

**MINUTES
OF THE
FINANCE COMMITTEE**

**TUESDAY, FEBRUARY 8, 2011
7:00 P.M.**

**OAK CREST COVE
34 QUAKER MEETING HOUSE ROAD, FORESTDALE**
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Present: Glenn Pare', Bill Diederling, Tom Hickey, Linda Bliss, Paul Kilty, Paul Sylvia and John Vibberts

Absent: Ellen Yaffe and Courtney Bridge

Also Present: Town Manager George Dunham, Selectmen John Kennan and Jim Pierce; School Committee Chairman Sherry Marshall and members Nancy Crossman, Jessica Linehan; Mary Stanley and SCT (Sandwich Community TV).

**ITEM #1  
CALL TO ORDER**

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

**ITEM #2  
REVIEW AND APPROVAL OF MINUTES**

Minutes of January 25, 2011

**\*MOTION WAS MADE BY MR. VIBBERTS TO APPROVE THE MINUTES OF JANUARY 25, 2011 AS PRESENTED. SECONDED BY MR. HICKEY VOTE - UNANIMOUS**

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

Update on the regular budget as it relates to the Governor's budget was for Chapter 70 aid, discretionary aid and our assessments. Overview of Projected Revenues and Expenses – FY'12 (GHD Draft 1/25/2011) of the \$65 million dollar budget, based on assumptions we were going with a few weeks ago, there is a shortfall of about \$550,000; FY'12 Cherry Sheet Receipts (GHD Draft 2/8/2011); FY'12 Cherry Sheet Assessments (GHD Draft 2/8/2011); Projected Revenues and Expenses – FY'12 – Governor's Budget (GHD Draft 2/8/2011) showing Total Estimated Expenses of \$66,666,220 and Estimated FY'12 Budget Balance of -\$515,315; Projected Revenues and Expenses – FY'12 – Governor's Budget (GHD Draft 2/8/2011) showing Total Estimated Expenses \$66,324,093 and Estimate FY'12 Budget Balance of -\$173,188; FY'12 Budget Totals (GHD Draft 2/8/2011); FY'12 Recommended General Government Budget (GHD Draft 2/8/2011 Summary of Significant Non-Personnel Related Personnel Changes; FY'12 Capital Budget Summary (Draft #5 – 2/8/2011); Exurbs from the Cherry Sheet Manual regarding Charter Tuition Assessment Reimbursement, School Choice Sending Tuition, Charter School Sending Tuition; Mass. General Laws: Chapter 44 Section 31D Snow & Ice Removal/emergency expenditures/reporting requirements; Mass Department of Elementary and Secondary Education / Chapter 70 Trends. Continuing his overview of Cherry Sheet information, Mr. Dunham pointed out that there is an important foot note at the bottom of the Cherry Sheet – 'Tuition assessment totals are subject to change until the final Charter and Schools choice figures are provided to the State DOE. Overview of some research Mr. Dunham has done on the subject of Charter School Tuition Assessment Reimbursement, School Choice Sending Tuition and Charter School Sending Tuition. Continued overview of Capital Budget - working with all the Department Heads including the Business Manager and the Facilities Director from the Schools, we were able to get the capital budget down under \$500,000. The Capital Planning Committee meets next Monday, February 14 at 4:30 p.m. at the Town Hall. The Town Manager

will go through this information with the Capital Committee at that time, after they take a vote the capital budget will be brought back to the Finance Committee.

Regarding how to address the failed debt exclusion on the building repairs, Mr. Dunham noted that he has spoken with Mr. Pare' and the Board of Selectmen, the Capital Improvement Planning Committee is going to talk more about it at their meeting on Monday. Suggested that a workshop meeting be planned, possibly on Tuesday night, March 1. Spread sheets would be available and Facilities Director Ted Hamilton would give a presentation and Assistant Town Manager Doug Lapp and Ted would walk everyone through the spreads sheets. It would be a public meeting in that it will be on TV, if they want to tape it, but it would be the only item on the agenda and there wouldn't be any public interaction.

The Wing School consultant plans to come to the Selectmen's meeting on the 17<sup>th</sup> of February and then at the first Selectmen meeting in March, on the 3<sup>rd</sup>, the Library consultant.

Continuing update of the Capital List - the stretcher replacements for the Fire Department have been taken off the list; dropped the cost to replace the Natural Resources pick up truck and the sanitation department the dividing walls that are between the bulk waist and the recycling area.

Overview of information (Ambulance Fund/Other Transfers Draft #5 – 2/8/2011) Mr. Dunham and Town Accountant Doreen Guild have worked on.

Continued overview of Cherry Sheet information as it relates to Charter School Tuition Assessment Reimbursement, School Choice Sending Tuition and Charter School Sending Tuition.

#### Overview of the Snow & Ice account-

This budget is just over \$250,000. The Finance Committee is requested to vote to approve deficit spending of the Snow & Ice Account in accordance with Chapter 44 Section 31D.

**\*MOTION WAS MADE BY MR. DIEDERING THAT THE FINANCE COMMITTEE APPROVE DEFICIT SPENDING OF THE SNOW & ICE ACCOUNT IN ACCORDANCE WITH CHAPTER 44 SECTION 31D. SECONDED BY MR. VIBBERTS. VOTE – UNANIMOUS.**

The Town Manager handed out the FY'12 Budget Binders and gave a brief overview.

Mr. Diederling - there is a \$500,000 plus deficit with three weeks left in the month of February...what is the plan?

Mr. Dunham - the Governor's information is still pretty new. We will probably get better information in a couple of weeks, but it will be tight.

Mr. Diederling noted that it may take some difficult decisions over the next three weeks to get the deficit down to zero.

Mr. Dunham mentioned that we may have to make some cuts but is fairly sure we won't be able to drop the health insurance any; we haven't heard from Upper Cape Cod Regional Technical School. The UCCRTS committee will have its budget hearing on Thursday night so we might have some rough idea of what Sandwich's numbers might look like early next week.

### **ITEM #4** **SCHOOL COMMITTEE PRESENTATION**

-Ms. Marshall, noting that the Superintendent of Schools is not present, offered that there are very few reductions in personnel in the School Department budget.

-Mr. Pare' opened the meeting up for discussion

-Mr. Kilty noted that, having just received the School Department budget, he needs time to review it. He suggested that the Superintendent of Schools should also be present for the discussion.

Brief discussion regarding Chapter 70 funding. It was suggested that the Finance Committee could e-mail any questions or comments about the School Dept. budget to the Superintendent and then the School Committee could try to attend a Finance Committee meeting next week.

-Mr. Pare' agreed.

-Mr. Pare' asked about the relationship of the overall budget size and the number of staff serving the overall population of students. With the decline in the student population over the last eight or nine years, where does that leave the percentage of teachers per student across the board? Where are we going with that and are there concerns we have to meet?

-Ms. Marshall noted that there is information on this in the budget binder as it relates to this budget.

-Mr. Pare' mentioned that it has been a challenge for this committee to get a clear answer. There are some charts in this binder that will be helpful. The challenge is getting the number of full time teachers and other full time employees in the schools, what is an FTE? In the past we have been told that there were a number of cuts and then it looks like there are more employees in the succeeding year so there is a question if there are actual cuts or if there is a transfer of people from one position to another. The relationship...what does it take to run the school department today compared to five and eight years ago and what is the population we are serving today vs. what it was then. The question is, is the corresponding number of full time staffing still adequate for addressing the needs of the pupil in the classrooms at the different grade levels and how stressed are we with those numbers as we project forward.

-Mr. Kilty, to clarify, noted that we have a police and fire department, they are very clear in terms of their staffing requirements for their objectives for public safety or the DPW for them to do what they need to do and in a similar fashion it would be good to have that information for the School District the staffing requirements to maintain a quality school district. It is good to have comparative numbers and staffing requirements on two other similar districts.

-Ms. Linehan noted that, as far as class sizes is concerned, you may get one answer from one person and a different answer from another person from a different school district...thinks that is a matter of judgment as well. Formulas can be different also. Some school districts may calculate things differently.

-Ms. Linehan – do you still have questions for the Superintendent on Net School Spending?

-Mr. Pare' it will be part of our discussion, when we get there. We also need to discuss how we plan for health insurance and insurance programs etc. for staffing when those numbers are in a separate bank of numbers that are controlled in a Town Meeting vote vs. under the school committee and the question happens to be how do you plan ahead. We have to discuss how we separate out the responsibility of this. Currently the administration of those programs is on the Town Government side...it also has a huge impact on the Personnel Department who is trying to deal with trying to explain the plans to the people etc. We want to get to some level of clarity so that we are all in accord that a savings is really a savings and not necessarily a shifting to somewhere else and that, even if it is a shifting to somewhere else, that is a decision that we collectively make and that it is a good decision to make and we want to do that knowledgeably and not just be forced into paying for things that way.

-Mr. Diederling agreed with Mr. Pare' and is also interested in discussing decision making, as the Selectmen are faced with year to year, how to give direction on where the operating budget should change. There are number of school expenses that don't come out of the school operating budget. That's the other aspect to it...the other reason the Finance Committee and Selectmen want to keep an eye on Net School Spending.

-Mr. Diederling passed out, for information purposes only, and gave a brief overview of newly updated numbers from the Mass. Dept. of Education (DOE) regarding Net School Spending. Noted that there is a perplexing trend in that because we are in such dire financial conditions yet we keep spending more and more...how can that be and why is that? It appears the big reason is decline in student enrollment and increase in insurances.

-Mr. Dunham gave a brief explanation of some of the Town's part in the Net School Spending process. Once the Town sends in the numbers to the DOE, we don't set what the amount is, the DOE does that. Once we send the numbers in, it's out of our hands. The two things that have impacted Net School Spending over the years is declining enrollment and as more and more students choose to go to other public schools, not private, when you do that total even though it does not come from our operating budget it does get factored in to the calculations as well.

-Mr. Pare' noted that there are a number of school issues that stress the Town budget. Several of our Town departments are understaffed; the DPW is paving less and less amounts of our roads. We have to decide what is the best use of the funds that we have and how do we understand that...the percentages.

-Ms. Linehan noted that there are some items that are not standard...they fluctuate over time.

-Mr. Kilty, referencing information at the bottom of Mr. Diederling's hand out, noted that the foundation budget is the state's testament of the minimum amount needed in each district to provide an adequate educational program. When you look at the foundation budget it is just slightly under what the actual budget is with the local contribution plus the Chapter 70. Thinks that has to be part of the discussion if you are going to talk about Net School Spending.

-Mr. Diederling noted that the required Net School Spending includes the other spending that is outside of the operating budget such as insurances, snow removal, trash removal etc.

-Mr. Diederling will also be asking about next week...interested in a discussion in general terms about the relationship of this budget to some unresolved collective bargaining agreements. i.e. It is his understanding that the teachers contract expired in June of 2010 so they are working without a contract...that needs to be resolved...that could potentially impact this year as well as next year's budget FY'12. This could be huge...what is the contingency?

-Mr. Pare' is there some planning for potential legal issues and what impact that might have in terms of this budget and future budgets...how do we deal with it? Is there some forethought being to all of this?

-Mr. Diederig noted that he wished to correct the record about something...it is important to me that when we speak publicly that the correct information gets out there...that we don't mislead people...I don't think anyone intentionally mislead anyone but at the public hearing that the school committee had on Monday the 1<sup>st</sup> a statement was made by a school committee member that needs to be corrected. The statement was that...over the past several years the school budget amount has decreased every year. This is simply not true. I wanted to correct the record because I think there are people out there that believe that the school budget amount has decreased year after year. It is because of misinformation. There have been cuts required because of increases in expenses etc. but the actual school budget amount and the amount we spend on the schools has not decreased over the past several years – every year. This year it did...this is the first year.

-Ms. Marshall asked, on the subject of numbers as far as health insurance is concerned, isn't that more between the two business managers. It doesn't seem to involve the School Committee when you're talking actuals.

-Mr. Pare' explained how this became a topic that the Finance Committee is asking about now. It was initially a topic of Certified Free Cash and its distribution.

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

**8:10 p.m.**

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

Respectfully Submitted,

Diane M. Hanelt  
Secretary

Approved: \_\_\_\_\_

Supporting Documents:

- Projected Revenues and Expenses – FT' 12 (GHD Draft 2/8/2011)
- FY' 12 Cherry Sheet Receipts (GHD Draft 2/8/2011)
- FY' 12 Cherry Sheet Assessments (GHD Draft 2/8/2011)
- Projected Revenues and Expenses – FY' 12 – Gov.'s Budget (attn: County/State Assessmt) (GHD Draft 2/8/2011)
- Projected Revenues and Expenses – FY' 12 – Gov.'s Budget (GHD Draft 2/8/2011)
- FY' 12 Budget Totals (GHD Draft 2/8/2011)
- FY' 12 Recommended General Government Budget / Summary of Significant Non-Personnel Related Budget Changes (GHD Draft 2/8/2011)
- FY' 12 Capital Budget Summary (Draft #5 2/8/2011)
- Ambulance Fund / Other Transfers (Draft #5 2/8/2011)
- Information from Cherry Sheet Manual / Charter Tuition Assessment Reimbursement, School Choice Sending Tuition, Charter School Sending Tuition.
- Snow and Ice Removal; Emergency Expenditures; Reporting Requirements