FC Approved 3.5.15
BOS Approved 3.31.15

TOWN OF WENHAM

Finance & Advisory Committee
Board of Selectmen
Meeting of February 25, 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 Committee/Board members, a meeting of the Finance & Advisory Committee and Board of Selectmen was held on Wednesday, FEBRUARY 25, 2015 at 7 PM in the Selectmen Chambers.

1) Call Meeting to Order

With a quorum present, Mr. Lucy called the Finance Committee (FC) meeting to order at 7:13 PM
Committee present: Michael Lucy, Chair; Hilliard Ebling, Vice Chair; Ned Flynn; Michael Therrien; Rick Quinn
Also Present: Angel Wills, Finance Director

With a quorum present, Mr. Wilhelm called the Board of Selectmen (BOS) meeting to order 7:13 PM
Selectmen present:, Jack Wilhelm, Chair; Catherine Harrison, Vice Chair
Not Present: Selectman Ken Whitaker

Mr. Lucy announced that Paul Weaver was participating by "remote participation" for a portion of the meeting, via the telephone, having met all requirements according to 940 CMR 29.10 that reads: a member of a public body shall be permitted to participate remotely in a meeting, in accordance with the procedures if the chair or, in the chair's absence, the person chairing the meeting, determines that one or more of the following factors makes the member's physical attendance unreasonably difficult: (e) Geographic distance. All votes taken during remote participation would be done by roll call vote. It was confirmed that the communication with Mr. Weaver was clear to those present.

Public information
This meeting was recorded with permission by HWCAM
Agenda
Fiscal Year (FY) 2016 Budget –Draft
2015 Annual Town Meeting Warrant Articles - Draft

2) Chair Updates - There were none.

3) FY 2016 Town Budget – Angel Wills, Finance Director

a. Budget presentations: Assessors; Legal

- **Assessors** – Steve Gasperoni and Tom Tanous were present to talk about the Assessor's proposed FY 16 budget.

Mr. Gasperoni began his presentation by responding to the FinCom's queries raised during a previous meeting:
1. Is the Assessor's office aware of the building permits issued by the permitting department? It was confirmed that the Assessor's office receives this information regularly and follows taxable growth.
2. Is new construction assessed for tax purposes during the construction phase? The Assessors confirmed that new construction is assessed in stages; they follow a check of list of construction stages and that percentage of completion is taxed. Mr. Flynn offered to look into the new growth assessment date as allowed by the state.

Mr. Gasperoni presented the Assessor's FY 16 proposed budget identifying an increase in the general budget of $3,000. The Assessor's are asking for an additional (up to) $60,000 for a "complete measuring list" of the town properties. A lengthy discussion followed. Mr. Tanous clarified that this study cannot be done in yearly increments. The Town contracts with a specialized company to access properties, enter homes, and provide a report on every property in town. This process

is done at one time to equally evaluate the all the properties in the same time-period, which also clarifies abatement requests. This was last done in 1990. Mr. Gasperoni explained that although a Request For Proposal (RFP) would be issued, two quotes were sought which ranged from $36,000 – $57,000. Mr. Gasperoni noted that updates to the software could be done in-house.

Ms. Wills identified that the budget is currently carrying just $10,000 for capital.
The annual assessments are done by neighborhoods; the town is divided into seven such neighborhoods. It was questioned if this measurement study could be divided by neighborhoods and done over a span of three years.

Ms. Harrison reviewed that the law states that a "full and fair evaluation" must be done every year and that every 10 years the assessors must look at "each and every" property in town. She opined that it makes more sense that this report be done in one year, suggesting this is the "spirit of the law".

The FinCom asked for the Assessors work with the Finance Director to finalize the budget taking into consideration if this process could/should be phased and which quote for this measurement report is most accurate.
Ms. Wills recommended the budget reflect the lowest bid as a placeholder and suggested using companies off the state bid list to speed up the process. Ms. Harrison asked if the companies responding would allow the Town to make incremental payments over three years.

- **Legal** - Paul Weaver, Town Counsel / Town Moderator noted he was limited in time and gave a brief update on the actuals of the FY 15 legal budget and gave a brief summary of current legal obligations/litigations.

He observed:

- (Some) of the current litigations may be carried forward in FY 16, making this a difficult budget to prepare
- The Town is being asked to adopt regulations at town meeting that would allow the permitting departments / boards to put legal expenses on to the applicant, which could potentially reduce this budget
- The Town works with four law firms; these firms have agreed to take a call from the town and answer basic questions and not bill beyond the retainers
- Sub-division regulations are out of date. The Planning Board has requested that these be re-written; the cost of $10,000 would be an additional expense under this (legal) budget.

The remote call with Mr. Weaver ended at 8 PM.

b. Update on Town Fees/ Proposed Revisions – Ms. Wills reported that there is a proposed article to adopt MGL Ch 40 to permit the Selectmen to adjust fees (to a reasonable amount, competitive with surrounding towns, etc.). It was noted that a comprehensive study was done and many of Wenham fees are low compared to other local towns. Mr. Wilhelm suggested a couple examples be provided for Town Meeting.

c. Review Overall FY 16 Town Budget – The Fy 16 draft budget was prepared in the line item format.

Mr. Lucy noted that he and Ms. Wills are recommending some minor adjustments to minimize the increase of the tax rate for consideration. Ms Wills reviewed these changes:

(1) Increase use of Free Cash from $400,00 to $450,000; Certified Free Cash is $586,000;

(2) Decrease the Legal Retainer from $17,000 to $7,000;

(3) Reducing utility budgets to more actual anticipated costs: Police - $ 2,500 / Fire - $1,500;

(4) Decrease the hours of the proposed Town Hall office help/ floater from 19 hours to 9 hours per week.

Ms. Harrison was of the opinion, that with the transition of a new Town Administrator, that the hours for this position not be reduced. She went on to suggest that the New Town Administrator be tasked with reviewing all town hall department positions staff/ hours/ responsibilities for efficiencies;

(5) The Library assessment based on reconciliation from revenue estimates; the salary study for the library has not been received/ applied to date;

(6) Reserve Fund not be increased to $200,000 as proposed, but increased to $150,000.

(7) ECO (Emergency Center Operations with Hamilton) Assessment – $19,000 (Retirement obligation expenses). Mr. Wilhelm mentioned his concern about the potential assessment in the future from the Regional Dispatch center, noting the Executive Director resigned (suddenly) at the end of 2014, and the City of Beverly was allowed to opt out of joining the center and that he has heard the budget was not being met by the participating communities. The Town is in year four of a five year fixed "per capita" cost of $16.26.

(8) Reduced Fire Department discretionary spending by $6,000; Fire Chief agreed with this change.

The estimated tax rate, based on the proposed budget is $16.78 per assessed $1000 of property value, will adjust marginally with these changes. This will be reviewed and voted at the next Fin Com meeting.
Mr. Wilhelm observed that there is no new revenue to the town, and that $16.78 estimated tax rate (which appears significantly lower than last year's rate of $19.12) is due to the re-evaluation of the properties.

Mr. Flynn suggested there maybe additional cost savings in department budgets citing that last year's higher fuel costs were used i.e. gas at $4 per gallon, and fuel prices have been going down, potentially half the price. Ms. Wills was asked to look into this and report back at the next meeting. The budget will be reviewed in detail at the Fin Com meeting next week.

It was noted that Fire Chief Blanchard was present to answer questions.
Ms. Harrison clarified that the (proposed) purchase of a new fire truck would be paid for through bond anticipation notes the first year. It was noted that one debt would be paid off before the fire truck debt would be in the FY17 budget, therefore, no debt override was necessary. Mr. Wilhelm supported the purchase of the DPW pick up truck and plow and recommended increasing this budget by a $2,000 to be sure to cover any possible increases since the quote was prepared 6 months ago.

There was a discussion regarding the purchase of a new Fire Truck (Article 3 d). Mr. Lucy noted that the FinCom unanimously supported the purchase/ bonding of a new fire truck in FY 16. Ms. Harrison reviewed that the town has two pumper trucks. The engine proposed to be replaced is in need of major repairs. Ms Harrison started a discussion to compare repairing the truck vs. buying a new one. Chief has said this is an old truck at 27 years old and putting more money into repairs may not be cost effective. The repair for the pump is estimated at $15,000 – with possible additional problems that could put the truck out of service, which would essentially waste the money put into the pump repair.

Chief noted that it takes about 9 to 10 months to have the fire truck custom built to fit into the fire station that has a clearance of only 10 feet. There was a side discussion if a standard truck could be ordered and be kept at the Iron Rail property. Chief said that has been looked for at before and with the Mullen property being developed (eventually) keeping a piece of equipment on the east side of town would be revisited. He also noted that Mutual Aid is not to be used in place of not buying equipment.

As the Liaison to the Fire Department, Mr. Flynn opined that the real debate is not *if* a new truck is needed, but *when* does the town bond for the truck. He noted that because the town is bonding the equipment, a couple years is not going to make significant difference in the cost, especially since interest rates are very low.

The Fire Truck is now a separate article on the warrant; this requires a 2/3 vote.
Chief suggested a PowerPoint presentation be prepared for Town Meeting to further explain the details/ cost associated with the purchase of a new fire truck.

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4) **Review (Proposed) Articles for the Annual Town Meeting --The draft warrant, in its entirety, is attached as a part of these minutes.**

The BOS agreed to not take action at this meeting, citing that although they were a quorum, they were not a full board, and some information was not final.

The Finance Committee took action on the financial articles, as written, in the draft warrant dated February 23, 2015, to recommend favorable/ unfavorable action to the Town Meeting. The Finance Committee passed over non-financial articles and took no action on these articles.

ARTICLE 1: Budget appropriations
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 2: Use of Free Cash to level the tax rate
The Finance Committee voted unanimously to recommend favorable action.

WITHDRAWN: ARTICLE 3: Use of other funds to level the tax rate - This article was put in as a placeholder and was not longer needed. The article numbers will be renumbered in the next draft. *The FinCom took no action.*

ARTICLE 3A: Use of other funds (Education Stabilization Fund) to level the tax rate - Fund Balance: $327,000
The Finance Committee voted unanimously to recommend favorable action.

Ms. Harrison noted that this is a departure to the plan to phase the fund out to minimize the impact of the increase in the school budget on the taxpayers. It was noted that Wenham's assessment increased $400,000 for FY 16 due to the shift of enrollment to Wenham; if depleted next year the town will not have funds from this source to use to level the tax rate.

ARTICLE 3B: Use of other funds (Excess Bond Proceeds)
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 3C: Capital Expenditures from New Borrowing for Capital Expenditures
The Finance Committee voted unanimously to recommend favorable action.

The total amount for DPW equipment was amended to reflect the $2,000 increase as recommended by the BOS and voted by the Fin Com with this amendment. "To see if the Town will vote to appropriate $201,738 to pay the costs of the following capital expenditures: two Highway Trucks with plow and sander (Total $97,000)"
Ms. Harrison asked that the word "otherwise" be struck from the article.

ARTICLE 3D: Capital Expenditures from New Borrowing for a New Fire Truck ($405,000)
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 4: Cemetery and Other Trust Funds
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 5: Cemetery Maintenance Fund Transfer - Account balance 6,400.00
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 6: OPEB Fund Appropriation ($25,000)
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 7: Road Work Chapter 90 Funding
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 8: H-W Building Maintenance Revolving Fund

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The Finance Committee voted unanimously to recommend favorable action.

Mr. Wilhelm reviewed that the DPW Director is talking with the school/ Town of Hamilton and a revised agreement is anticipated as described in this warrant article. The building maintenance revolving fund was struck from the article, suggesting the working be amended to read Grounds Maintenance Revolving Fund.

ARTICLE 9: CPA Appropriations – HELD
The CPC has not voted on the applications to date. This article was held for consideration at the next meeting.

ARTICLE 10: To see if the town will vote to amend the zoning by-law by adding the following provisions to section 13.5, governing site plan review - *The Finance Committee took no action.*

ARTICLE 11: Bylaw Amendment: Adoption of Consolidated Department of Municipal Finance
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 12A: Acceptance of MGL Chapter 40 Section 22F - Fees
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 13: Bylaw Amendment – Finance & Advisory Committee – This would reduce the Finance Committee from the current six voters to five voters. *The Finance Committee voted unanimously to recommend favorable action.*

ARTICLE 14: Bylaw Amendment – Renumbering Bylaws adopted after May 4, 1996. *The FinCom took no action.*

ARTICLE 15: Bylaw Amendment – Solicitors application fee ($2-$20)
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 16: Bylaw Amendment – Non-resident Fingerprint Processing Fees ($20)
The Finance Committee voted unanimously to recommend favorable action.

ARTICLE 17: Conversion of Cemetery Commission to an Appointed Town Board - *The FinCom took no action.*
ARTICLE 18: Conversion of Tree Warden to an Appointed Town Office – *The FinCom took no action.*
ARTICLE 19: Historic Building Demolition Delay Bylaw - *The FinCom took no action.*
ARTICLE 20: Election of Town Officers - *The FinCom took no action.*

WARRANT FOR THE SPECIAL TOWN MEETING – No action was taken on the special Town meeting articles; these will be voted at the next meeting.
ARTICLE 1: FY 2015 Budget Account Appropriation Transfers - Ms. Wills will provide the details for Article 1
ARTICLE 2: Water Department Funding
ARTICLE : Unpaid Obligations from Prior Fiscal Years

5) **Minutes** – February 19, 2015

Mr. Ebling moved to accept the February 19, 2015 minutes and it was unanimous to do so.

6) Next Finance Committee Meeting: Thursday, March 5, 2015

It was determined that there would not be a quorum at the March 4, 2015 meeting, and it was the consensus of the committee to change the next meeting date to Thursday, March 5, 2015; March 11, 2015 was set as a placeholder, if needed.

7) Other Matters

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Ms. Wills was recognized for her work on preparing the FY 16 budget for the meetings.

8) Adjournment

The BOS unanimously adjourned at 9:27 PM.
The Fin Com unanimously adjourned at 9:27 PM

Respectfully submitted by

Catherine Tinsley, Minutes Secretary
2.28.15