

TOWN OF WENHAM

Finance & Advisory Committee
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 Committee members, a meeting of the Finance & Advisory Committee (FinCom) was held on Wednesday, September 16, 2015 at 7 PM in the Selectmen Chambers.

1) Call Meeting to Order

With a quorum present, Mr. Lucy called the meeting to order at 7 PM

Committee Members present: Michael Lucy, Chair; Ned Flynn; Rick Quinn; Alex Begin

Not Present: Michael Therrien

Also present: Angel Wills, Finance Director; Peter Lombardi, Town Administrator; Catherine Tinsley, Recording Secretary

Public information

The meeting was recorded with permission by HWCAM

Agenda

Reserve Fund Transfer Requests (2)

Financial Policies

Budget Presentation

Minutes – July 1, 2015

2) Chair Update / Town Administrator Update

Mr. Lucy thanked the committee for their work on the 2016 fiscal year (FY) annual budget.

He went on to say that the Town Administrator and Finance Director, guided in policy by BOS, will take up the development of the first budget in the next few weeks. The Town Administrator will prepare a draft budget with the department heads and forwarded it to the FinCom in mid December.

Mr. Lucy noted this appears to be a financially challenging year.

Mr. Lombardi said one of the BOS goals is to deliver a comprehensive budget document for this Fiscal Year (FY); in addition to general information from departments, a narrative of accomplishments from the current FY and goals/objectives for FY17 will be provided along with details to tie the numbers in budget to how it impacts the department and services.

3) Reserve Fund Transfers (RFT)– Vote

a. Voting Machine – RFT Request of \$3,600 for a new voting machine

The Town Clerk, Dianne Bucco was present to speak to the request and answer questions.

The request is to replace the town's 18-year-old voting machine.

The written proposal was provided to the Committee for review.

Ms. Bucco explained that although the voting machine is in working condition, the machine is three years past its life expectancy, and replacement parts are difficult to get. The concern is the machine will go down during an election without the ability to repair it, leaving the ballots to be hand counted, which increases the margin of error. It was observed the presidential elections are next year.

The ballots for the old machine are different than the ballots for the new models, therefore there is no reason to keep the old machine as a back up and it will be traded in towards a new machine.

Ms. Bucco noted this is a special package price for the machine, which can cost upwards of \$7,000.

The Reserve Fund starting balance is \$175,000. If these transfers are approved, it is 4 % of the fund balance; 21% of the fund has been spent through this FY.

It is not anticipated the same high transfer requests (unemployment insurance, salaries not budgeted due to contract services) would be repeated this year.

Vote: Mr. Quinn moved, and it was seconded, to approve the Reserve Fund Transfer of \$3,600 for a new voting machine. The motion carried unanimously.

b. Debt Borrowing Costs – RFT Request of \$4,090.26 to pay processing fees associated with the (new) State House Serial Note

Ms. Wills explained that a 10-year General Obligation Note was originally planned and the fees of \$30,000 would have been rolled into the issuance. But due to significant savings of \$178,000, a 5-year State House Serial Loan is being sought and the fees of \$4, 090.26 cannot be rolled into the loan.

Vote: Mr. Flynn moved, and it was seconded, to approve the Reserve Fund Transfer Request of \$4,090.26 for the State House Serial Loan Note fees. The motion carried unanimously.

4) Fy 17 Budget Process- Follow-up on BOS Budget Presentation

The preliminary budget presentation was provided to the Committee for review. Mr. Lombardi gave a summary overview of the presentation saying preliminary financial modeling was done both on expenditures and revenues. Based on conservative projections for FY 17, an annual operating budget of \$17.2 million is anticipated. To balance the budget, it is being proposed to use \$660,000 of Free Cash and going to the levy capacity (raising taxes to the maximum allowed). He cautioned that budget challenges are foreseen.

The Committee noted some factors impacting the budget:

- The (possible) loss of revenue from the sale of the Mullen Property
- Increased enrollment of Wenham students (27) at an estimated additional \$277,000
- Assuming a 3 % increase of the town's total expenditures for school's operating budget from 49% to 51% (\$600,000)

The FinCom requested the breakdown of the student enrollment. It was noted this information is in the presentation and is a combination of an increase of 27 students from Wenham and a decrease of more than 30 students from Hamilton.

The FinCom asked for the reasoning behind the shift.

Mr. Lucy noted that changes were made to the FinCom meetings to schedule them all on Wednesday nights.

5) Financial Policies - Update

The Financial Policies were provided to the Committee for review.

Mr. Lombardi reviewed the BOS are in the process of approving the financial polices, noting Part I and Part II have been approved. The BOS will review Part III, in October.

6) Minutes – July 1, 2015

Mr. Flynn moved to adopt the FinCom meeting minutes of July 1, 2015 and it was unanimous to do so.

Approved 11.18.15

7) Next meeting

The next regular scheduled meeting is November 18, 2015. This is a joint meeting with Hamilton FinCom and the School Leadership / School Committee.

8) Other matters, as may not have been reasonably anticipated by the Chair (discussion only).

9) Election of Vice Chair

Mr. Lucy asked for nominations for a Vice Chair.

Mr. Begin nominated Edward Flynn for Vice Chair of the Finance Committee. Mr. Lucy declared there were no other nominations.

Mr. Flynn accepted the nomination.

Adjournment - The FinCom unanimously adjourned at 7:30 PM

Respectfully submitted by

Catherine Tinsley
10.22.15