

Town Clerk

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TOWN OF SANDWICH

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MINUTES  
OF THE  
FINANCE COMMITTEE  
TUESDAY, MARCH 31, 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, Matt Terry, Mark Snyder, Bob Guerin and Jim Lehane

Also Present: Town Manager George Dunham 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 24, 2015-

**\*MOTION WAS MADE BY MS. GRUNDMAN TO APPROVE THE MINUTES OF MARCH 24, 2015 AS PRESENTED. SECONDED BY MR. SNYDER VOTE – UNANIMOUS**

ITEM#4  
PUBLIC FORUM

No one

ITEM #5  
TOWN MANAGER REPORT

Overview of:

- Projected Revenues and Expenses – FY'16 (GHD Draft – 3/27/2015) noting the Marina debt
- FY'16 Budget Totals (GHD Draft – 3/27/2015) same.
- FY'16 Recommended General Government Budget – Summary of Significant Budget Changes (+/- \$5,000) (GHD Draft – 3/27/2015)

-Index of Warrant Articles (GHD Draft 3/30/2015) – The Board of Selectmen still wants to go with the \$10,000 for the piano but they want to break it out as a separate article... #25.

-A shared vehicle purchase from the donation account for the COA and Nursing Dept. was given a go ahead.

Mr. Parini noted that Surplus Revenue / Free Cash is \$1.7m?  
Mr. Dunham – yes

**ARTICLE #2** – the FY'16 budget in the amount of \$68,567,997. Mr. Dunham gave an overview of the backup information

Mr. Parini noted that Article #1 is the Report of Town Officials & Long Range Plan Overview and the Finance Committee does not typically vote on the LRP articles.

**\*MOTION WAS MADE BY MR. TERRY TO RECOMMEND PASSAGE OF ARTICLE #2 IN THE AMOUNT OF \$68,567,997. SECONDED BY MR. LEHANE.**

Discussion-



Mr. Parini noted that the tax rate is supposed to decrease for the average tax payer. We will be adding police and fire personnel; budgeting \$925,000 for capital improvements as opposed to the \$500,000 which was the amount previously in the capital budget. \$250,000 added to the Stabilization totaling roughly \$1.2m. The Town's bond rating is one notch below excellent. The town has \$24m in debt. The School budget is \$3.9m...\$385,000 (1.56%) less than last year and the cost per student is \$13,348. The lowest on the cape. The School budget needs to tell more of the story. We have the salary data but we don't have the backup information. The Chairman of the school committee was responsive to Mr. Parini regarding the questions raised. Regarding the UCCRTS, we cannot be blind-sided by assessments as we have received from the Upper Cape Cod Regional Technical School. There are pluses and minuses. Let's pace this budget and work toward getting the improvements we are looking for.

Ms. Grundman – disappointed in this budget for reasons that are financial. Lack of documentation of what this budget means. We would have liked to have had more time to review the numbers from the school department. There is new spending on both sides of this budget. We have asked for the financial implications of the MOU for the Wing School. This budget process has been a challenge.

Mr. Snyder – It is not a perfect budget. I'm uncomfortable with a number of things. But will support it. We were all pleased with what the municipal department heads said. It should also be noted that the town has not set their tax rate yet, so there's no indication if it is going down. It was premature for the Committee to announce the tax rate.

Mr. Dwyer – the Board of Selectmen, Finance Committee, School Committee and Capital Improvement Planning Committee (CIPC) should sit together. His frustration is with the process. There is probably some dis-function entrenched in town government. Thinks we should share some of the technologies with the school department. Believes it is a process we need process improvements. We had two workshops with the school committee, we got answers to our questions...is ready to vote Article #2.

Mr. Reilly – this is a step in the right direction. This budget is over \$2m more than last year. Was expecting a little more savings.

Mr. Parini- It was the Board of Selectmen that provided the guidance. The school can say...we can save 'x' amount of dollars...the school department is going to use all the funding allowed them.

Mr. Guerin – if a vote to recommend this article is an endorsement of the budget for each line item...would have to vote no and ask for a break down by line item. We have identified a number of improvements i.e. documenting line items and transparency. There are still a number of items that we have received no information on. Doesn't know where the communication breakdown is between this committee asking and not receiving. Have come to the table a number of times asking question and not received responses. We need to get to this immediately.

**VOTE – UNANIMOUS**

**ARTICLE #3-**

FY'16 DPW – Sanitation Division Operating Budget - \$1,035,611

Mr. Dunham gave an overview

Discussion –

None

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #3.**

**SECONDED BY MR. SNYDER.**

**VOTE – UNANIMOUS**

**ARTICLE #4-**

FY'16 Golf Department Operating Budget- (Enterprise Fund) \$858,958

Mr. Dunham gave an overview

Discussion –

None

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #4.**

**SECONDED BY MR. SNYDER. VOTE – UNANIMOUS**

**ARTICLE #5-**

FY'16 Revolving Fund Appropriation Limits

Mr. Dunham explained that Town Counsel has recommended this change. State would like towns to vote the revolving fund accounts each year with a breakdown, limits. It is recommended that the limits be more than what the true amount would be. There is an act before the State Legislature to take this away from the towns but Town Counsel recommends this change.

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #5.  
SECONDED BY MR. SNYDER.**

Brief discussion

**VOTE – UNANIMOUS**

**ARTICLE #6-**

FY'16 Capital Budget

Mr. Dunham explained that the \$10,000 for the Town Hall piano has been taken out of the \$924,000 dropping it to \$914,000.

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #6.  
SECONDED BY MR. SNYDER.**

Discussion-

It was noted that next year the Committee would like to have additional backup information.

**VOTE - UNANIMOUS**

**ARTICLE #7-**

School Dept. Cell Tower Lease Transfer and Appropriate of Funds.

It was noted that \$6,000 plus some change...same as previously voted.

**ARTICLE #8-**

Transfer to Stabilization Fund

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #7.  
SECONDED BY MR. SNYDER.**

Discussion – none

**VOTE – UNANIMOUS**

**ARTICLE #9-**

FY'15 Snow and Ice Deficit Appropriation

Mr. Dunham noted that we are currently at -\$225,000. If for some reason the bills are still rolling in we may have to bump the account \$300,000. We are about \$425,000 more than what was appropriated.

Mr. Dwyer- Where would it come from?

Mr. Dunham – We would probably pull something off the capital account.

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #9.  
SECONDED BY MR. SNYDER.**

Further Discussion-

None.

**VOTE – UNANIMOUS**

**ARTICLE #10-**

Sandwich Promotions Fund Appropriation - \$25,000

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #10.  
SECONDED BY MR. SNYDER.**

Discussion-

None

**VOTE – UNANIMOUS**

**ARTICLE #11-**

Chapter 90 State Aid to Highways Program

Mr. Dunham noted that there is no number for this right now. \$800,000 most years just under but we don't know from the state yet.

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #11.  
SECONDED BY MR. SNYDER.**

Discussion-

None

**VOTE - UNANIMOUS**

**ARTICLE #12-**

Establish Variable Interest Rate for FY'16 Tax Deferral Program

Mr. Dunham noted that this is for seniors that qualify. The State wants us to vote this every year.

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #12.  
SECONDED BY MR. SNYDER.**

Discussion-

Mr. Guerin asked if the interest rate is set by the state.

Mr. Dunham – yes.

**VOTE – UNANIMOUS**

**ARTICLE #13-**

Beach Re-nourishment Appropriation

It was noted that a percentage of all beach parking receipts goes towards this appropriation. There is approximately \$54,000 in this account today

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #13.  
SECONDED BY MR. SNYDER.**

Discussion-

None

**VOTE – UNANIMOUS**

ARTICLE #14 – Accept easement for Army Corps of Engineers - a non-financial article

ARTICLES #15, 16, 17, 18 and 19 were voted at the Special Town Meeting.

ARTICLES 20 – 23 are Zoning Articles...non-financial

ARTICLES #24 is a by-law change – Capital Improvement Planning Committee – Mr. Dunham noted that the committee previously voted to support this article

**ARTICLE #25-**

Town Hall Piano -\$10,000 for restoration

**\*MOTION WAS MADE BY MS. GRUNDMAN TO RECOMMEND PASSAGE OF ARTICLE #25.  
SECONDED BY MR. SNYDER – FOR DISCUSSION PURPOSES.**

Discussion –

It was noted that this was taken off the capital list.

It is estimated that the real cost for restoration is closer to \$15,000 total cost. A group was going to try to raise \$5,000. Ms. Grundman noted that once the large expenditure is done it will be done for the future.

Mr. Reilly – money should not be paid for from tax payer's money. Donations, fundraisers are fine...do not burden the tax payers.

Ms. Grundman noted that the Town Hall Preservation Trust is trying to raise the money for the piano.

Mr. Dwyer – a possibly suggest getting someone that does piano tuning could be less money, or if someone needs to practice.

Mr. Guerin – It is hard to list this as a financial article. The town manager is talking about removing a truck from the budget for the DPW and now we are talking about \$10,000 for a piano.

**VOTE – MR. HICKEY, MS. GRUNDMAN AND MR. TERRY – AYE**

**MR. DWYER, MR. REILLY, MR. SNYDER, MR. GUERIN, MR. LEHANE AND MR. PARINI-NAY**

Mr. Dunham suggested it may be better to make a motion and vote not to recommend.

**\*\*MOTION WAS MADE BY MR. SNYDER TO NOT RECOMMEND PASSAGE OF ARTICLE #25. SECONDED BY MR. LEHANE.**

Discussion-

Ms. Grundman, noting Mr. Guerin's statement, point well taken.

Mr. Lehane...deferring a vehicle for the town for a piano doesn't make sense.

**VOTE – MS. GRUNDMAN, MR. DWYER, MR. REILLY, MR. SNYDER, MR. GUERIN, MR. LEHANE AND MR. PARINI - AYE MR. TERRY AND MR. HICKEY – NAY**

Mr. Dwyer inquired about the PILOT Program

Mr. Dunham noted that the Board of Selectmen plans to discuss it at their next meeting.

**ITEM #6**  
**FINANCE COMMITTEE DISCUSSION**

Mr. Parini noted that members of the Finance Committee put together recommendations to the Board of Selectmen. General overview of the draft of recommendations to the Board of Selectmen.

Mr. Parini – the Finance Committee and Board of Selectmen received all the documents so that we can recommend...or not.

Mr. Dwyer – we are not getting the backup documents on the capital budget. We need backup documentation. This is something I run into in my career path. The Capital Improvement Planning Committee voted \$410,000 for capital. We are just looking for some documentation. Suggested creating a working group with representation from the Board of Selectmen, the School Committee, the CIPC and the Finance Committee. Maybe try to standardize things...the process i.e. forms etc. This will be a process improvement.

Mr. Parini – we are recommending a process improvement...back up documentation, possibly forming a committee of people and creating a report for all the needs mentioned.

Mr. Dwyer elaborated on his concerns and suggestions.

Ms. Grundman – has been trying to get a person from the schools on the CIPC. Documentation is important so that we can do our jobs better...likes the idea of coming up with a better process. Financial threshold identified with different accounts in the process.

Mr. Dunham – we follow what the direction of the CIPC. We have some items under \$10,000 and some over \$10,000. Explained the CIPC process and how a whole list gets whittled down. The big storm hit and we thought the \$20,000 battery backup was necessary.

Mr. Dwyer – regarding the municipal capital budget, has asked for backup and we got it. Fire Chief – money for the stretcher. You have \$400,000 and it went through CIPC, leadership and the Finance Committee. We need to understand where the funding comes from and the process...to pass \$400,000 and change. Uncomfortable if this is the way we are going to pass a budget.

Mr. Parini – the next step is to bring this to the Board of Selectmen.  
Continued discussion of the 'Draft' Observations and Recommendations.

Mr. Guerin – we need to consider the language again...doesn't think we have reached an agreement or articulated...we need to do this first etc..

Ms. Grundman suggested we have a subcommittee. Mr. Guerin should perhaps write the recommendations. Mr. Parini noted that the FinCom will be attending the Board of Selectmen's meeting this Thursday...we should have the recommendations sully formed by next Thursday. They just need to be condensed. Suggested that perhaps

Ms. Grundman, Mr. Dwyer and Mr. Guerin work on this together.

Mr. Guerin noted that there are significant differences in the presentation of materials. Perhaps a team from different departments get together to make some of the differences the same...more consistency and more conformity and more detail. The school committee is more than willing to hear this from us.

Ms. Grundman agrees and highly supports.

Mr. Guerin - #2) \$445,000 capital spending with no back up documentation. Should only be voted after documentation has been received by the board. #3) School Choice expenses – if school choice expends their revenues, the impact should be move to a single budget. There may be some state regulatory that determine where the money should be. #4) Significant amounts of capital expenses...suggested that consideration be given that the school budget have a capital allocation...carpets for class rooms should be in the capital budget. It should be recommends and clear where the money is spent. We tend to defer some smaller items...in the meantime equipment fails, buildings fail, etc.

Mr. Dwyer – there is probably threshold issue with certain capital items.

Mr. Guerin – trying to encourage additional planning for some of these capital line items. Some of the spending should be routine maintenance. Let's put money aside and just do it. We should be doing basic maintenance. Contract numbers are not as they seem. A 1% increase is not just 1% or 2%. There is limited revenue growth within the town. We need to hold to level funding departments responsible at 2.5% plus local growth. If we are not recommending an article, we should have an explanation available at town meeting.

Mr. Parini – unexpended capital balances – would like expanded to a separate recommendation.

Ms. Grundman suggested members send any further recommendations to her, Mr. Guerin and Mr. Dwyer and we can start finalizing.

Mr. Parini...and then we can vote.

Mr. Parini thanked the Committee for all its hard work. You have done your homework, you have asked questions...thank you for your dedication. Thanked the School Committee also.

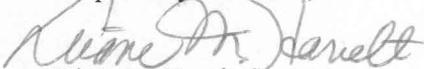
Mr. Lehane thanked Chairman, Mr. Parini, for his leadership and recognized Mr. Terry's son's birth last week.

**ITEM #7**  
**ADJOURNMENT**

8:58 p.m.

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

Respectfully Submitted,

  
Diane M. Hanelt, Secretary

Approved: 4/7/15

Supporting Documents:

- Projected Revenues and Expenses - FY'16 (GHD Draft 3/27/2015)
- FY'16 Budget Totals (GHD Draft 3/27/2015)
- FY'16 Recommended General Government Budget – Summary of Significant Budget Changes (+/- \$5,000) (GHD Draft – 3/27/2015)
- Index of Warrant Articles – May 4, 2015 Annual Town Meeting (GHD Draft 3/27/2015)
- FY'16 Budget (FY'14, FY'15 and FY'16 Approp) (GHD Draft – 3/27/2015)
- FY'13 = Commencement of Enterprise Fund (GHD Draft – 3/27/2015)...Dept. #435 – DPW/Sanitation Division; Dept. #620 – Sandwich Hollows Golf Club
- FY'16 Capital Budget Summary - Presented to Capital Improvement Planning Committee 3/23/2015