

MINUTES
OF THE
FINANCE COMMITTEE

WORKSHOP MEETING

TUESDAY, FEBRUARY 18, 2014
6:00 P.M.
TOWN HALL MEETING ROOM
130 MAIN STREET, SANDWICH, MA

TOWN CLERK
TOWN OF SANDWICH

MAR 05 2014

3 P.00 A.P.M.
RECEIVED & RECORDED

Present: Paul Sylvia, Gene Parini, Tom Hickey, Richard Reilly, Linell Grundman

Absent: Ellen Yaffe, Mike Dwyer, Matt Terry, Anne Dessertine

Also Present: Town Manager George Dunham and SCT.

ITEM #1
CALL TO ORDER

Meeting began at 6:10 p.m.

ITEM #2
BUDGET WORKSHOP

The Town Manager presented the budget to the Board of Selectmen last week. The question at this time is...is there a way to solve the school's budgetary problem without an override. Mr. Dunham spoke with School Superintendent Richard Canfield and Director of Finance and Business Operations Michelle Austin before vacation to see if they could get some particular numbers together. It is looking better.

Town Manager's Overview-

Some towns get in trouble when they over estimate revenues and local receipts. The IRS is more closely monitoring figures.

Under estimating expenses also presents problems.

Good cooperation and understanding with all financial departments and the school staff is very important.

Checks and balances especially through the state.

Good working relationships with Town Assessor, Collector, Treasurer and Accountant/Financial Director are key. Revenues and Expenses statement reviewed. Through the budget, Town Meeting approved items including health insurance.

The State can force towns to do things to balance the budget, if necessary.

At this time we have a coordinated IT system.

We are required to have an annual audit. We are always asked if there are any special areas we would like the auditors to concentrate on. We ask the auditors to look at the Golf and Marina a little closer just because there is cash handling.

The town is required to report if you take any federal grant money i.e. the schools or the Police Department.

We receive a Management Report...where the auditors make suggestion on how and what to do better.

Mr. Parini offered - Role of the Finance Committee – handout which can be found on the town's website.

There is monthly reconciliation of cash funds.

Tax collection rates are outstanding...98%. There is a formal tax title process for any issues. It is a very fair process...a payment plan can be worked out if necessary.

We have investment restrictions...the Town Treasurer is restricted by state law...you can't invest in stocks and bonds...you can invest in Certificates of Deposits (CD's). The Treasurer is trying to plan out... cash flow. We update policies all the time. For about 25 years Barbara Dakin from the Mass. Department of Revenue (DOR) was

the person we worked with. She recently retired. Any time we had an issue we contacted her first. Currently our contact person is Jarod Curtis. The DOR representative actually saw the Town of Sandwich as a good role model with the Golf Course.

The tax collector recently retired and, as is the case in many other towns... We are trying to combine the town treasurer and collector positions. At this time it seems to be working ok...tentatively giving the process 'til the end of June and re-evaluate it then. You can have a treasurer be a collector but you cannot have a treasurer be an accountant.

Any time we go out to bond on a project, we have to have a separate bond counsel to oversee the project. If a town department needs to be in touch with legal counsel they go through the town manager. The school department has its own counsel. Attorney John Georgio and Attorney Lauren Goldberg serve as legal counsel for the town.

The local financial advisor is Jim Eldredge from the Cape Cod 5 Bank...he keeps things organized for the town. Standard & Poor's upgraded the town for the 3rd time in 3 years...we are now AA+.

The Massachusetts Municipal Association (MMA) is the lobbying group for all 51 cities and towns in Massachusetts. They work with the legislators on things such as school tuition; charter schools etc.

State law states that you can give the school department on number and they can do with it as they feel necessary. General government is different. You can transfer up to 3% to any account via a Reserve Fund Transfer. Cannot transfer from one account to another. The wage adjustment account is the only account we can transfer from within.

Overview of Stabilization Fund.

Budget Summary – Revenues & Expenses page overview.

Tab #5 in the budget binder gives details of expenses of each general government department with a five year history.

Enterprise revolving funds i.e. sanitation, golf and the marina. General discussion and Mr. Dunham noted that Mr. Tilton, DPW Director/Town Engineer will be able to explain the PAYT better when he comes in on the 25th.

The town accountant's office gives all departments a summary sheet once a month of what was budgeted, what was spent and what the current balance is.

The school department is different but once everything is set up with the new system, we can track expenditures on the computer.

The Upper Cape Tech School budget may be better than we originally thought. They will be having their budget hearing next Monday night so we might have some numbers by next Tuesday.

Mass. Inter-local Insurance Company (MIIA) handles most all of our insurance. Thanked Assistant Human Resources Director Jan Hagberg and Office Manager Kathy Coggeshall for all the work they do with MIIA including processing claims, organizing training programs and keeping track of insurance credits.

Mr. Dunham asked if there are anything questions the Finance Committee wants him to ask the Police and Fire Departments and the Department of Public Works to be ready to answer next week? It was noted that 'in a perfect world' we would have a road bond for 6.5 million dollars and then another \$300,000 in the DPW budget to keep it up.

Mr. Hickey mentioned that he does a lot of driving around the upper cape area...snow removal is fine on all the town roads you drive on but the quality of the roads is the worst in Sandwich.

Mr. Hickey noted, with regard to School Superintendent Dr. Canfield's presentation last week that the Superintendent did a good job but Mr. Hickey is not happy with the numbers Dr. Canfield presented.

Mr. Sylvia looking for total number of students; total number of staff and up and down comparisons.

Ms. Grundman – it would be helpful to see how many employees in the school department are full time and how many are part time. Student enrollment has come down significantly. Mr. Dunham noted that there is constant movement in the school department checks system (processed through the Town Treasurer’s Office) i.e. substitutes teachers etc.

Mr. Sylvia would like the breakdown by grades i.e. grade three (3) # of students...# of teachers...etc.

It was noted that there is a huge risk in abandoning the Wing School. Until we move the municipal departments in, we should not pay for anything i.e. custodians etc.

Mr. Hickey – who retains ownership of the school?

Mr. Dunham – if it is no longer being used as a school...back to the town. The problem is there is a lot of work to be done to bring it up to code.

ITEM #3
ADJOURN

Meeting ended at 7:25 p.m.

Respectfully Submitted,

Diane M. Hanelt, Secretary

Approved: _____

Supporting Documents:

- Handout from Mr. Parini – Role of the Finance Committee – an excerpt from the Finance Committee Handbook -document on the town’s website