

Town Clerk

TOWN CLERK
TOWN OF SANDWICH

FEB 03 2016

4 H 10 M P M
RECEIVED & RECORDED T

MINUTES
OF THE
FINANCE COMMITTEE
TUESDAY, JANUARY 26, 2016
7:00 P.M.
TOWN HALL MEETING ROOM
130 MAIN STREET, SANDWICH, MA

Present: Linell Grundman, Bob Guerin, Mike Dwyer, Mark Snyder, Jim Lehane and Gene Parini

Absent: Rich Reilly and Matt Terry

Also Present: Town Manager George Dunham, Finance Director Mimi Spahr, Human Resources Director Marie Buckner, Assessing Director Ed Childs, Town Treasurer/Collector William Jennings, Assistant Town Manager Doug Lapp, Jim Pierce, Sandwich Enterprise Tao Woolfe and SCT.

ITEM #1
CALL TO ORDER & PLEDGE OF ALLEGIANCE

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

Pledge of Allegiance.

ITEM #2
PUBLIC FORUM

None

ITEM #3
REVIEW AND APPROVAL OF MINUTES

Minutes of January 12, 2016-

Minutes were not approved due to lack of quorum at this meeting of those present at the Jan. 12th meeting.

ITEM#4
TOWN MANAGER'S REPORT

No updates on summary pages...nothing new from last meeting.

We should be getting a look at some of our health insurance numbers in the next few weeks.

Thursday night's Selectmen's meeting will be presenting the 2017 Budget.

Passed out Budget Binders to FinCom member tonight.

-We have tried to address some of the issues raised by members at previous meetings.

-FinCom could not meet last Tuesday night because of the posting deadline.

Brief overview of the Town's Central Administrative Team & Offices – Finance Director Mimi Spahr, Assessing Director Ed Childs, Town Treasurer/Collector Bill Jennings, Human Resources Director Marie Buckner. It would be great to have all these departments in one building but we realize that is not realistic.

Ms. Grundman asked Mr. Dunham to talk about the efficiencies that would occur if you would all be in the same place.

Mr. Dunham noted that we don't pay people to drive around to the various departments in different buildings.

There used to be 24 department heads...today there are 22 department heads.

We are responsible for balancing the whole municipal budget but we do not control most of the budget. There is a check and balance process.

The Town has come from a AA- to a AA+ rating. There have been three increases over the last several years.

-Assessing Director Ed Childs gave an overview of the responsibilities of the Assessing Department; Assessment Administration (3 positions); Mass Appraisal Services (3 positions including Director).



Assessing Department by the Numbers. Since 1988 the Assessing Dept. had been located in the lower level of the Town Hall Annex now it is located at the Town Office Building, 16 Jan Sebastian Drive. There is a key issue with Assessing not being near the Tax Collector's Office any more.

We do everything 'in house' with few exceptions.

Mr. Guerin asked about out-sourcing.

Mr. Childs noted that we have more control over things when we do it in-house. Our Administrative people do a better job because they are working with it every day. The knowledge is the biggest thing.

We also refer a lot of people...we get people to where they need to be.

We work closely with the Tax Collector's Office, the Planning Board, Engineering (GIS) map system.

We work with Mass. Appraisals annually assessing value to real estate and personal property...we used to do it every three years. We work very closely with the Dept. of Revenue (DOR). Levy and value have to come together through a process.

Mr. Snyder referring to the revenues from the Assessing Dept. asked where the \$4,907.00 comes from.

Mr. Childs noted that most of the Assessing Dept. revenue is from certified abutter lists. Data based information requests brings in some revenue.

Mr. Snyder – Do you have enough people in the office?

Mr. Childs – I think we are exactly where we need to be.

Mr. Lehane noted that he is very impressed with the Assessing Dept. and asked about the tax exempt property.

Mr. Childs note that there are 559 pieces of exempt property in the town. Some of these properties are the Sandwich Water District, State owned property (about 30%), the MMR (Mass. Military Reservation) or, currently, JBCC (Joint Base Cape Cod), there are some non-profits (about 5 or so), museums, private schools, etc.

Brief discussion on the 501C3 Classification process. We have an agreement with Spaulding Rehabilitation Center on the Service Road through the PILOT (Payment in Lieu of Taxes) program which is a voluntary program.

Mr. Lehane noted that he hopes some of the larger 'not for profits' consider the PILOT Program.

-William Jennings has been Town Treasurer since 2013 and in December of 2013 he accepted the position of Tax Collector and in doing so, the positions were combined. Mr. Jennings gave an overview of the responsibilities of the Tax Collector's Office located at the Town Hall Annex the department has 3.5 positions...responsible for the collection of all taxes due to the Town including Real Estate, Personal Property, Motor Vehicle Excise and Boat Excise tax. We have a collection rate of 98%. Personal Property 99% collection rate. Other revenues are through Beach and Transfer Sticker sales and Shellfish Stickers. Some from MLC's (Municipal Lien Certificates) and Betterments. There is new financial software that is shared with the Assessing Dept. There is a new 'on-line' payment vendor and over the phone. The Town Clerk's Office and the Fire Dept. have used this process also. We have moved to lock boxes through Sentry Bank...they handle all the Real Estate Tax payment by mail. It is efficient and accurate.

Mr. Parini – are you using one bank for all banking?

Mr. Jennings – we use twelve (12) different banks and have no more than 20% of the town's funds in one bank.

Mr. Guerin – how do you determine which the banks.

Mr. Jennings noted that he looks at the security of the bank and then their rates.

Mr. Lehane – is there an industry standard that would state the 20%.

Mr. Jennings – we are limited to a number of banks here on the cape and certainly don't have the number of banks that are available to people in and around Boston for example. After taxes are paid we will move some money around. The Cape Cod 5 has a little more now because our tax payments come to them. We oversee one hundred and forty-one accounts in various banks. We work with account vendor payments on a weekly basis and payroll bi-weekly.

We handle bonding, with bond counsel and with Department Heads that are involved in the bonding process such as the Marina project.

Mr. Snyder asked about Tax Liens...\$1.54 m overdue? How long do you let them ride before you take them...how many properties do we have now?

Mr. Jennings – Approximately 2009 was the last auction. The parcels we currently have are not high value. Tax Title process is a difficult process. We work with the people trying to set up a payment system with the people. It is very difficult...probably the hardest part of my job. We have no private place to meet with the people on this subject. Last year we brought in over \$400,000 in Tax Title. It costs about \$10,000 to foreclose on someone.

Mr. Dunham offered some additional information on Tax Title including the fact that taxes have to be more than a year past due.

Mr. Jennings also noted that the Tax Title homes are not \$2m homes on the beaches. Some of the conditions of the homes we don't want to take them.

Mr. Jennings mentioned that, on the matter of the payroll, which the Treasurer's office processes, 70% of the payroll goes out to the schools. There are currently 269 retirees and we manage all the benefits; scholarship awards.

Mr. Guerin asked about outsourcing payroll etc.

It was noted that there is an upside and a down side to outsourcing.

Mr. Jennings – it is cost prohibitive.

Finance Director Mimi Spahr gave an overview of the Accounting Dept. – Very simply we check stuff all day long. We process all municipal and school department bills. We don't pay for anything in advance...goods and services must have been received. We will process as little as 200 invoices on a non-school week to as much as 600 invoices. Ms. Spahr noted that Kim Crocker a new employee in the Accounting Dept. came from a paperless office. Ms. Spahr will try to de-centralize...get rid of the paper accounts...is all about getting rid of paper.

Mr. Dunham noted that we need a storage facility. If we could build one large single story building for storage...there are massive amounts of paper. Some records, depending on the department, have to be kept for the life of the building as in the case of the Building Dept.

Mr. Dwyer – are there any Purchase Orders?

Ms. Spahr – the School Department has Purchase Orders but I am not adverse to moving forward and going paperless.

Mr. Guerin – How do you coordinate with the schools?

Ms. Spahr – they are decentralized but we do still bill their accounts for them.

It was noted on the matter of the schools payroll that they can enter their payroll but they are limited to what they can do.

Mr. Snyder asked about the Cemetery Dept. and why this is handled through the Accounting Office.

Mr. Dunham offered information regarding the history of the Cemetery Department including the purchase of cemetery plots/deeds etc. Mr. Dick Saline, Parks Department Foreman and the Cemetery Agent (which is through the Department of Public Works), is an extremely hard working wonderful person. We may someday let the DPW do this process because the current Administrative Assistant at the DPW formerly worked in the Accounting Dept. and worked with the families, usually at a very difficult time, on the purchase of the cemetery plots.

Ms. Spahr noted that there is an annual audit and they work with the Division of Local Services Rep and the Department of Revenue (DOR). Once the Free Cash request is certified by the DOR, the number is given to the Town Manager. We pay for a lot of things for the School Department. We plow for the schools...we don't send them a bill. The Board of Health inspects the school cafeterias, the Department of Public Works picks up trash from all the schools...we don't charge them. Net school spending is part of the overall aspect on town services.

Mr. Parini – Can you explain the FY'17 School Budget ☺

Ms. Spahr – I haven't seen it yet.

Mr. Dwyer – do you get reports from the outside auditing firm?

Ms. Spahr – We always get a Manager letter.

Mr. Dunham added that we get a financial statement including the schools and police and fire (OMB1) and there is an 'exit conference'. There is a separate audit for the Marina each year.

Mr. Dwyer asked if department heads speak with the Financial Director about their budgets?

Ms. Spahr – yes, most department heads are proactive about the budgets. They come to Ms. Spahr and ask if they can afford to make a purchase.

Human Resources Director Marie Buckner gave an overview of her two person department. Jan Hagberg is the Assistant Human Resources Director and Ms. Buckner's left and right hand and brain a lot of the time. We like to say in the HR Dept. that you are never in the wrong place if you are in HR. If we can assist you, we will. We oversee the hiring process which is streamline and efficient. Every time a job comes available we look at how to make the job description more efficient. We oversee the full and part time positions for the municipal government

as well as seasonal positions at the Golf Course, Marina, DPW and the Recreation Depts. More than 1,000 positions come through the HR Dept. We oversee job descriptions.

Mr. Dwyer – are you the HR Dept. for the School Dept?

Ms. Buckner – we are there if they need us but the School Dept. HR reports to the School Dept. except for Workers' Compensation (work related injuries). Working with the appropriate personnel, we make sure they get on the payroll correctly and the processing is carried forward. We oversee the Family Medical Leave Act (FMLA).

Mr. Jennings noted that the Treasurer's Dept. works with the school HR specialist as needed.

Mr. Guerin – is there classification for the school department like there is for municipal?

Ms. Buckner – yes.

Mr. Dunham – our HR Dept. has a very big job. The schools should have the same. We have eight unions on the town side. We have a process that is very professional. The demand on the Treasurer's office (from the School Dept.) is staggering.

Ms. Grundman – you are not charging by man hours for work you do for the schools?

Mr. Dunham – no.

Ms. Buckner gave an overview of the policies book...called the "Red Book".

Ms. Buckner noted that the HR dept. processes 35 to 45 Workers' Compensation claims each year; union negotiations are a big part of the HR department.

Mr. Dwyer asked if Health Insurance is part of the negotiations?

Ms. Buckner – yes...we did remove a health insurance plan, in recent years, that was extremely expensive.

Ms. Buckner noted that the Assistant HR Director Jan Hagberg and the Office Manager for the Board of Selectmen/Town Manager's Office, Kathy Coggeshall, work together on work related training for departments and the Town is rewarded (in the form of credit(s) to the town's insurance account) from the insurance company for being proactive.

Mr. Dunham noted that the Police and Fire Depts. usually spend a lot more than what the HR Dept. spends on training.

Ms. Buckner - the Town belongs to the Cape Cod Municipal Health Group...Ms. Buckner is on the Steering Committee which meets once a month. General overview.

Mr. Dwyer – fascinated of the breadth and depth of the HR Dept. Mr. Hall, Facilities Director for the School Dept. will be retiring...this is not the town's HR Dept. The Town's Treasurer's office oversees the retirement process for all town employees.

Mr. Dunham noted that the town has liability insurance on all employees and bonds on various personnel.

Mr. Dwyer – the town pays 75% the individual employee pay 25% of the health insurance premium...do you believe the town attracts higher quality personnel because of the health insurance percentage that is a general package.

Ms. Buckner – yes.

Mr. Dunham noted that there may be two towns on cape with the same percentage. The Sandwich Water District (separate from the Town of Sandwich) is 90% - 10%.

Ms. Buckner – there are 540 people on the town's health insurance. There are 116 people that do not take it that are eligible to take it. We don't know how many of the 116 may change their minds and decide to take the insurance so we have to allow funding in the insurance budget for that.

Mr. Lehane – regarding the Employee Assistance Program (EAP)...do we contract it out or use your own knowledge?

Ms. Buckner – yes, we do it through the Mass. Inter-local Insurance Association (MIIA)...it is very cost effective. This is all covered in the 'Red Book' which every employee receives (including the School Dept.) and noted that the Cape Cod Municipal Health Group is on line.

Town Manager George H. 'Bud' Dunham gave an overview of the Town Manager's Office – comprised of 4 positions located at Town Hall. Responsible for overseeing all Town Departments and Employees; compliance with Town Charter, Town By-Laws, State Laws, etc. Chief Procurement Office Responsibilities, direct numerous concurrent on-going projects and efforts. Noted a number of items that, in his opinion, would surprise the public the

most including but not limited to amount of time spent on Human Resource Matters, amount of time spent on budget matters outside of annual budget process, sheer volume of meetings (day & night), e-mails, phone calls & interruptions in general, amount of time spent on special projects...oftentimes with no commensurate funding to do the work or implement it. As a general government team, always considering new ways to do things better and differently; personnel /Departments Reorganization Opportunities; Blessed to have so much experience, talent & knowledge to rely upon; Sandwich Departmental Cooperation – Very Rare compared to other communities...second to none in his opinion. Long Term Financial Goals. On that matter of capital issues for town departments, Mr. Dunham noted that Facilities Director Ted Hamilton and DPW Director/Town Engineer Paul Tilton are always willing to sacrifice money from their budgets to help other departments. We will squeeze every last ounce out of every budget.

Mr. Dunham noted that thanks to former Finance Director/Town Accountant Doreen Guild's for sight we now have a Financial Director. William Jennings made the Treasurer/Collector's position a combined position. A credit to the Clerk Union on negotiations for job descriptions. We now have a Deputy Chief of Police. We have seventy (70) less employees than most towns...how well people fit in. Mimi Spahr and Bill Jennings are relatively new hires and are well suited for the jobs and working with others.

As far as Long Term Financial Goals are concerned we will be concentrating on the overtime for Police, Fire and Snow & Ice.

Ms. Grundman thanked everyone for their presentations.

Mr. Dunham pointed out what is in tonight's packet regarding questions asked about Vehicle Use Policy

ITEM #5
CHAIRMAN REPORT

- The School Committee will meet tomorrow night, Wednesday, January 27th.
- The Board of Selectmen will meet Thursday night, January 28th.

Responding to a question raised by Mr. Dwyer, Mr. Dunham noted that the Town Manager cannot sign a contract unless it is money approved through Town Meeting vote.

Mr. Dunham handed out the FY'17 Budget Binders.

ITEM #6
OLD BUSINESS

Upcoming Meeting Schedule was acknowledge...next week the Town Manager will be giving an overview of the FY'17 (Budget Bind handed out tonight).

ITEM #7
NEW BUSINESS

None.

ITEM #8
CLOSING REMARKS

Mr. Dwyer, addressing the Town Manager and Department Heads...keep up the great work...thank you.
Ms. Grundman reiterated that same.

Mr. Dunham noted that the town would not miss a beat if, for any reason, he was not here any longer.

ITEM #9
ADJOURNMENT

9:40 p.m. *MOTION TO ADJOURN WAS MADE BY MR. SNYDER. SECONDED BY MR. DWYER. VOTE – UNANIMOUS.

Respectfully Submitted,



Diane M. Hanelt, Secretary

Approved: 2/2/16

Supporting Documents:

- Chairman's letter
- Information from Town's Website relative to all department heads present at this meeting.
- Budgetary Breakdown for each department present at this meeting
- Town of Sandwich Reimbursement Policy
- Town of Sandwich Vehicle Use Policy
- Tentative Agenda Topics Winter 2016
- Town's Central Administrative Team & Offices – Presentation to Finance Committee 1/26/16