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MINUTES
OF THE
FINANCE COMMITTEE
TUESDAY, MARCH 17, 2015
7:00 P.M.
TOWN HALL MEETING ROOM
130 MAIN STREET, SANDWICH, MA

Present: Gene Parini, Linell Grundman, Tom Hickey, Mike Dwyer, Rich Reilly, Mark Snyder and Jim Lehane
Bob Guerin arrived after the approval of the minutes.

Absent: Matt Terry

Also Present: Town Manager George Dunham, Carl Johansen 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 March 10, 2015-
***MOTION WAS MADE BY MR. SNYDER TO APPROVE THE MINUTES OF MARCH 10, 2015 AS PRESENTED. SECONDED BY MS. GRUNDMAN. VOTE – MR. PARINI, MS. GRUNDMAN, MR. HICKEY MR. REILLY, MR. SNYDER – AYE. – MR. DWYER AND MR. LEHANE ABSTAINING**

ITEM#4
PUBLIC FORUM

Mr. Carl Johansen, concerned citizen of the wonderful Town of Sandwich. MA - noted that the Finance Committee does not set policy. The Committee reviews the information, makes a finding to the people if the article(s) has a financial impact on the town. Spoke briefly about any changes to the town's Charter. Questioned why the Committee did not make a recommendation to the people regard the selling of the 'Golden Triangle' land. Recommended that, when needed, the Committee should obtain a legal ruling from the Attorney General's office as to what the MGL states is the committee's charge.

ITEM #5
TOWN MANAGER UPDATES

-Brief review of FY'16 Cherry Sheet Receipts (GHD Draft 3/3/15)
-Brief review of FY'16 Cherry Sheet Assessments (GHD Draft 3/3/15)
-Projected Revenues and Expenses – FY'16 (GHD Draft – Governor State Aid – 3/13/15)
-Sending Tuition Assessments – State Budget Process History FY'12 – Present
-Projected Revenues and Expenses – FY'16 (GHD Draft 3/13/2015)
-FY'16 Budget Totals (GHD Draft 3/13/2015)
-FY'16 General Government Budget – Summary of Significant Changes (+/- $5,000) (GHD Draft – 3/13/2015
-FY'16 Capital Budget Summary – (will be presenting to CIPC March 23, 2015)
-Recent STM, February 9, 2015 postponed due to weather to February 23, 2015 (1st 11 articles voted…articles remaining articles #12 – 22 will be on the ATM Warrant.
-Typical Town Meeting Articles (Index of Warrant Articles for May 5, 2014 ATM…Articles #1 – 15
-E-mail from Joan Caulkins (on behalf of Travis Andrade) to Gene Parini re Answers to questions on the FY'16 School Budget.

Mr. Dunham noted changes to the State Aid: Discretionary (-9.05%) $1,886,891; State Assesses: Tuition Assessment (-4.28%) $2,918,445 and UCCRTS Budget (12.07%) $2,049,172.
After Mr. Dunham meets with the Capital Improvement Planning Committee (CIPC) he will bring the updated information to the FinCom.

Regarding the PILOT Program, Mr. Dunham noted that Shawme Heights I & II are in the PILOT program and send the town two checks in the amount of $4,000 per year per board for a total of $8,000.
Mr. Lehane asked if the Selectmen would consider the PILOT program for other organization.
Mr. Dunham noted that Spaulding Rehab (formerly RHCI) is also part of the program and sends the town $25,000 per year and the Nye Family Association on Old County Road also contributes an annual amount as a PILOT. The Board of Selectmen and the elected Board of Assessors oversee this program and it would be a completely voluntary payment from an organization.
Mr. Lehane noted that we may want to consider this program for other organizations in town.
Ms. Grundman recommends recommending this to the Board of Selectmen and noted that there is some activity at the state legislature which would help frame the PILOT program.

Mr. Dwyer - information about funding for Emergency Management for communication and the Police Dept. budget new phone system…should we consider preparing for next year, helping both the police and fire to get up to basic speed.
Mr. Dunham – noted that the battery system back up, which would be ok in the AT&T trailer, is very important. Noted that if someone calls 911 on their cell phone it goes to the state police and then gets re-directed to the local police dept. Offered information on a State 911 grant.

Mr. Reilly asked about the $10,000 for the restoration for the Town Hall piano noting that it would probably be less expressive in the long run to buy a new one.
Ms. Grundman noted that she thought the funding was coming from the Community Preservation Act fund.
Mr. Dunham – no application was submitted for that.

Mr. Parini asked if the Committee members had any further questions on the budget so far.
Mr. Reilly suggested that large projects that have a financial impact on the town should be on an Annual Town Meeting…better than a Special Town Meeting.

Mr. Dwyer – why is the Board of Selectmen not going forward on the road bond.
Mr. Dunham –If the work is scheduled for some time this spring there is some concern about the timing /receipt and availability of the funding.

Likely Town Meeting Warrant-
Articles not voted at the Special Town Meeting will be included on the Annual Town Meeting Warrant for May, 2015. One of the zoning articles (definitions)…the wording may be changed. Article #2 is the big budget article.

Other-
-Superintendent Robert Dutch of the Upper Cape Cod Regional Technical School will be coming in to the meeting next week.

-Responses from the Sandwich School Department to the questions the Finance Committee raised.

Mr. Parini noted that on April 13 from 7 pm – 8:30 pm at the Town Hall in the upstairs meeting room will be the first of 3 public forums on 'what to do with the Wing School'.

ITEM #6
FINANCE COMMITTEE DISCUSSION

Mr. Parini gave an overview of a few of the larger budgets noting that the committee has met with the heads of the Police and Fire Departs, the Department of Public Works and the Recreation Dept. The Cherry Sheets have also been discussed; debt and new spending. There have been two workshops with the School Dept. Next week the Superintendent of the UCCRTS will be here. How comfortable is the committee with the budgets discussed so far. Is there any information we are lacking to make good decisions? We need to make a detailed review of the budgets

and make recommendations to the Board of Selectmen. We want the people to have the best services possible without overburdening the tax payers. This year's budget it $72.5....last year's budget was $70.5m. The Stabilization Fund, the Reserve Fund, Fire Dept. overtime, the Snow and Ice Account, the cultural council funding and veterans funding have been reviewed and discussed.
-No additional comments from the Committee at this point.

After a general review of various town departments budgets i.e. the Police and Fire Department; DPW and Recreation Departments and Mr. Dunham went over debt last week ($24.5m in current debt), Mr. Parini asked if the committee had any additional questions on these budgets. There being none, Mr. Parini went on to give a general review of Capital expenditures, new spending and significant budget changes summarized, local receipts including a breakdown comparison for the last several years.
Mr. Dunham noted that it is important not to overestimate local receipts...that is how towns get in trouble. No additional questions from the committee on local receipts.

Enterprise and Revolving Accounts-
Review
Mr. Snyder noted that the information is dated December 30, 2013. Mr. Dunham clarified that it should read 2014.

Mr. Lehane asked about the money going to the beaches.
Mr. Dunham noted that it won't go into effect before the FY'17 budget.

Mr. Parini, addressing the committee, asked members to let him know if there is anything they need.

Mr. Lehane thanked Mr. Dunham, Ms. Guild and other department heads for the level of detail that the committee has been given for the FY'16 budget.

School Dept. Budget-
Mr. Parini noted that Superintendent Dr. Canfield and the School Committee provided the Finance Committee with answers to some of the questions the FinCom had on the school budget. He also provided us with a lot of documentation...some from the New England School Development Council (NESDEC) and the New England Association of Schools and Colleges (NEASC) that provides details on enrollment.
Mr. Guerin – If they are going to do it electronically, they would have to compress the file. It may be better to have them make hard copies available for pick up.
Mr. Lehane noted that, overall the workshops were helpful. The cell tower funding does not appear to be included in the school budget. Is it because of the nature of the funding...it did not find its way into the budget. It is not part of the budget ...but, it is money expended by the school department. Suggested that this information would be helpful to the public when they ask questions about where the money comes from and how it gets expended.
Mr. Dunham explained that moneys are collect by the town for a cell tower lease exclusively for the schools. It may not be in the budget but it is money spent by the schools. Strongly urges and believes that it should be in the public view ($25,000 per year -it could double/triple over time)– so we know that in addition to the money where other money is being spent. Revolving accounts that the schools department spending from and no accountability but that is money that is being spent.
Mr. Lehane feels that the schools have an obligation to show it somewhere and is not satisfied with the answers from the school department.
Ms. Grundman – we did receive list of new spending. We got a narrative. It sounds like they are giving us an explanation of why they are not giving us the information we asked for.
Mr. Guerin feels disadvantaged by not having more timely materials that the school department has provided. It would be a more fruitful discussion if we had a chance to review the information we have been given. Would rather wait, read the information we have just received and then discuss it at a later date and pass along our recommendations. It would be interesting, at another meeting...capital. We have talked about a public safety building, opportunities for the recreation dept., development at Sandwich Hollows Golf Course and repurposing of the Wing School...all big numbers. Could we get a frame work around the money that is being considered? It may be an interesting conversation about those different projects, their time lines besides the small capital items, we should hear about the big ticket items and just put it all out there.

Mr. Dunham noted that the Board of Selectmen is discussing the capital list. If one thing falls off the budget, keep the same amount in the capital account…add another project.

Ms. Grundman thinks there is a correlation between this and the property taxes rising over the last decade. People have to better understand when we are doing certain projects.
Mr. Parini- this will be an agenda item.

Mr. Dwyer – there is a dis-connect with the Long Range Capital Plan (LRCP)…there has to be a connection. You need a document that the public understands and has access to. We need to lay it all out in black and white. Noted that the School Committee met its budget.

Mr. Dunham noted that he has the list of capital items and will have Principal Assessor Ed Childs come in at a future meeting to discuss their demographics.

A reference was made comparing the Town of Sandwich and the Town of Marshfield.

Mr. Reilly noted that Sandwich and Marshfield are not the same demographics.

Mr. Guerin – let's think about whether or not the capital plan and potential debt etc. they are really an integral part of the budget. We should receive an indication of capital projects and what the town needs are.
Mr. Lehane agrees and seconds the idea.

Mr. Parini – on the topic of the School Budget…They did not prepare the 'use and staffing report' for 2015. Compare the school to the town. There is lots of transparency on the town side…not a lot of transparency on the schools side. We have no detail on the school administration staff increases. What impact will full time kindergarten have on the budget, staffing and enrollment?

Mr. Guerin – early in the process thought about looking at budget information in the concept of one, three and five years. The municipal government has that available. Most of the data was one year to the next from the school department. Has personally looked at the information he has. Would like to see the school department replicate what the municipal budget is like. We have asked for this information repeatedly and there should be recommendations for next year.
It was suggested that any interested members e-mail capital ideas to Mr. Dwyer who offered to put the information together and send it to Mr. Parini.

Mr. Snyder on the matter of the School budget – do we have all the Revolving Fund and Enterprise Fund information on current balances etc.?
Mr. Parini noted that the information is available and will get it to Mr. Snyder.

Mr. Parini – regarding the Charter and meeting with the Board of Selectmen…possibly in mid-June.

Mr. Parini – on the matter of unexpended capital balances on the school side noted that he doesn't think we have a good handle on what those balances are. They should come to a FinCom meeting to explain. We should look at what a difference it will make to the tax payers and what is the impact on the town.

Mr. Parini – regarding the MOU for the Wing School – requesting that when the school department is completed with the draft MOU to the Board of Selectmen that the Finance Committee be copied on that. There is a draft out there but we want to be sure that if there are any changes we should know about them.
Ms. Grundman – The MOU has no numbers so is not sure why the FinCom would be interested. Doesn't think there is going to be anything in it.
Mr. Dwyer – The MOU transition plan for the Wing School does have finances in it.

Mr. Dwyer – suggests that the FinCom should make recommendations for South Sandwich Village land (SSV), the PILOT money and the cell tower money for the Sandwich High School Fields. On the SSV…how deep do you want to delve into this? Is it a low sale price? Would like some clarification on this matter. Not sure if it is in the prevue of the FinCom.

Mr. Parini – It is a big development. What are the project tax revenues? What is the tax impact, the impact on town departments? Will there be a positive impact or will we have more expenses unless we look into it. What if we feel it is not a real benefit to the town. An impact analysis is needed. It may be more expensive than it is work. What if we had no say in it?
Mr. Reilly – It is already under agreement…there is not much we can do about it. At this point 'the horse is out of the barn'…they can get out but we cannot.
Mr. Snyder – we need to discuss the budget for the next many weeks.
Mr. Parini noted that he would like to see an impact analysis on SSV.

Mr. Snyder wished everyone a Happy Saint Patrick's Day.

ITEM #7
ADJOURNMENT

8:50 **p.m.**
***MOTION TO ADJOURN WAS MADE BY MR. SNYDER. SECONDED BY MS. GRUNDMAN. VOTE – UNANIMOUS.**

Respectfully Submitted,

Diane M. Hanelt, Secretary Approved: 3/24/15

Supporting Documents:

- FY'16 Cherry Sheet Receipts (GHD Draft 3/13/2015)
- FY'16 Cherry Sheet Assessments (GHD Draft 3/13/2015)
- Projected Revenues and Expenses – FY'16 (GHD Draft – Government State Aid – 3/13/2015)
- Sending Tuition Assessments – State Budget Process History FY'12 – Present
- Projected Revenues and Expenses – FY'16 (GHD Draft 3/13/2015)
- FY'16 Budget Totals (GHD Draft 3/13/2015)
- FY'16 Recommended General Government Budget – Summary of Significant Budget Changes (+/- $5,000) (GHD Draft 3/13/2015)
- FY'16 Capital Budget Summary
- Recent STM Warrant – February 9 (postponed to February 23 due to weather) – Index of Warrant Articles Voted and to be voted at ATM
- Typical ATM Articles – Index of Warrant Articles (May 5, 2014 Annual Town Meeting)
- E-mail dated 3/12/2015 from Joan Caulkins/Richard Canfield, on behalf of Travis Andrade, to Mr. Parini re School Budget questions
- Information from Carl Johansen as presented at Public Forum
- Items to be discussed at 3/17/15 FinCom Meeting (Chairman Parini)