

MINUTES OF THE
FINANCE COMMITTEE
TUESDAY, MARCH 3, 2009
SANDWICH PUBLIC LIBRARY
142 MAIN STREET

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Present: Paul Kilty, John Vibberts, Hank Tuohy, Glenn Pare', Ellen Yaffe, Veronica Mooney and Tom Hickey

Absent: Bill Diederling and Ellen Scott

Also Present: Town Manager Bud Dunham, Selectmen Linell Grundman and John Kennan; Town Accountant Doreen Guild; Carl Johansen; Mary Stanley from the Enterprise and Paul Babin from the Broadsider; SACAT

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

**ITEM #2**  
**ANNOUNCEMENTS/CORRESPONDENCE**

None.

**ITEM#3**  
**TOWN MANAGER'S REPORT**

-Updates:

- Snow & Ice 246,000 deficit
- Unemployment has a -\$3,000 balance. Please consider a Reserve Fund transfer for up to \$15,000.

**\*MOTION WAS MADE BY MR. VIBBERTS TO APPROVE A RESERVE FUND TRANSFER OF UP TO \$15,000 FOR THE UNEMPLOYMENT ACCOUNT. SECONDED BY MS. YAFFE. VOTE – UNANIMOUS.**

**ITEM #4**  
**FY'10 BUDGET DISCUSSION**

Mr. Dunham gave an overview of the FY'10 Budget: Projected Revenues and Expenses – FY'10 (Selectmen Approved – 2/26/09) with particular attention to (Revenues) Estimated Local Receipts; (Expenses) Group Health Insurance, Reserve Fund, Capital Budget, Transfer to Stabilization Fund; (Operating Budgets) School Budget: Local (2.00%) and General Gov't Budget (2.00%). These numbers which are blocked in have changed since last week.

Wednesday last week the Cape Cod Commission health group voted their rates. Roughly about a 6% increase. That is about \$5,000 less than what we were planning.

Projected deficit for FY'11 has not changed much.

The Board of Selectmen voted the changes, a 2% local contribution for schools and General Government. Put \$350,000 saved into the Stabilization Fund.

The projected deficit is approximately \$2.2 million.

Brief overview of Projected Revenues and Expenses – FY'08 to FY'13 (GHD Budget Est. @ 2.0% - 3/2/2009); Assumptions For Long Range Financial Plan – FY'10-FY'13 (Draft-3/2/200) – **hi-lighting** (under Revenues) Estimated Local Receipts - Current Assumptions (FY'10 & Beyond) \$4,850,000 Annually; (under Expenses/Town Meeting Items:) Unemployment Account – Current Assumptions (FY'10 & Beyond) \$100,000 Annually; Reserve Fund – Current Assumptions (FY'10 & Beyond) \$400,000 Annually (less than 1% of total operating budgets); Capital Budget – Current Assumptions (FY'10 & Beyond) Same (but could always use more);(under Expenses/Operating Budgets:) School Budget – Local – Current Assumptions (FY'10 & Beyond) 3% Annual Increase; General Government Budget – Current Assumptions (FY'10 & Beyond) 3% annual Increase.

Brief overview of FY'10 Capital Budget Summary (Not Seen By CIPC – 2/10/09) hi-lighting under the General Government budget # 171 - Natural Resources deleting vehicle replacement – 2001 Chevy Pick-up \$41,000; budget #522 – Public Health Nurse deleting photocopier replacement - \$15,000; under budget #300 – School Department deleting vehicle replacement – One-Ton Dump/Rack Body Truck \$41,000.

Leaving the total requested General Government and School Department Capital Expenses greater than \$10,000 at \$549,000.

Overview of General Government and School Dept. Capital Projects less than \$10,000.

|                                                                                                 |            |
|-------------------------------------------------------------------------------------------------|------------|
| Total less that \$10,000 Capital Expenses                                                       | \$ 22,000  |
| Recommended FY'10 Capital Expenses                                                              | \$571,000  |
| Less Ambulance Fund Transfer                                                                    | -\$180,000 |
| Total FY'10 Capital – Ambulance Fund                                                            | \$391,000  |
| *Capital Reserve Fund                                                                           | 9,000      |
| Funds to be held for emerg/reserve<br>Purposes until released by the CIPC<br>Town Administrator |            |
| Total FY'10 Capital Expenses                                                                    | \$400,000  |

Mr. Dunham mentioned that at last Tuesday night's Tri-Board meeting some questions came up about any School employees that may have been dismissed for this fiscal year vs. new hires in the schools for this fiscal year and what was the savings. Will get back to everyone on this. Also, last Thursday night Mr. Barrette asked for a rough estimate, if someone gets laid off, what is the typical savings in health insurance and rough cost, depending on some ones salary, for unemployment. Referencing the recent stimulus package, Mr. Dunham noted, that there were some changes in the unemployment and health benefits and how someone would be covered once some one is terminated, for their Cobra rates. That looks like it will be an added expense but it just happened this week so we are still waiting to see what the implications will be. Once all the information has been put together, Mr. Dunham will send it out to the Selectmen and the Finance Committee.

Mr. Kilty asked if there is a recommended percentage for an operating budget?

Mr. Dunham offered, not really, but is it less than 1% of the school and general government budgets.

Mr. Kilty noted then we should be able to turn back over \$100,000.

Mr. Kilty, given this budget and we did not have enough money in the Reserve Fund, what do we do?

Mr. Dunham suggested that if it happened early enough in the year we could go back to a Town Meeting. We could access free cash once it is certified. Or, the Stabilization Fund.

Mr. Hickey asked about the \$100,000 that would be turned back at the end of this year, does this cover the 9C \$136,000?

Mr. Dunham...no.

Mr. Hickey asked how does the Stabilization Fund looks now? Is it where you would like to see it?

Mr. Dunham noted that it was at about \$500,000 about five years ago and we've known all along that we were going towards trouble. Brief explanation of the Mirant plant tax payment history noting that money

from the \$800,000 from Mirant got put into the Stabilization Fund. We need the Stabilization Fund to get us by if something goes 'south'. \$500,000 to \$750,000 minimum balance in the Stabilization Fund is what Mr. Dunham would be comfortable with. Less than 30% of local receipts come from anything we have control over. Town Treasurer Craig Mayen is really tight about only having enough money in the accounts to pay the bills. The rest of our money is in interest bearing accounts.

Mr. Dunham has two department head positions that he has not filled.

Mr. Pare' reviewing the recent Reserve Fund transfer activity and noted that we have already over spent the Reserve Account and we still have those 9C cuts.

Mr. Dunham noted that, if the \$710,000 does not get re-appropriated, we will have to make some changes at Town Meeting.

Mr. Kilty had questions about the \$710,000.

Mr. Dunham explained that because the \$710,000 was appropriated for this fiscal year, in order to re-use it for FY'10 or for any expense in FY'09 you need to revote it at a town meeting within this fiscal year '09. We could not wait until after July 1 because it would revert back to free cash and we would not be able to use it.

Ms. Yaffe noted that it is easy to re-arrange numbers, but we have to remain conservative...we have to take some risk. Ms. Yaffe is comfortable with the numbers as they are laid out and noted that there is a real obligation to explain the \$710,000 at Town Meeting.

Mr. Pare' suggested that with that in mind, will there be a back up plan?

Mr. Dunham...yes. We should probably vote that early on in case the re-appropriation of the \$710,000 does not pass and we may have to do without some things in the budget.

Mr. Kilty noted that there are a number of ways to approach town meeting. We have to present a balanced budget. When it is presented for a town meeting we do not vote on the revenues. We only voted on the appropriations.

Mr. Tuohy asked about the time frame when town departments turn in their bills for payment.

Mr. Dunham noted that most of the turn around is two weeks, not thirty days.

Mr. Hickey asked if the \$710,000 re-appropriation vote would be by a Special Town Meeting prior to the Annual Town Meeting?

Mr. Dunham noted that it has to be a Town Meeting in the same fiscal year.

Mr. Kilty asked by what date does the Finance Committee have to take a vote on this FY'10 budget?

Mr. Dunham noted that the vote needs to be taken by the first of April (the first week in April).

Mr. Dunham also noted that it doesn't sound like we are going to have any more information about local aid.

Mr. Kilty mentioned that we will have some department heads in in the next few weeks to talk about their respective budgets.

It was suggested that the department heads from the Police and Fire Departments and the Department of Public Works and well as the Library and the Assessing Department should plan to come to a meeting.

Mr. Dunham noted that he will contact the Police & Fire Departments and have them come in together and the Department of Public Works and the Financial Department heads. The Library has a bottom line.

Mr. Tuohy offered that last night's meeting at Upper Cape Cod Regional Technical School was cancelled. They will do it again sometime this month and asked if the Committee like to have Superintendent Kevin Farr from Upper Cape Cod Regional Technical School come in to a meeting?

The Committee feels that, yes, he should come in.

Mr. Tuohy asked Mr. Dunham how comfortable he and the department heads are with the capital budget?

Mr. Dunham offered that on the Nursing Dept. copier...we could lease something or they could use another copier in the building but then there could be a confidentiality issue. The Department of Natural Resources is not happy but they understand the circumstances...we are getting by.

Mr. Kilty reiterated that Kevin Farr should be invited in to go over his budget

Ms. Yaffe wants to know how they are going about maintaining their costs. We want to see them controlling their budget like we have to.

Mr. Hickey asked if any per pupil numbers have ever been put together.

Mr. Dunham noted that they are at their lowest per pupil number. They are mandated at how much they can spend per pupil.

Mr. Kilty asked how are we looking at this budget?

Ms. Yaffe noted that she would like to have the department heads come in. She wants to hear about how they formulate their budget and goals, etc. and still has a concern about the \$710,000.

Ms. Mooney noted they she is satisfied. Would like to see how the 2% affects the general government department. We have heard from the School Department.

Mr. Tuohy agrees with the 2% budget. 1.5% would be ok.

Mr. Pare' is really concerned about Police & Fire overtime. He would like to have that discussion with the chiefs. Where the level funding of a budget...what that means in terms of service to the town.

Mr. Vibberts noted that he is interested in the personnel management side of things. Police & Fire overtime needs to be looked at. One concern is surplus revenue. The 1.2 million from the land sales makes things look a lot better than they really are. We need to look at the whole management of personnel. It needs to be looked at over the next year.

Mr. Hickey noted that he has concerns about the budget but feels comfortable that 2% is what we should be looking at and going after. He thought he was the only one concerned about the Police & Fire overtime...he agrees with Mr. Pare' and Mr. Vibberts. Do they need \$100,000 for overtime?

Mr. Dunham gave a brief explanation of Police & Fire overtime. The Police department has never had all thirty-five (35) officers that the department is supposed to have.

Ms. Yaffe noted that overtime is a necessary line item in any budget. It is not bad. She just needs to know how it is managed.

Ms. Mooney noted that there was a discussion at one time about civilian dispatchers with the Police & Fire Departments.

Mr. Dunham offered additional information on the Police and Fire department overtime. The goal is to try not to dip below certain numbers. There is a real issue with the public safety... if we drop to two (2) sector cars... if we have to close the Forestdale Fire Station. The Department of Public Works overtime is usually just snow and ice related. Sanitation fees will probably be going up. Tipping fees will be going up or you loose in local receipts from sticker fees if you let someone else do the trash pick up.

**ITEM #5**  
**ADJOURN**

**8:00 P.M.**

**\*MOTION TO ADJOURN WAS MADE BY MR. VIBBERTS SECONDED BY MR. HICKEY  
VOTE - UNANIMOUS**

Respectfully Submitted,

Diane M. Hanelt  
Secretary