

TOWN OF WENHAM

Board of Selectmen
Meeting of, September 16, 2015
Town Hall, 138 Main Street

Pursuant to the Open Meeting Law, M.G.L. Chapter 30 A, §§ 18-25, written notice posted by the Town Clerk delivered to all Board members, a meeting of the Board of Selectmen (BOS) was held on WEDNESDAY, September 16, 2015 at 6 PM in the Selectmen Chambers.

WELCOME: CALL TO ORDER

With a quorum present, Ms. Harrison called the Board of Selectmen (BOS) meeting to order 6:02 PM. Selectmen present Catherine Harrison, Chair; Jack Wilhelm, Vice Chair; John Clemenzi, Clerk Also Present: Peter Lombardi, Town Administrator; Catherine Tinsley, Recording Secretary Mike Lucy, Chair FinCom

Public Information

Agenda
Presentation

A. Budget Forecast Presentation & Discussion

Mr. Lombardi and Ms. Wills referenced a PowerPoint presentation, entitled:
Wenham Budget Forecast – Preparing for FY17 & Beyond

Town's financial condition
Revenue and Expenditure Forecasts
FY17 Budget Pressures & Long-Term Consideration

The presentation was based on a \$17.2 million budget and included:

- Revenue Assumptions – increase levy limit by 2.5%
- Revenue Projections – Property Taxes; Local Receipts; State Aid, Economic-Growth (down)
- Assumed Expenditure Increase – Education, Capital, Legal , Insurance, Expenses, Pension
- Expenditure Projection – Projected increase of 5.88 %
- Use of Free Cash to Supplement Budget - \$660,000
- Capital Improvement Program- \$190,000
- FY 17 Expenditure Breakdown – Education 51%; Salaries/ Wages 23%; Departmental 11%; Other 9%; Debt Service 4%; Capital 1%; Contract Services 1%
- HWRSD Assessment Allocation – Increase of \$277,000 to Wenham based on 3 year rolling average of enrollment
- Employee Benefits- Health Insurance 5% increase; Retirement ERRB 7%
- Debt Obligations- \$5,942,000 long-term outstanding debt
- Debt Obligations- 6.6 % of operating budget
- Reserves- Stabilization Trust Fund; Certified Free Cash
- Financial Reserves Policy - maintain 5-10% of General Fund appropriations and a minimum of \$250,000 in Free Cash

Budget Implications FY17 & Beyond

Approved 12.1.15

- Increased reliance on Free Cash to subsidize operating budget is not sustainable in the long-term
- Major cost drivers include school assessment and enrollment shifts and personnel
- Additional budget drivers include Health insurance. Pensions, and debt service
- Unknown variables include state aid, legal expenses, and snow & ice removal
- Unfunded needs include Capital improvement projects and Other Post Employment Benefits (OPEB) \$4Million liability

Recommendations

- To continue practice of conservative revenue projections to maintain healthy financial reserve balances and avoid exacerbating structural deficit
- Identify and cultivate additional potential local revenue sources and grant funding continue to work with department heads to develop budgets that reflect town priorities and meet resident service needs focusing on containing and reducing expenses
- Work with schools to anticipate prospective shifts in enrollment
- Continue to examine feasibility of regionalized services
- Create and adopt capital improvement program that integrates infrastructure needs into annual budget

The meeting was open to the board for comments and questions

The BOS was concerned with the budget changes and committed to work with the Finance Committee to meet the goals and objectives for a balanced budget, reduced spending, and increasing revenue.

Mr. Lombardi and Ms. Wills were recognized for putting together the presentation.

The BOS unanimously adjourned at 6:46 PM

Respectfully submitted by

Catherine Tinsley
10.23.15