

SEP 15 2011

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MINUTES  
OF THE  
FINANCE COMMITTEE  
TUESDAY, JULY 12, 2011  
7:00 P.M.  
OAK CREST COVE  
34 QUAKER MEETINGHOUSE ROAD

Present: Bill Diederling, Paul Sylvia, John Vibberts, Paul Kilty and Tom Hickey

Also Present: Town Manager George Dunham; Director of Assessing Ed Childs; Selectmen Frank Pannorfi, John Kennan and Jim Pierce; School Committee member Susan Sundermeyer; SCT

ITEM #1  
CALL TO ORDER

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

Mr. Diederling asked Mr. Dunham to preside over the reorganization - election of officers.

Mr. Dunham asked for nominations for Chairman-

Mr. Kilty nominated Mr. Diederling for Chairman.

There being no other nominations -

**\*MOTION WAS MADE BY MS. BLISS TO ELECT MR. DIEDERLING AS CHAIRMAN. SECONDED BY MR. KILTY. VOTE - UNANIMOUS.**

Chairman Diederling thanked the Committee for their support and asked for nominations for Vice-Chairman-

Mr. Kilty nominated Mr. Sylvia for Vice-Chairman.

There being no other nominations -

**\*MOTION WAS MADE BY MS. BLISS TO ELECT MR. SYLVIA AS VICE-CHAIRMAN. SECONDED BY MR. KILTY. VOTE - UNANIMOUS.**

ITEM #2  
REVIEW AND APPROVAL OF MINUTES

No minutes presented.

ITEM #3  
TOWN MANAGER'S REPORT

-We are in the process of closing the books on FY'11. Referencing all the department Reserve Fund transfers, noted that no money was needed for the Fire Dept. For the Police Dept. everything looks good so far.

-Gave an overview of the Comm. of Mass. DOR, Notice to Assessors of Estimate Receipts FY2012.

-received an e-mail from the Mass. Municipal Assoc. regarding health insurance noting that there was a compromise worked out which the employee unions are supportive of also. The benefits far out way the things that were weakened.

Mr. Diederling noted that the municipal health bill was a real step forward and a savings opportunity.

ITEM #4  
FINANCE COMMITTEE ITEMS

Director of Assessing Ed Childs gave an overview of what the tax revenue stream is...what comes into the revenue process -as well as Projected Revenues and Expenses - FY'12 (GHD Draft 7/12/11). The Assessing Dept. identifies sources of revenue and looks at taxation based on 2 ½ %. Approximately 74% on a \$1.00 comes from tax bills; State Aid is about 15 cents on \$1.00; Excise tax/Motor Vehicle receipts is about 8 cents on a \$1.00. Other revenues and fees that get set and other departmental revenues. We have been able to retire significant debt service over the years.

Brief overview of reduction of state aid, reduction of local receipts and reduction in new building growth.

Overview of Classification Workshop which decides if everyone is taxed at the same rate or if we are going to have different tax rates for different items. There will be some challenges in the revenue stream with the PAYT program so we will be adjusting as we go along.

-Mr. Dunham noted that 65 pages of the budget binder is detail of all this...and the summary document.

-Mr. Childs - there are lots of towns that don't have the documents available as we do and that is what the Comm. of Mass Department of Revenue (DOR) is looking for.

- Ms. Bliss – what is the primary cause of excise going down?
- Mr. Childs - the same number of bills but older vehicles. A little bit of a bump because of the incentive program. There being no further questions, Mr. Childs thanked the committee for their patients.
- Mr. Dunham noted that we are very fortunate that our financial departments work so well together...we are seamless at this point...Assessing, Tax Collector, Treasurer and Accounting.
- Mr. Childs mentioned that he has a great crew in his office...Assistant Assessor Walter Slepchuck, Field Technician Gary Fryxell, Office Manager Judy Rumul, Jeanne Varney and Sharon Smith.
- Mr. Dunham noted that we do all our assessing in house. On of the few towns left doing it this way thanks to Mr. Childs. The year the power plant comes up for re-assessment we might have to come up with more funding for an outside appraisal.

Mr. Sylvia gave an update on the Tri-Board Sub-Committee and referenced the recent meeting held on June 24 at 9:30 a.m. at Town Hall. All three representatives, Ms. Grundman, Mr. Sylvia and Ms. Sundermeyer, attended. Overview of Draft Mission Statement and Guidelines for Proposed Tri-Board Subcommittee...to help facilitate the communication between the committees; sit down twice a month and update their own committee; assist senior management of the town...if there is a project that needs help getting information out to the community. Most important is that it will be task oriented. Mr. Sylvia asked if they should go forward with this? All three boards would get copies of the minutes of the Tri-Board meetings. The communication between the three boards happens sporadically. If the board can bring it together this would be a good thing. Time will tell if it is beneficial. Sees the role of this board as being a facilitator.

- Ms. Bliss noted that another benefit is if the representative is giving regular updates to their own committee we know what is going on, we have a lot more back ground on a more regular basis and we can tell them exactly what we are looking for.
- Mr. Diederling – each representative reports to their own board so it is an advantage to all three boards.
- Mr. Kilty is in favor of the Tri-Board.
- Mr. Diederling noted that he has been consistently in favor of this. If we could get an actual Charge of Duties to look at and vote on it at a future meeting.

Discussion of the Finance Committee's role pertaining to the Community Preservation Act (CPA) Warrant Articles-

- Mr. Vibberts suggested the Committee postpone this discussion until next meeting when Ms. Yaffe is available. Are there any regular guidelines or bench marking what is expected by the State, etc.?
- Mr. Dunham – there is no requirement in the Community Preservation Act (CPA) for the Finance Committee to play a role. The question seems to be...do you look at the merits of the article or just the funding issue. Some people, from the public, felt it is an obligation of the Finance Committee and Town Counsel's Office agreed. There is still a question about funding or merits.
- Mr. Kilty noted that he was Chairman of the Finance Committee at the time when the CPA funding was about the East Sandwich Fire Station...gave an overview.
- Mr. Diederling offered that there is no guarantee that Ms. Yaffe can make the next meeting but we can postpone the subject one more time.
- Mr. Kilty doesn't think you are going to be able to resolve this...there are two sides that are diametrically opposed. Some towns have handbooks specific to the town for this.
- Ms. Bliss suggested this is a good segway into a Charter discussion which is the next item on the agenda. Further discussion on CPA funding.
- Mr. Sylvia noted, for example, CPA money going to building housing (Forestdale Village), etc., will it cost the town more money in the long run?
- Mr. Diederling – we also have rights of each member...I don't think you can dictate what members use to formulate their vote. We need to look at the future costs. We are spending tax payer's money that could be spent on something else. It could have been taking on debt.
- Mr. Kilty was one who thought we should be only looking at affordability. For the money that was being spent, it didn't add any affordable housing. Forestdale Village was not recommended by the Finance Committee and Town Meeting passed it anyway.
- Mr. Diederling – someone suggested having the Community Preservation Committee (CPC) in to the Finance Committee more often so that we are on top of things. Doesn't thing the article would even make it to the warrant if there wasn't enough money for it. Doesn't thing it is resolvable.
- Ms. Bliss – we have two roles...one as a member of the Finance Committee to recommend or not and then as citizens...as tax payers at Town Meeting.

- Mr. Diederling noted that he would never vote to recommend Town Meeting pass an article at Town Meeting that he would not vote for himself.
- Mr. Vibberts – thinks we should consider the CPA and the reimbursement from the State i.e. matching funding that we have had and what we anticipate...3% of our tax bills. We have 3% that is being spent as a throw back to a time when we were less fiscally constrained. We no longer have matching funds. Other towns have voted to discontinue participation in the CPA. Would prefer to view this not on an individual basis. Thinks we need to take a look at how the people's money is being spent.
- Mr. Diederling – we are advisory...watch dog role.
- Mr. Vibberts – we should quantify the amount of money we are working with on this. 2.75 percent of \$40 million dollars...that is money that is not being aggressively managed from the fiduciary end.
- Mr. Hickey – agrees that the CPC should be watched more closely. Doesn't think he has changed his mind from before. Thinks it is important that more people be available from the committee to way in on this.
- Mr. Kilty – the type of discussion Mr. Vibberts just brought up we generally don't have the time to discuss. Thinks they are excellent points and have a lot of merit. We are obligated until the year 2020 because some of our obligations come from the Land Bank.
- Mr. Diederling suggested a possible future discussion on this matter.
- Mr. Vibberts suggested postponing additional discussion on this matter until we have more people available.
- Mr. Sylvia suggested inviting the CPC chairman to attend a FinCom meeting.
- Mr. Dunham noted that the CPC does not have a chairman right now.
- Mr. Diederling suggested it may not be something we should do right now. Would it be helpful to have the other people on the CPC in the next time we have a meeting on the subject.
- Mr. Vibberts – feels it is not necessary to bring anyone else in to a meeting. We need to know where the money is coming from. As part of that, we need to be able to quantify what is coming from the State. We need to make an aggressive effort to see what we can do. Three percent is a lot of money that is being spent pretty easily.
- Mr. Kilty – can we find out if the 3 percent can be changed?
- Mr. Pierce – it cannot be changed.

Charter Review Committee suggestions

- Mr. Diederling – does anyone have any suggestions for changes to The Charter?
- Mr. Vibberts – there may be a more defined description of the Finance Committee...9 members, 3 year terms and appointed by the Town Moderator. More specifically worded.
- Mr. Kilty – Agrees. Some towns, it is only an advisory committee for warrants at Town Meeting. Other town Finance Committees have a larger role. Do we need a report to the Special Town Meeting?
- Mr. Dunham – Anytime there is a financial article there should be a recommendation from the Finance Committee.
- Mr. Kilty – would like to see the Finance Committee much more vocal and explain the recommendations written in two or three sentences to really give some insight and light as to why we shoes to recommend a particular article.
- Mr. Diederling – we start doing that in May.
- Mr. Kilty – if it is written in the Charter that if we ask for additional information on budgets...there are sometimes that we do not get it...there is no bite to it. We need to make it stronger. Doesn't know what we can do. It was noted that the last Charter Committee tried to do this. The Charter is covering everything but there doesn't seem to be a 'Charter Police'...write in to the Charter – who is the enforcer of the Charter...someone impartial...Town Counsel was suggested.
- Mr. Diederling – topics such as setting fees...a speaker at the podium at Town Meeting noted that we don't have a structural deficit all we need to do is raise fees / Pay-As-You-Throw (PAYT) went through and was never reviewed by the Finance Committee or Town Meeting. If a fee was going to increase over a certain amount, then it would require a vote of Town Meeting or a new fee added it would require a Town Meeting vote.
- Mr. Vibberts – we should have something to say about the increase of a fee. We are looking at how we spend taxpayer's money.
- Mr. Diederling asked Mr. Dunham - does the Board of Selectmen have the control to increase a transfer station fee?
- Mr. Dunham – yes, but thinks there is a state law that says you cannot change it more than what the cost to provide the service -and it may say that only the Board of Selectmen can set it.
- Mr. Kilty – good point but that doesn't fall under a proposed change to the Charter...possibly a by-law change.
- Mr. Diederling – that may be so but we could ask the Charter Review Committee to explore the possibility.
- Mr. Diederling – will put together a draft letter that the Finance Committee can send to the Charter Review Committee when it comes together sometime in the future.

- Ms. Bliss – We need to be careful not to make it so difficult to make changes that the Board of Selectmen cannot make changes and then nothing gets done.
  - Mr. Diederer – yes, but keep in mind it is just to raise a fee above a certain amount...say above 10% or 20% over a three year period then the Town Meeting would decide.
  - Ms. Bliss – While the suggestion has merit, it needs to be worded carefully.
- It was noted that Mr. Pannorfi wants to discuss having a representative from the Finance Committee and the School Committee on the Charter Review Committee.
- Mr. Vibberts suggested it depends on the qualifications of the membership.
  - Mr. Kilty agrees, doesn't think we need to have a Finance Committee member on the Charter Review Committee.
  - Ms. Bliss – is there someone on our committee that is willing to put the time in?
  - Mr. Diederer – at this time, the Finance Committee seems to have mixed feelings about this.

Other-

Mr. Vibberts – we will need an appointment to the Capital Improvement Planning Committee (CPC)...possibly next time.

It was suggested that a discussion on various Finance Committee liaisons would be a good idea for the next meeting.

9:00 p.m.

**\*MOTION TO ADJOURN WAS MADE BY MR. KILTY. SECONDED BY MR. VIBBERTS VOTE – UNANIMOUS.**

Respectfully Submitted,

*Diane M. Hanelt*  
 Diane M. Hanelt  
 Secretary

Approved: 9/13/11

Supporting Documents:

- Com. of Mass. DOR – Notice to Assessors of Estimated Charges FY2012
- FY'12 Cherry Sheet Receipts (GHD Draft 7/12/2011)
- FY'12 Cherry Sheet Assessments (GHD Draft 7/12/2011)
- Projected Revenues and Expenses - FY'12 (GHD Draft 7/12/2011)
- MMA –Alert July 12, 2011 – Legislature Enacts Municipal Health Insurance Reform Act by

Overwhelming Vote

- Presentation #2 – Revenues etc.
- Fiscal 2011 Classification Workshop Terms Definition
- Mass. Dept. of Revenue Division of Local Services, Assessment/Classification Report 2011 w/Average

Values

- FY2011 Recommendations
- Dept. of Revenue Tax Rate Capitulation Fiscal 2011
- Draft Mission Statement and Guidelines for Proposed Tri-Board Sub-Committee / June 24, 2011