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**MINUTES
OF THE
FINANCE COMMITTEE
TUESDAY, JANUARY 20, 2015
7:00 P.M.
TOWN HALL MEETING ROOM
130 MAIN STREET, SANDWICH, MA**

Present: Gene Parini, Linell Grundman, Mike Dwyer, Matt Terry, Rich Reilly, Bob Guerin and Jim Lehane

Absent: Tom Hickey and Mark Snyder

Also Present: Town Manager George Dunham, Assistant Town Manager Doug Lapp, Financial Director/ Town Accountant Doreen Guild, Selectman Frank Pannorfi, Jim Kinsella of the Enterprise Newspaper and SCT

ITEM #1
CALL TO ORDER

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

ITEM #2
PLEDGE OF ALLEGIANCE

ITEM #3
REVIEW AND APPROVAL OF MINUTES

Minutes of Tuesday, December 30, 2014-

***MOTION WAS MADE BY MS. GRUNDMAN TO APPROVE THE MINUTES OF DECEMBER 30, 2014 AS PRESENTED. SECONDED BY MR. DWYER.
VOTE – MR. PARINI, MS. GRUNDMAN, MR. DWYER, MR. GUERIN AND MR. LEHANE IN FAVOR. MR. TERRY AND MR. REILLY ABSTAINING**

ITEM#4
TOWN MANAGER UPDATES

-Review of Warrant Articles for Special Town Meeting Monday, February 9, 2015 Thursday night, January 22 the Board of Selectmen will sign the warrant. The warrant will be posted by the Constable on Friday, January 23 then it will be sent to the printer. At this time, no date has been set for the pre-meeting for the Special Town Meeting.

Article #1- Re-appropriate School Capital Expenditure Exclusion Balances to Oak Ridge & Forestdale Improvements.

Mr. Dunham gave an overview. \$150,000 was voted at the Annual Town Meeting for building repairs at the high school for STEM. This article is a request to re-appropriate school capital expenditure exclusion balances of approximately \$140,500 to Oak Ridge & Forestdale improvements.

Mr. Dwyer asked if the high school A Wing STEM improvements are done...is the A Wing closed.

Mr. Dunham – yes.

Mr. Dunham has been trying to work with town departments on capital items and he has spoken with School Superintendent Dr. Canfield who said they don't have any capital items this year.

Mr. Dwyer – have supporting documents for articles 1 & 2 been through the Capital Improvement Planning Committee? \$410,000 was approved based on the single summary sheet?

Mr. Dunham – yes.

Mr. Guerin – some requests have substantial amounts of back up material such as the Marina; however, not impressed at all by the schools information...\$100,000 for moving costs with no explanation...first item on page three...\$73,000 overage by a prior project previously approve at \$150,000...they were off by almost half of the project. The CIPC received this request and considered it but was it on the capital plan or new and characterized as extraordinary?

Mr. Dunham – The A Wing was discussed. There has not been any Long Range Plan that CIPC has seen mostly because STEM was not planned. The Wing School...it has not been on the plan. Not unusual to have over \$250,000 in capital request and have to cut them back.

Mr. Guerin noted information regarding capital spending in the schools.

***MOTION WAS MADE BY MR. GUERIN TO NOT RECOMMEND APPROVAL OF ARTICLE #1. SECONDED BY MR. DWYER.**

Discussion-

Ms. Grundman – this particular article is hard for me to support. Concerned about our process for resource management. We should do some thoughtful planning and consideration. Better documentation and better planning...cannot support the article without this.

Mr. Reilly – what happens to the money if this article does not pass?

Mr. Dunham – this money could be used for repairs in any of the schools.

Mr. Reilly – this does not seem like an extra ordinary request.

Mr. Terry - suggests that the Committee vote against the motion and that we vote for the article. It sometimes feels like we are trying to find problems that don't exist.

It was noted that school spending for FY'16 will be under FY'15.

Mr. Guerin – We don't have enough information on things like moving for \$100,000...no justification. Thinks we should have justification for spending the money they are suggesting.

VOTE – MR. LEHANE, MR. GUERIN, MR. DWYER AND MR. PARINI IN FAVOR OF THE MOTION TO NOT RECOMMEND. MR. TERRY, MS. GRUNDMAN, MR. REILLY AND AGAINST THE MOTION TO NOT RECOMMEND. MOTION TO NOT RECOMMEND ARTICLE #1 CARRIES

Article #2 – Additional Capital Appropriation for Oak Ridge & Forestdale Improvements

Mr. Dunham gave an overview.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #2. SECONDED BY MR. TERRY.**

Brief discussion

VOTE – MS. GRUNDMAN, MR. REILLY, MR LEHANE, MR. PARINI AND MR. TERRY IN FAVOR. MR. DWYER AND MR. GUERIN AGAINST MOTION TO RECOMMEND ARTICLE #2 CARRIES

Article #3- Reauthorize CPA Funds for Beach Restoration Project

Mr. Dunham gave an overview.

***MOTION WAS MADE BY MR. TERRY TO RECOMMEND APPROVAL OF ARTICLE #3. SECONDED BY MR. REILLY.**

VOTE – UNANIMOUS

Mr. Reilly asked if the people on the beach committee are supportive of this article?

Mr. Dunham – yes

Article #4 – Petition Article – Beach Restoration Fund-

Mr. Dunham noted that this article is not recommended by the Board of Selectmen. Mr. Dunham gave a brief overview. It is to set up a special account for beach nourishment...taking general fund money and using it for a specific issue.

Ms. Grundman asked Mr. Dunham to explain the process if this does pass at Town Meeting.

It would have to go to Town Meeting every year to appropriate money for this. To be used for beaches specifically.

***MOTION WAS MADE BY MR. LEHANE TO NOT RECOMMEND APPROVAL OF ARTICLE #4. SECONDED BY MS. GRUNDMAN.**

VOTE- MR. LEHANE, MS. GRUNDMAN, MR. PARINI, MR DWYER, MR. REILLY MR. GUERIN AND MR. LEHANE IN FAVOR OF NOT RECOMMENDING APPROVAL OF ARTICLE #4. MR. TERRY IS OPPOSED TO NOT RECOMMENDING

Article #5 – CPA Project – Grist Mill Wheel

Mr. Dunham gave a brief overview explaining that this is to repair the wheel at the mill approximately \$60,000. The CPA voted to approve this.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #5. SECONDED BY MR. LEHANE**

Discussion-

Mr. Guerin noted that we should be seeing cost estimates explaining the costs...will not be voting for this.

VOTE- MS. GRUNDMAN, MR. PARINI, MR. REILLY, MR. TERRY AND MR LEHANE IN FAVOR. MR. GUERIN AND MR. DWYER OPPOSED

Article #6- Authorization to Bond for Marina Building Project

Mr. Dunham gave an overview explaining that the amount is expected to be just under \$2.5 million. All proceeds from the Marina...no tax payer money.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #6. SECONDED BY MR. LEHANE.**

Discussion-

Mr. Dwyer – does this figure include all their soft costs?

Mr. Dunham – yes...NETCO has the job and there is a project manager on board.

Mr. Dwyer – there is no impact to tax payer funds?

Mr. Dunham – correct.

VOTE- UNANIMOUS

Article #7 – Transfer and Appropriate Funds for Unemployment Account

Mr. Dunham gave an overview noting that the article requests that \$100,000 be transferred from the Health Insurance account to the unemployment fund.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #7. SECONDED BY MR. REILLY.
VOTE – UNANIMOUS**

Article #8 – Establish Revolving Fund for Municipal Alternative Energy Payments & General Government Expenses.

Mr. Dunham gave an overview.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #8. SECONDED BY MR. DWYER.
VOTED – UNANIMOUS**

Article #9 SHGC Enterprise Fund Transfer – Capital Funds

Mr. Dunham gave an overview. Over time the fund has built up to almost \$500,000. Transferred funds in the past using about \$250,000 for improvements. Now it is built up again to \$500,000. This article will transfer out about \$60,000 for capital. They are looking at four different type of used equipment and some repairs to current equipment at a cost of about \$55,000 to \$65,000. They are asking for \$60,000.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #9. SECONDED BY MR. LEHANE.**

Discussion-

Note was made that the balance of this Enterprise Fund is certified at \$437,000.

VOTE - UNANIMOUS

Article #10 – Transfer, Care, Custody & Control of School Land at Sandwich High Property to Selectmen for General Municipal Purposes

Mr. Dunham noted that this is not a financial article.

Mr. Dwyer – can we get money for the traffic study?

Mr. Dunham – yes, it would be rolled into the total cost of the project.

Article #11- School Department Cell Tower Lease Transfer and Appropriation of Funds

Mr. Dunham noted that the money from the lease is set aside for specific appropriations for the athletic fields at the high school. \$8,642.00 is the current balance.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #11. SECONDED BY MR. DWYER.**

VOTE - UNANIMOUS

Article #12 – Fire Department Ambulance Fund Appropriation – Chest Compression Systems

Mr. Dunham gave an overview explaining that the amount is off of the State Bid list at \$15,000 per machine for four (4) machines...one (1) for each ambulance.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #12. SECONDED BY MR. LEHANE.**

Discussion-

Mr. Dwyer – off a consortium list?

Mr. Dunham – yes.

Mr. Guerin – please explain the wording ‘or any other amount’ at written in the article.

Mr. Dunham – we have been told to make the article as broad as possible in case things change. By the time we get to town meeting it is vote specific.

VOTE – UNANIMOUS

Articles # 13, 14, 15 & 16 are zoning articles

Mr. Dwyer – on article #13, please explain ‘for a period of 5 years,’ as written in the article.

Mr. Dunham noted that this relates to pre-existing non-conforming uses...such as, if a business goes out of business and does not open up again within five (5) years, the location would no longer fall under pre-existing non-conforming use after five (5) years.

Article #17 – Town By-Laws: Section 2.01 – Capital Improvement Planning Committee

Mr. Dunham gave an overview and explained that the Finance Committee does not have to take a vote.

Articles 18 & 19 – (#18) Establish a Revolving Account for Sale of Sandwich: A Cape Cod Town and (#19) CPA Project: Printing Sandwich: A Cape Cod Town

Mr. Dunham explained that these two articles are related. The printing of Russ Lovell’s book ‘Sandwich: A Cape Cod Town’ will cost \$15,000 to update and make more copies and plans to be available in on Kindles. The plan is to set up a Revolving Account so we don’t have to do this process again.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #18. SECONDED BY MR. LEHANE.**

VOTE – UNANIMOUS

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #19. SECONDED BY MR. DWYER.**

VOTE – UNANIMOUS

Article #20 – CPA Project: Civil War Memorial Plaque

Mr. Dunham gave an overview. The amount requested is \$12,000. A \$5,000 State Grant to offset the cost and \$7,000 from the CPA Fund.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #20. SECONDED BY MR. DWYER.**

VOTE – UNANIMOUS

Article #21 – CPA Project: Rescind Forestdale Village Affordable Housing Appropriation

Mr. Dunham gave an overview noting that the CPA does not recommend it at this time.

***MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND APPROVAL OF ARTICLE #21. SECONDED BY MR. LEHANE.**

VOTE – UNANIMOUS

Article # 22 – Petition article – no recommendation from Finance Committee need for this article.

Road Bond Update-

Mr. Dunham gave an update noting that \$1.3 million is was approved at the 2014 Annual Town Meeting and is available and Main Street, Beale Avenue, Old County Road and the Public Library are on the list of projects for 2015. Going out to bid, hope to have a general contractor to oversee the projects. Chapter 90 money \$395,000 additional will be coming from the State.

Other-

Mr. Dunham noted that next Thursday the budget will be presented to the Board of Selectmen and gave an overview of some of the budgets i.e. the Assessing Dept. which is the fourth (4th) largest budget after the Police and Fire and DPW Budgets.

No more tax money is going to the Transfer Station because of PAYT (Pay As You Throw) program.

Brief discussion about whether the money that is predictable money for overtime such as for training...state mandated items, are in the base budget.

Question was raised on the road bond...has any of the money that was appropriated at 2014 Annual Town Meeting been spent. It was noted that it has all been scheduled...some of it has been spent for the engineering work.

Mr. Lehane – the process of our review of special requests for Special Town Meeting is more uncomfortable for me than for the Annual Town Meeting. Close to \$3 million dollars was discussed tonight. Regarding discussions on the degree of details, this underlines why we ask so many question and we the level of detail is so important. At the end of the day we know we have asked all the questions of the schools and the municipal departments and they have answered all the questions. After getting all the answers we need, the public can trust that we have reported to the tax payers of the town.

Ms. Grundman – agrees with Mr. Lehane. The planning part of the budget is not just what we see on paper, but also the discussions. Agrees it has been an uncomfortable discussion for a Special Town Meeting.

Mr. Terry – There are very inconsistent results coming out of this meeting tonight. If we are talking about credibility, we need to look at this committee. We are inconsistent in many ways.

Mr. Guerin – Some of the numbers that were voted were from dedicated funds. The time to make these comments was during the discussion time.

ITEM #5

FINANCE COMMITTEE DISCUSSION

CIPC Process-

Mr. Dwyer noted that he asked for this item to be on the agenda and his point is what he does for a living. No matter how much money is involved, the source and reason for the funds is important. Regard the Library HVAC...thinks the town can do better. When we are at the town meeting and the article is up for discussion and our committee has taken a vote, we are responsible for that vote to make sure that we have done our due diligence. Have the respect that we can disagree on things and not take it personally. There should be no inferences of anything around policy. We are not changing policy. We have the responsibility to ask the appropriate questions and get the answers.

Thoughts on the FY School Budget as presented so far-

Mr. Parini noted comments about the workshop that was held recently and thanked all the FinCom members for their questions...they were enlightening and thoughtful questions. Mr. Parini expressed disappointment that Dr. Canfield would not be submitting the FY 2016 Program and Staff Use Report. Dr. Canfield passed out a one page report of total FTE's which should not be considered a Program and Staff Use Report.

Finance Committee's Role in Budget Recommendations: Process for recommending approval or not to approve budgets.

Brief discussion

Mr. Parini noted that tomorrow night is the public hearing for the school department budget. Waiting to hear from Dr. Canfield about the final work shop and waiting to see what type of meeting we will have on January 28.

Mr. Parini gave an overview of various sections noted in the Town Charter.

Recommend that the Finance Committee review South Sandwich Village Impact Analysis

Mr. Dunham gave an overview on the subject noting that a Purchase & Sales Agreement was signed a couple of weeks ago.

Mr. Parini – will there be an impact analysis be given.

Mr. Dunham – yes, our Principal Assessor Ed Childs is doing some of this work. It is hard to quantify impact on public safety.

Mr. Parini – Do the Police and Fire and DPW take part in the final analysis?

Mr. Dunham – no, we have software for that and the Cape Cod Commission is offering to do some things for us. Some of the information Ed Childs did for us...estimating tax revenue and road usage impact.

Ms. Grundman – was the impact analysis included when the RFP was put out?

Mr. Dunham – not all of it...the permitting process will bring this type of information out.

Mr. Dunham – the Purchase & Sales Agreement is all contingent on them getting permits. They have to go through the Cape Cod Commission and a lot of ‘due diligence’. They have to go through things such as traffic, waste water. It is estimated that it will take them about eighteen (18) months to go through the permitting process and another eighteen (18) months through the building process.

FY’16 Tax Rate-

Question was raised...is there a way to estimate the tax rate?

Mr. Dunham - The dollar amount voted at Town Meeting / over the total value of the town.

Mr. Dunham will point these items out in the municipal budget when it is presented.

Ms. Grundman spoke about the MMA and the PILOT Program. Also noted that the Waste Water Conference is coming up on Cape which has regional implications. It will be held on February 25 & 26 at the Cape Codder.

Mr. Parini noted that five (5) members of the Finance Committee must be present on the stage for the Special Town Meeting on Monday, February 9. Will reach out to the members of the Committee to determine who will be on the stage.

ITEM #6
ADJOURN

9:17 p.m.

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

Respectfully Submitted,



Diahe M. Hanelt, Secretary

Approved: _____



Supporting Documents:

Draft Warrant (1/20/15)

Breakdown of Articles 1, 2, 6, 9, 10, 15 & 17

Public Roads and Infrastructure Improvements (Nov. 20. 2014 BOS Mtg); Calendar Year 2015
Projects; Future Projects; Future Funding Options; Private Roads

FY'15 Examples of municipal departments i.e. Assessing and Legal

FY'15 Budget Totals (Draft 1/20/2015)

FY'15 Recommended General Government Budget – Summary of Significant Budget Changes
(Draft 1/20/15)