TOWN CLERK
TOWN OF SANDWICH

OCT 30 2013

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MINUTES
OF THE
FINANCE COMMITTEE
TUESDAY, OCTOBER 15, 2013
7:00 P.M.
SANDWICH HIGH SCHOOL CABLE STUDIO
365 QUAKER MEETINGHOUSE ROAD, EAST SANDWICH, MA

Present: Paul Sylvia, Ellen Yaffe, Gene Parini, Tom Hickey, Richard Reilly, Linell Grundman, Matthew Terry and Anne Dessertine

Absent: Mike Dwyer

Also Present: Financial Director Doreen Guild; Selectman Chair Jim Pierce; Superintendent of Schools Dr. Richard Canfield; School Committee members; other interested parties, Enterprise and SCT

ITEM #1
CALL TO ORDER

Meeting called to order at 7:15 p.m.

ITEM #2
REVIEW AND APPROVAL OF MINUTES

Minutes of Tuesday, September 24, 2013-
***MOTION WAS MADE BY MR. PARINI TO APPROVE THE MINUTES OF SEPTEMBER 24, 2013 AS PRESENTED. SECONDED BY MR. REILLY VOTE – UNANIMOUS - MS. YAFFE ABSTAINING**

ITEM #3
TOWN MANAGER / FINANCE DIRECTOR REPORT

a. FY'15 Budget Projection Assumptions-
Mr. Dunham presented information on Chapter 70 funding; the Town's exempt (from Proposition 2 ½) debt and non-exempt (from Proposition 2 ½) debt i.e. Land Bank (converted to Community Preservation Act); Tuition Assessments History (FY'95 – Present); Health Insurance Appropriation (FY'95 – Present); Barnstable County Retirement Assessment (FY'95 – Present); Free Cash Certifications (FY'95 – Present); Free Cash and Stabilization Fund Comparison; Local Receipts; Assumptions for Long Range Financial Plan (FY'15 – FY'19) – Revenues and Expenses; Projected Revenues and Expenses for FY'15.
Discussion-
Ms. Yaffe – has there been any discussion about a debt level?
Mr. Dunham noted that the Long Range Capital Plan addresses this.
During a discussion on Health Insurance Mr. Dunham noted that managed care has help with this. Through a State law Plan Design (which most closely mirrors other offerings that are out there) also helped. The Town's Human Resources Director is on the Steering Committee for the Cape Cod Municipal Health Group. The Town has charged the three Enterprise Funds - Marina, Sandwich Hollows Golf Club and the Sandwich Community School - for their portion of the health insurance. Approximately $300,000 has been rolled back because the community school is no longer.
On the topic of the Barnstable County Retirement Assessment, Mr. Dunham mentioned that, when we receive the assessment, we can hang out hats on it.
Mr. Dunham noted, during a brief conversation on free cash, that the tighter we make the budget, the less free cash we will have most likely over time. Once the State certifies the number the free cash is put toward the next year's budget. Unlike other communities, we don't have the luxury of using it on projects.
Regarding the Stabilization Fund Mr. Dunham noted that the Town is allowed to spend it on anything....if things come up. Use of the Stabilization Fund does require a 2/3rds vote of Town Meeting. We try to keep at least $1 million in the Stabilization Fund. The amount of money in the Stabilization Fund depends in part on estimated revenues i.e. real estate taxes paid. We have great collection rates...to their credit; the Sandwich tax payers are very good about paying their taxes. If we had 5% of the real estate taxes not paid we would take a big hit in the stabilization fund.

Ms. Guild explained that 'free cash' is basically the difference between what the town takes in in revenues and what is spent. Part of the formula the State uses in determining free cash is what are your outstanding receivables.
On the subject of tuition assessments, Ms. Yaffe noted that a letter was previously sent from the Town to all our elected officials...did anything ever come of that? Mr. Dunham – nothing.
Mr. Pierce noted that he spoke with Representative Hunt who put him in touch with David Vieira who is on the Education Sub-Committee. They are well aware of the pain...they are at a loss as to what can we do about it. The Charter School legislation was written to give parents in districts that were failing an alternative. In my mind is was unconscionable to drop a charter school in the middle of some of the most successful districts in the state but that is what the Dept. of Education chose to do. His contact with Mr. Hunt and Mr. Vieira was before the state denied permission for a group to set up a K5 charter school on Cape Cod. I wouldn't claim that their input or mine had and influence but it just may have.
Dr. Canfield noted that the School superintendents certainly raised their objections and offered that there are 171 Sandwich residents attending Sturgis Charter School. Dr. Canfield noted that for him they are just a reality. If the plan with the charter schools was to improve the public schools, he feels we've gotten it done. It is going to require patients and a willingness to stick to the plan. What we have heard from our parents through our surveying, I believe we have addressed the issues.
Ms. Grundman – what I am hearing is that it will take some legislation from the State to correct what the charter schools have economically done. We are all looking for fair funding for the cape.
Dr. Canfield noted that we are not advertising for school choice. The funds which are received from school choice...the law is very specific about how the money can and cannot be used.

b. Reserve Fund Transfer Request for Glass Town Cultural District - $15,800
Overview – The Town received the grant applied for but they cut how much they would give us and it is a matching grant percentage from the town.
***MOTION WAS MADE BY MS. GRUNDMAN TO APPROVE A RESERVE FUND TRANSFER OF $15,800 FOR THE GLASS TOWN CULTURAL DISTRICT IN COMPLIANCE WITH THE AWARDING OF AN ADAMS FUND PROGRAM GRANT TO THE TOWN OF SANDWICH. SECONDED BY MS. YAFFE VOTE – UNANIMOUS.**
Discussion-
As a follow up to a question raised by Mr. Parini, Mr. Dunham explained this funding in more detail.
Ms. Grundman thanked Mr. Dunham, Finance Director Doreen Guild, Planning Director Nate Jones and Library Director Joanne Lamothe for their help...you've done a really good word. Ms. Grundman and Kate Bavelock from the Sandwich Chamber of Commerce wrote the grant.

c. Draft List of Potential November 18, 2013 Special Town Meeting Articles-
Mr. Dunham gave an overview with particular attention to the financial articles.

In view of the time frame for having the warrant signed and posted in a timely manner for the Special Town Meeting, it was suggested that the Finance Committee could meet on Tuesday, October 29 (instead of the previously discussed 1st Tuesday, November 5) at 7 p.m. at Town Hall.

d. Other - None

ITEM #4
COMMITTEE

a. Sub-Committee Assignments/Reports-
None

b. Future Meeting Schedule – Previously discussed.

c. Other – Ms. Grundman noted that the final public hearing on the County Charter Review will be held tomorrow night at 5:30 p.m. at the County Assembly of Delegates. You can attend or submit written testimony.

ITEM #6
ADJOURN

8:23p.m.
***MOTION TO ADJOURN WAS MADE BY MS. GRUNDMAN. SECONDED BY MS. YAFFE VOTE – UNANIMOUS.**

Respectfully Submitted,

Diane M. Hanelt, Secretary

Approved: _____

Supporting Documents:

- FY'15 Budget Projection Assumptions
- Copy of letter from Selectmen to Chairmen of School Committee and Finance Committee dated 9/21/2006 Re Standard Operating Procedure for School Dept. Annual Budgeting Process
- Town of Sandwich Debt Schedule
- Town of Sandwich Total Exempt Debt
- Tuition Assessments History FY'95 – Present
- Health Insurance Appropriation FY'95 – Present
- Barnstable County Retirement Assessment FY'95 – Present
- Free Cash Certifications FY'95 – Present
- Free Cash & Stabilization Fund Comparison
- Town of Sandwich Local Receipts
- Assumptions For Long Range Financial Plan: FY'15 – FY'19 (Revenues)
- Assumptions For Long Range Financial Plan: FY'15 – FY'19 (Expenses)
- Projected Revenues and Expenses – FY'15
- Copy of letter from Selectman Chairman John Kennan dated June 18, 2012 to the Mass. Cultural Council – Cultural District Application
- Copy of letter from Town Manager to the Adams Arts Program Grant for the Glass Town Cultural District Mau 23, 2013 and back up information
- List of Potential November 18, 2013 STM Articles (GHD Draft 10/10/13)
- Ballot question option 1- one or two school department capital outlay expenditure exclusion(s)
- Ballot question option 2 – debt exclusion question

  And back up information.