C cuts, asked if it would be helpful to discuss the possible use of the reserve account so that the Board of Selectmen knows whether it is an option or not?

Mr. Kilty and Mr. Diederling both noted that they are not comfortable using the Reserve Fund to cover the \$136,697.

General discussion.

The Finance Committee will meet next Tuesday, February 17 at 7 p.m. at the Sandwich Public Library, lower level meeting room #2. Mr. Hickey noted that he will not be present due to a previous commitment.

Mr. Diederling noted that the Finance Committee has received the School Budget binders and suggested having a meeting with the Superintendent of Schools and the School Committee. Mr. Pare' and Mr. Tuohy agreed.

Mr. Diederling suggested, regarding financial guidelines for the town, that the FinCom should figure out what it is going to do with that. There should be a discussion regarding the structural deficit and how we get out from under this structural deficit.

Mr. Kilty noted that it is a recurring deficit. He can make an argument that it is structural. It will probable come up next week and we can schedule a meeting for this discussion.

Mr. Diederling asked if Mr. Kilty has had a discussion with the Board of Selectmen? Are the Selectmen doing anything to plan to do anything about this?

Mr. Kilty noted that it is going to be a topic for a specific FinCom meeting and then we could have a second meeting with the Board of Selectmen about these issues. It will be a topic for a future meeting.

**ITEM #5**  
**ADJOURNMENT**

**9:05 P.M.**

**\*MOTION TO ADJOURN WAS MADE BY MS YAFFE. SECONDED BY MR TUOHY. VOTE - UNANIMOUS**

Respectfully Submitted,

Diane M. Hanelt  
Secretary

