

Town Clerk

MINUTES
OF THE
FINANCE COMMITTEE
TUESDAY, MARCH 4, 2014
7:00 P.M.
TOWN HALL MEETING ROOM
130 MAIN STREET, SANDWICH, MA

TOWN CLERK
TOWN OF SANDWICH
MAR 19 2014
4 H 00 M P M
RECEIVED & RECORDED

Present: Paul Sylvia, Ellen Yaffe, Gene Parini, Mike Dwyer, Rich Reilly, Linell Grundman and Matthew Terry

Absent: Tom Hickey and Anne Dessertine

Also Present: Town Manager George Dunham, Selectman Chairperson Jim Pierce, Jim Kinsella - Enterprise and SCT.

ITEM #1
CALL TO ORDER

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

ITEM #2
REVIEW AND APPROVAL OF MINUTES

Minutes of Workshop Meeting Tuesday, February 18, 2014-

*MOTION WAS MADE BY MR. PARINI TO APPROVE THE MINUTES OF THE WORKSHOP MEETING OF FEBRUARY 18, 2014 AS PRESENTED. SECONDED BY MS. GRUNDMAN VOTE – UNANIMOUS - Ms. Yaffe, Mr. Dwyer and Mr. Terry abstaining

Minutes of Tuesday, February 25, 2014-

*MOTION WAS MADE BY MR. PARINI TO APPROVE THE MINUTES OF FEBRUARY 25, 2014 AS PRESENTED. SECONDED BY MS. YAFFE. VOTE – UNANIMOUS - Mr. Dwyer and Mr. Reilly abstaining

ITEM #3
TOWN MANAGER REPORT

- Overview of Information Packet (February 27, 2014) Proposed Balanced FY'15 Budget Without School Override.
- Overview of Projected Revenues and Expenses – FY'15 (GHD Draft 2/18/2014 ((page #1)) showing Estimated FY'15 Budget Balance -\$223,235; Projected Revenues and Expenses – FY'15 (GHD Draft 2/18/14 ((page #2)) showing Estimated FY'15 Budget Balance -\$663,985; FY'15 Revenues & Expenses – GHD Balanced Draft – 2/14/14((page #3)); Projected Revenues and Expenses - FY'15 (GHD BALANCED Draft – 2/25/2014 ((page #4))showing Estimated FY'15 Budget Balance \$14,230; Projected Revenues and Expenses – FY'15 (GHD BALANCED Draft 2/25/2014 ((page #5)) showing the two comments columns for revenues and expenses; Projected Revenues and Expenses – FY'15 (GHD BALANCED Draft – 2/26/2014 ((page #6)) showing \$ Change columns for revenues and expenses; FY'15 Capital Budget Summary Draft #4 – Presented to the Capital Improvement Planning Committee (CIPA) on February 24, 2014...Projects Total >than \$10,000 and Projects Total <\$10,000(page #7); Summary of Prioritized Large-Scale Capital Projects.
- Trying to balance the budget, we were going to have to be risky but not reckless. The assessment from the Upper Cape Regional Technical School (UCCRTS) was much less than we expected...which helps



with the funding for the school budget. Money from the state is money we are not sure of so that is one risk. The Reserve Fund is not touched at all. Another risk is trying to cover any snow & Ice issues which we usually take from the Reserve Fund. Our assessment from the UCCRTS is \$1.828 million.

-As presented in FY'15 Revenues and Expenses – GHD Balanced Draft -2.14.14 (page#3/second page) the total proposed FY'15 School Department budget is \$31,300,000. This includes the higher Ch. 70 amount proposed by the Governor and reduces the local contribution increase from the original 4.36% voted by the School Committee to 3.78%. The School Committee will consider transferring an additional amount in School Choice offsets to lower the voted \$31,358,436 budget (4.36% local contribution) to \$31,300,000 (3.78% local contribution). The Selectmen will consider amending their level-funding Ch.70 budgeting policy for FY'15 only to include the additional \$77,325 proposed by the Governor. Trying to reduce the local contribution. With regard to the H.T. Wing School which will not be used by the School Dept. beginning the next school year and going forward, a detailed accounting of the operational costs of the school is needed and, in Mr. Dunham's opinion, the Town should not be responsible for any H.T. Wing School costs until municipal services are located in the building. These funds are already in the school department budget and should remain the school's responsibility – granted at a much lower operational level – until the building is being used for a different purpose.

Ms. Yaffe – with regard to the Chapter 70 funding from the state, did the Selectmen approve waiving it...the school will have to come up with \$77,000 if it does not come through from the state?

Mr. Dunham – the Selectmen voted 5-0 to vote the budget as it will be presented at Town Meeting.

Mr. Terry – what is the worst case scenario?

Mr. Dunham - these assessments will be ok – worried about the state funding. We have already budgeted tighter than most towns. When we get our cash certification it may be a little less.

Mr. Parini – concerned about using funds from the Stabilization Account; over-time costs in Fire and Police Departments and the deficit in the Snow & Ice Account. We are close to using up the Reserve Fund. Could there be any other cuts found...may be in the School budget?

Referencing the \$ Change column on the Projected Revenues and Expenses – FY'15(page #6) Mr. Dunham noted that \$75,000 has been taken from both the Health Insurance and Property & Casualty Accounts; Unemployment Account and Short Term Debt have been dropped by \$25,000 each; Ambulance purchase show a +\$265,000. The biggest help was the \$270,000 drop in the anticipated Upper Cape Cod Regional Technical School (UCCRTS) assessment.

We try to keep around one \$1 million in the Stabilization Fund. The lowest we have ever had is \$500,000

Ms. Yaffe noted that Mr. Dunham has done a great job balancing the budget.

Mr. Dunham – the fall of 2015 we may see the difference.

Ms. Yaffe – the local contribution is still high. Doesn't see that the schools have really made an effort to lower their budget. Thinks there is still money there to save. 3.78% is still too high...it should be closer to the 3%.

Mr. Parini would like to second what Ms. Yaffe just said. When we had the schools in to discuss their budget, we didn't hear anything about staffing. We were trying to get an idea of enrollment. F/TE's and the budget comparisons for '10, '11, '12 and '13. We have asked a number of times for the information. It is something Mr. Parini would like to see.

Ms. Grundman – there is a problem because the general government's and school's budget are different. Thinks the FinCom needs to make a formal request from the School Committee for this information.

Mr. Sylvia – it has been requested by way of the Superintendent and it was denied. The raw data is there if we want to go through it. Was told they don't have enough staff or time to put it together. Once there are only two schools it will be easier for them. Right now their focus is on STEM.

Mr. Parini – We did ask for this information...it was involved in the initial list of questions.

Ms. Grundman – doesn't think the schools understand why we want this information and still thinks the request for information should go to the school committee.

***Ms. Grundman made a motion that the Finance Committee go through the School Committee regarding the budget information.** The motion was not seconded.

Mr. Sylvia will copy the School Committee on any requests to Dr. Canfield.

Mr. Reilly – it doesn't seem like it is that much of a request for simple data.

Mr. Sylvia doesn't think they keep very good track of staffing...they outsource a number of things now that were 'in house'...it has changed a lot. Prior to Dr. Canfield's arrival the numbers weren't available.

Mr. Dwyer – it shouldn't be that difficult...all you have to do is a check run...F/TE's, enrollment etc.

Thinks they want to know from us what the numbers show us.

Mr. Sylvia – I think what Ms. Yaffe asked for was very clear.

Ms. Yaffe – I want to look at trends...it can be very helpful in analyzing. Concerned about keeping the budget at 3%. Wondering what the budget was and how much they have spent to present.

Mr. Dunham noted that the Selectmen voted the budget last week because the Charter requested that it be voted by March 1 but the vote was dependent on any changes.

Ms. Yaffe knows that the F/TE's data is very hard to compile. Thinks they are doing it now...to reconstruct it if you have not been doing it right along.

Mr. Sylvia – do we want to invite Dr. Canfield to come back and discuss why the local contribution is still so high?

Mr. Parini- proposes that the FinCom should try again for the information for the past five years.

Mr. Sylvia- the Superintendent has done it for the last three years...that may be what we can get.

Ms. Yaffe – trying to get the local aid contribution down to 3% and not 3.78%.

Mr. Parini – agrees...is there any possible cost savings?

Mr. Reilly – Dr. Canfield mentioned that he anticipated a one million dollar savings next year.

Mr. Sylvia – There are members who have offered their time to go over the numbers with the Superintendent and his staff.

Ms. Grundman – the FY'15 school department budget was originally at over a 6% increase. Our decreased enrollment has been so consistent, now it is time for us to return some of the money to the town; however, this may not be the year. Dr. Canfield has created a vision. It is a huge transition. This is the year that we give the schools what they need to open STEM hoping that the investment will move the school system in the next phase. Thinks we are getting a grace period this year to look at savings and a new fiscal plan for the schools.

How do we get ready for the budget season next year?

Mr. Sylvia – the FY'15 High School Salaries information shows for FY'13 they were at 4.8 million and increased for FY'14 to 5.4 million.

Town Manager – Reviewed Projected Revenues and Expenses FY'15 (GHD Balanced Draft 2/25/2014) – Comments column showing several possible worries including State tuition assessments and Snow & Ice accounts.

Town Manager gave overview of FY'15 Capital Budget – Draft #4 – Total FY'15 Capital Expenses equals \$604,531

Which has been supported by the Capital Improvement Planning Committee.

Mr. Dwyer inquired about the meals tax revenue. Would it not be a contributor toward capital?

-In response to written questions submitted by Ms. Yaffe, Town Manager notes-

Ms. Yaffe - Merging of the Tax Collector and the Treasurer position...the difference in the duties...how they can be effectively managed without a big difference in the operation of the departments.

Town Manager – If we were all in one building it would be easier. Wage adjustment account – money saved from the tax collector position which is now being covered by the Town Treasurer.

We have very qualified staff in both the treasurers and the tax collector's departments. The Human Resources (HR) Department is working with them to see if there is a lot of extra work on each of the departments. It would be nice to have some cross training in the departments. The State sets up check and balances. The concept of combining Assessing, Town collector and Treasurer. We cannot have Town Accountant be one of them because you need a check and balance and the treasurer and accountant check/balance each other.

Ms. Yaffe -Library on the subject of trust fund assumptions – Budget #610

Town Manger - you never know what the trust fund would be. The only number you can count on is the State aid to libraries because it is on the Cherry Sheet. Our auditors have told us not to depend on money we don't control. If you give them a higher budget then what?

Town Manager – the library made an internal decision to fund the library Sunday hours.

Ms. Yaffe -Sandwich Hollows Golf Club Budget documents and operating budget.

It was noted that weather is one of the biggest issues facing the golf club these days.

Town Manager- \$24,000 less than last year. Since 2001 there has only been one year the expenses exceeded the income. John Johnson and Dave Polidor keep a close eye on things.

There is still money left from the fund that were appropriated in 2009. Some of the projects that have been done are...resided the whole building; new windows; a chair lift so it is now handicap accessible. We have a very committed food and beverage group. That is up quite a bit since they started. The irrigation needs some help. It does not come from town water. They have their own wells. It is a good water system there for the future of the town. The building is electric heat which is a problem. We now have a gas line into the club house. We are working with Nation Grid to make this more efficient.

Mr. Dunham – it is a very weather dependent operation. (Budget #620 – Revenues for the last 6 months). Compared to other cape towns we got into the golf business late. We are used to being very tight...other cape towns were not so tight. The Department of Revenue (DOR) picked us as a good example...we don't spend more money than we bring in. Over ten courses on the cape...the DOR was less worried about us because we are so tight. Ms. Yaffe noted – a great turn around in the food and beverage.

Mr. Parini - \$50,000 to the Sandwich Economic Initiative Corporation (SEIC)...how are they doing in terms of that budget.

Mr. Dunham – the money was given about 1 ½ years ago...that money has been spent on engineering consultants and legal consultants...it is pretty much spent down.

Mr. Parini – maybe we should ask them to give us a breakdown to see what we have gotten for the money.

Mr. Dwyer asked about the prioritized list of large scale capital projects...were they included in the recommendation for SEIC

Mr. Dunham...they have seen the list and approved the summary of prioritized large scale capital items.

Group A – Top Priorities has a unanimous vote of the Board of Selectmen in the order as presented.

Passed along that the Finance Committee reached a consensus on the road bond last week.

Mr. Terry – Great job, Mr. Dunham, on balancing the budget.

Mr. Parini – Congratulations to Mr. Dunham and his team on the recent Standard & Poors bond rating increase.

Mr. Dunham – all town departments cooperating means a lot.

ITEM #4
COMMITTEE

Sub-Committee Reports-
None.

Future Meeting Schedule-

Tuesday, March 18th. Probably discussion of cost issues for the school department.
Mr. Sylvia noted that he will not be at the meeting on the 18th. Ms. Yaffe will preside at Chairperson.
Mr. Dunham asked if the Finance Committee wants to invite Bob Dutch, Superintendent at the Upper Cape Cod Regional Technical School to come in on the 18th or the next week.
Mr. Parini suggested talking with the town treasurer and his role in all this.

Other –
None

ITEM #5
ADJOURN

8:43 p.m.

***MOTION TO ADJOURN WAS MADE BY MS. GRUNDMAN. SECONDED BY MR. PARINI
VOTE – UNANIMOUS.**

Respectfully Submitted,



Diane M. Hanelt, Secretary

Approved: 3/18/14

Supporting Documents:

Multiple Pages of Revenues and Expenses different Scenarios