

TOWN CLERK  
TOWN OF SANDWICH

MAR 17 2011

JOHN JOY A MR  
RECEIVED & RECORDED

MINUTES

OF THE

FINANCE COMMITTEE  
MEETING

TUESDAY, MARCH 8, 2011  
7:00 P.M.

OAK CREST COVE  
34 QUAKER MEETINGHOUSE ROAD, FORESTDALE

Present: Glenn Pare', Bill Diederling, Tom Hickey, Linda Bliss, Paul Kilty, John Vibberts, Paul Sylvia, Ellen Yaffe and Courtney Bridge

Also Present: Town Manager George Dunham; Selectman Jim Pierce; Superintendent of Schools Mary Ellen Johnson, Business Manager Michelle Austin and members of the School Committee; Town Accountant Doreen Guild; Mary Stanley and SCT (Sandwich Community TV).

ITEM #1  
CALL TO ORDER

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

ITEM #2  
REORGANIZATION OF FINANCE COMMITTEE

Mr. Pare' is stepping down as Chairman due to the fact that he is running for a seat on the Board of Selectmen.  
\*MR. KILTY NOMINATED MR. DIEDERING AS CHAIRMAN. MR. VIBBERTS SECONDED THE NOMINATION. THERE WERE NO OTHER NOMINATIONS FOR CHAIRMAN. VOTE - UNANIMOUS

\*MR. PARE' NOMINATED MR. SYLVIA AS VICE-CHAIRMAN. MR. VIBBERTS SECONDED THE NOMINATION. THERE WERE NO OTHER NOMINATIONS FOR VICE-CHAIRMAN. VOTE - UNANIMOUS

ITEM #3  
REVIEW AND APPROVAL OF MINUTES

Minutes of March 1, 2011

Mr. Diederling - page 3 about 1/2 way down...we can have a...change early to yearly update.

\*MOTION WAS MADE BY MR. PARE' TO APPROVE THE MINUTES OF MARCH 8, 2011 AS AMENDED. SECONDED BY MR. VIBBERTS VOTE - UNANIMOUS / MR. VIBBERTS, MR. KILTY, MS. BLISS, MR. HICKEY, MR. DIEDERING AND MR. PARE' - AYE ABSTAINING - MS. YAFFE, MS. BRIDGE AND MR. SYLVIA

ITEM #4  
TOWN MANAGER'S REPORT

FY'12 Budget Overview

Currently the Snow & Ice Account is \$100,000 in deficit. Paul Tilton, DPW Director/Town Engineer will be attending the FinCom meeting on March 22 to give an overview of that department.



(Handouts for Board of Selectmen's Meeting February 17, 2011) -Overview of Projected Revenues and Expenses – FY'12 (GHD Draft- 2/17/2011); Projected Revenues and Expenses – FY'12 –GHD's Guesstimate #1 (GHD Guesstimate #1 Draft – 2/17/2011); GHD's Guesstimate For a Balances FY'12 Budget February 14, 2011 (GHD Draft – 2/17/11; Projected Revenues and Expenses – FY'12 – GHD'S Guesstimate #2 (GHD Guesstimate #2 Draft – 2/17/2011); GHD's Guesstimate #2 Budget Summary 17, 2011 (GHD Draft – 2/17/11); FY'12 Budget Totals (GHD DRAFT – 3/8/2011); FY'12 Recommended General Government Budget – Summary of Non-Personnel Related Budget Changes (GHD draft – 3/8/2011); FY'12 Capital Budget Summary (Final – 3/8/2011); Ambulance Fund/Other Transfers (Final 3/8/2011); Reconciliation; March 7, 2011 Memo to Town Manager from S. Jensen, Asst. Town Engineer re: Emergency Repairs To The Boardwalk – Contract For Execution and relevant pictures (Reserve Fund Transfer request documentation); March 7, 2011 letter from the Town Manager to the Joint Committee on Public Services (Hon. John Scibak, House Chair and Hon. Katherine Clark, Senate Chair) re: Input on Municipal Plan Design Authority – H. 2964.

Health Insurance dropped amount by about \$10,000.

Short term debt...we have not had to do any recently. If we do get the Mass. School Building Assoc. (MSBA) grant money we may have to up front some money so that may change.

The Board of Selectmen has voted to support operating budget #1.

Upper Cape Cod Regional Technical School (UCCRTS) – Superintendent Kevin Farr firmed the Sandwich assessment at \$1.8 million would be safe. We should have a hard number next week. The Sandwich enrollment went down by five students.

Overview of Guesstimate #2 noting that the State numbers are of the most concern...we have no control over them. Charter schools could be a new cost item.

The Reconciliation Sheet should be kept in the front of our minds.

Brief discussion of the Golf, Community School and Marina Enterprise Funds regarding the health insurance budget.

-Mr. Diederling – on the subject of group health insurance, what would happen if the Community School had a bad year and could not afford to pay the town...would it be paid through the School Department.

-Mr. Dunham noted that the town always pays the bill.

After a brief discussion on use of the Stabilization, Mr. Pare' noted that he is not comfortable taking any money out of the Stabilization Fund for the operating budget.

-Mr. Diederling noted that on the Projected Revenues and Expenses – FY'12 (green page 2) at the bottom right the Estimated FY'13 Budget Balance is a \$2 million deficit. This is a structural deficit that has been there for a while.

-Mr. Vibberts noted that we need to leave the Stabilization Fund as it is.

-Mr. Diederling offered that \$1 million dollars is a level to keep the Stabilization Fund at.

-Mr. Sylvia, referencing Guesstimate #1, asked for a discussion on the \$29 million including Chapter 70 money.

-Dr. Johnson noting that the local contribution is almost \$23 million offered an overview. We need to honor the local contribution and the Chapter 70 money. There are only two ways to meet the structural deficit...cut recurring expenses and increase revenues.

-Mr. Sylvia asked if the \$29,225,227.00 is the bottom line budget from the School Committee.

-Dr. Johnson noted that the local Contribution is \$23 million on the budget, which has already been presented, we built in a -5% for Chapter 70.

-Mr. Diederling mentioned that the guidance that is given in the fall is always subject to change...it is a moving target.

#### FY'11 Reserve Fund Request – Emergency Boardwalk Repairs

Mr. Dunham gave an overview.

**\*MOTION WAS MADE BY MR. VIBBERTS TO APPROVE A TRANSFER OF \$10,000 FROM THE RESERVE FUND FOR BOARDWALK EMERGENCY REPAIRS. SECONDED BY MS. BLISS. VOTE – UNANIMOUS.**

Mr. Dunham gave an overview of a letter dated March 7, 2011 sent to The Honorable John Scibak, House Chair and The Honorable Katherine Clark, Senate Chair, Joint Committee on Public Services re: Town of Sandwich Input on Municipal Plan Design Authority – H. 2964 (addressing health insurance reform). Senate President Therese Murray and Representative Randy Hunt are both supportive of this.

## FY'12 Capital Budget

Mr. Dunham noted that the Capital Improvement Planning Committee (CIPC) has voted to support the current Capital Budget.

### ITEM #5 SCHOOL DEPARTMENT FY'12 BUDGET

Dr. Johnson gave an overview of the current FY'11 School Department budget of \$3.1 million noting that the School Department is allowed to move things around in their budget unlike the General Government budget that cannot move items around. The teachers fill out a requisition which has to be signed by the principal then to Ms. Austin and then to the Superintendent.

General discussion on the School Department budget.

-Dr. Johnson noted that in the middle of last year the School Dept. lost a lot of money on Chapter 70 and circuit breaker money. Approximately \$140,000 was generated from the Facilities Dept. but a significant amount of that is for salaries. The schools made a lot of reductions in pay role due to declining enrollment.

-Mr. Kilty - on the subject of contract cost increases, how does the School Dept. account for increases in salary costs?

-Dr. Johnson – we are in the process of negotiating contracts.

-Mr. Diederling – if a big hit comes in the middle or end of the year...it becomes a bigger problem. What is the contingency if there is a big hit?

-Dr. Johnson – we live within a budget.

-Mr. Diederling – in general terms, would it include staffing cuts?

-Ms. Susko, School Committee member – We will do whatever we have done in the past. We will make mid year decreases in staffing...staffing reductions if necessary.

With regarding to changes in this budget compared to past year's budgets, Dr. Johnson noted that FY'08 has been her bench mark. She is always looking at restructuring. Reductions in certain areas including some of our classes and increased some class sizes as needed. We are spending money on contracting out services when it is better. It costs about \$450,000 for us to educate the SPED kids in house. It costs about \$1.6 million to send them out of district. By doing a lot of restructuring, by hiring a lot of our own people we educate more of our kids in the system it is better.

-Mr. Pare' – some of the items that we've talked about in the past such as reductions, but it seems like we still have a lot of people.

-Ms. Yaffe – minimize your FTE's, contractual services go up and employees go down.

Numbers of personnel was discussed.

-Ms. Austin offered information on FTE's including the fact that there are people that are not being shown on the general School budget who are being paid by money from grants etc.

-Mr. Diederling noted that the Finance Committee wants to look at a number of key indicators to guide our decision making to see if we are funding the schools adequately. It is not just hiring and firing, there is significant reorganization.

-Mr. Kilty thanked Ms. Austin for her explanation but noted that some of the numbers don't add up and asked for an explanation.

-Mr. Sylvia noted that adding 10 drivers...this is only telling part of the story.

-Mr. Diederling - the FinCom is trying to get a handle on the year to year changes and we want the numbers to add up. We are not getting that...how the staff changes year to year.

-Dr. Johnson – some people we eliminate and contract thing out. We could break out teachers, etc.

-Mr. Pare' – you are saying that there were teacher reductions, but numbers remain the same.

-Ms. Susko – We now have larger class rooms than in 2005 and 2006. We gave limited extra curricular activities. Charter Schools cost us more. We have fewer dollars than the Charter Schools. We have reduced teachers' provisions each year. Our Superintendent has brought a lot of things back in house where it is simply the right think to do. Do you want to send your money out or invest in our own kids here in town? If you don't invest in your infrastructure you will pay.

General discussion on changes in teacher personnel.

-Mr. Diederling – the FTE is just one indicator. We still want to get a handle on staffing changes year to year.

-Ms. Susko – we can explain increases and decreases in staffing.

-Mr. Diederling – break it down...teacher, administration, non class room personnel.

-Mr. Kilty – How many people does the school department employee? We need the FTE and the part time people.

-Mr. Diederling – please provide us with these numbers.

-Dr. Johnson gave an overview of the FY'12 budget. Operating at a -2%. Even if we do get the funding. We are forced all the time to look at things creatively. We have to do more with less. Educate our children better each year in a cost effective way.

We have had to look at where we can reduce \$1.9 million just to balance the budget.

We reduced \$81,000 out of SPED by doing our own. Technically this money is for this year but we can carry it forward to next year. Approximately \$120,000 will be generated from Facilities Use.

-Mr. Diederling noted that a number of positive things have been hi-lighted.

-Dr. Johnson – we have reduced the budget. There are needs that have not been addressed in the budget. Has some concerns about class size. The budget makes the best use of the resources we have.

-Mr. Kilty stressed the importance of the FTE numbers. The Finance Committee asked questions last year and never got the answers. Perhaps we can address this issue next week and put it to bed.

Questions were raised about the school's utilities account.

The School Dept. noted that about \$840,000 has been encumbered from this account with only five months left.

Discussion of the utilities account.

-Ms. Austin offered that it would be irresponsible to budget utilities to close.

-Mr. Vibberts asked - how do you handle over due bills.

-Ms. Austin - accounts payable dates are sixty days or less.

-Mr. Dunham - the term encumbered... anticipated may be a better term.

-Mr. Diederling – back to the list... Sending Tuition #'s etc.

-Dr. Johnson gave an overview of School Choice.

-Mr. Pare' – it makes sense that if we have open spots, students can come to us.

-Dr. Johnson – we can determine who we take and who we cannot afford to take.

-Ms. Bliss – Do we know what the actual cost is to have these student coming to us from outside of the town?

-Dr. Johnson gave a brief overview.

-Mr. Diederling – this complicates things a lot.

-Ms. Yaffe – People move in an out of town, etc. We cannot look at this as a revenue source.

-Dr. Johnson agreed.

Discussion on school choice and charter schools.

Dr. Johnson gave an overview comparing Sandwich with other towns on Cape and it was discussed.

-Mr. Diederling noted that the Finance Committee needs to talk with the Schools about – Net School Spending, Full Time Employees, What can we do to help the Superintendent and School Committee better understand what the Finance Committee needs. Would it help to have a couple of Finance Committee members talked with the Schools more about what we need? Mr. Pare' would be ok with this. Ms. Bliss offered that she might be available for a conference call with Dr. Johnson. The FTE issue seems to be the thing we are having a hard time understanding.

-Mr. Vibberts – If we had the number of people and how that accounts to the number of FTE's then we would know about the benefits package.

-Dr. Johnson and Ms. Bliss will work on this.

-Mr. Diederling noted that other items to be discussed – Full body count for 2010, 2011 and 2012; FTE's; Where did changes occur; budget from last year; contracts costs and number of people; out sourcing; staffing changes; where staffing changes occurred and why.

-Ms. Bliss asked what the objective is to dissecting this information?

-Mr. Diederling noted that he wants the FinCom to look at some key indicators and their trends so we can see what the impact is of what we do.

-Ms. Killion of the School Committee discussed increases in staffing and break-down of vendors.

-Ms. Yaffe doesn't think we should be micro-managing. Feels much better about the school department budget information over the last several years. Looking for a level of reasonableness and acceptability.

-Mr. Kilty – needs to understand what the school district can absorb in terms of cuts. We seem to understand everything about General Government i.e. DPW, Public Safety etc. Doesn't have the same understanding of the school department. Needs a better understanding that he has now.

-Ms. Yaffe noted that she does not need to know the micro managing information.

-Mr. Vibberts – these are questions that we need to have the answers to next year because of the deficits.

Complimented the schools.

-Mr. Diederling thanked the school committee for coming. They will be at next week's meeting also.

**ITEM #6**

**OTHER**

Tuesday, April 5, 2011 will be the public forum with the Board of Selectmen for the budget. The Police and Fire Departments will be asked to attend the meeting on March 22. The DPW will also be invited to attend a meeting.

**ITEM 7**

**ADJOURNMENT**

**10:25 p.m.**

**\*MOTION TO ADJOURN WAS MADE BY MR. HICKEY. SECONDED BY MS. YAFFE VOTE – UNANIMOUS.**

Respectfully Submitted,



Diane M. Hanelt  
Secretary

Approved: 3/15/11

Supporting Documents:

- Projected Revenues and Expenses – FY'12 (GHD Draft – 2/17/2011)
- Projected Revenues and Expenses – FY'12 – GHD's Guesstimate #1 (Draft 2/17/2011)
- GHD's Guesstimate For Balanced FY'12 Budget February 14, 2011 (GHD Draft – 2/17/11)
- Projected Revenues and Expenses – FY'12 GHD Guesstimate #2 (Draft 2/17/2011)
- GHD's Guesstimate For A Balanced FY'12 Budget February 17, 2011 (GHD Draft 2/17/11)
- FY'12 Budget Totals (GHD Draft 3/8/2011)
- FY'2 Recommended General Government Budget – Summary of Significant Non-Personnel Related Budget Changes (GHD Draft 3/8/2011)
- FY'12 Capital Budget Summary (Final – 3/8/2011)
- Ambulance Fund / Other Transfers (Final – 2/28/2011)
- Reconciliation
- Memo dated 3/7/2011 re: Emergency Repairs to the Boardwalk
- Relevant photos of Boardwalk
- Letter dated 3/7/2011 from Town Manager to Joint Committee on Public Service re: Town of Sandwich  
Input on Municipal Plan Design Authority – H. 2964
- (School Dept. FY'12 Proposed Budget was handed out for review at previous FinCom)
- 2010 Expenditures per Pupil District Comparison
- Expenditures per Pupil all Cape Cod School Districts 2008-2010