

TOWN OF WENHAM

Finance & Advisory Committee  
Meeting Minutes of June 22, 2016  
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 June 22, 2016 at 6:30 PM in the Selectmen's Meeting Room.

**1. Call Meeting to Order**

With a quorum present, Chairman Lucy, called the meeting to order at 6:31 PM.

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

Not Present: Alex Begin

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

Officials present, not participating: John Clemenzi, Chair Board of Selectmen; Steve Ozahowski, Chief Assessor

Public Information

Recorded with permission by HWCAM

Agenda

Draft Letter

Year-end Account Transfer Requests

Shared Service List

Abbreviations used

OPEB – Other Post-Employment Benefits

GASBE – Governmental Accounting Standards Board

**Updates**

Chair- There was no updated from the Chair.

Town Administrator

Mr. Lombardi informed the FinCom that the School Committee notified the Selectmen of both Hamilton and Wenham that a School Committee working group is reviewing the Regional School Agreement, specifically the Apportionment Formula and what a revised formula "might" look like, and asked if there is any interest from the Towns in participating in these discussions.

Mr. Lucy stated that because this involves the town budget, the Finance Committee would have representation at these meetings/discussions.

Finance Director

Ms. Wills reported Odyssey Advisors recently completed the OPEB / GASBE 45 actuarial update and met with the Audit Committee. The actuarial number increased since the last update as a result of the conservative approach initially taken years ago. Some funding scenarios were suggested for the town to meet this unfunded obligation over the next 30-40 years.

The first step is for the Selectmen to finalize and approve the Financial Policies of the Town and prepare / approve an OPEB funding strategy.

Ms. Wills updated the Committee on the initial start-up of the SoftRight financial software saying the software is in use for water bill collections. The Finance Department will begin to use SoftRight at the start of the new fiscal year. She noted that the transition has gone well and is receiving position feedback from the employees.

On a side note, Mr. Lombardi added that the Town has a one-year contract with the present IT firm and would most likely enter into another one-year contract for IT services with the same firm.

Mr. Lombardi went on to note that all union (Fire / Police/ AFSCME) contracts were negotiated and for the new fiscal year. These are three year contracts with 1%, 2%, and 2, % cola increases respectfully; Department Head contracts were also negotiated.

## **2. Year-end Account Transfers:**

Ms. Wills provided the end-of-year transfers consolidated for a single vote. There is no additional reserve fund transfer requests. Most items were small amounts with the exception of \$38,000 for Legal expenses. Any remaining funds will be returned to Free Cash.

*VOTE: Mr. Begin moved, and it was seconded, to approve and approve the end of year transfers as presented by the Finance Director for a total of \$60,828.61. The motion carried unanimously.*

## **3. Potential Shared Services**

The Committee has been talking in general about seeking out shared or regional services with Hamilton and possibly other local cities/ towns.

Mr. Lucy read the list of those services being considered:

- Fire – Regional fire department, 3 town minimum
- Town Operated Ambulance service through the Fire Department.
- Emergency Dispatch – Alternate (future) considerations for a Regional Communications Center
- Council on Aging Van shared with Hamilton
- Inspectional Services – Regional consideration for Building, Electric and Plumbing Inspectors
- Information Technology – Cost effective opportunities with shared services
- Health Insurance – Joint / regional group insurance
- Water Service – Regional / Bilateral water service

The meeting was open for comments regarding this preliminary list of shared/regional services.

Mr. Quinn reported that the COA is operating well, noting there are few shared programs between Hamilton and Wenham Councils but opined it is realistic to look at sharing a van service including the van (capital expense), drivers and dispatching.

Mr. Lombardi observed that Beauport provides COA van services for Hamilton, so he asked Beauport about providing transportation to Wenham. Beauport indicated providing COA transportation service only works if they (Beauport) have both the COA van service and ambulance service contracts in the Town.

Mr. Quinn added that it is harder for the Fire Department(s) to maintain a full department of call fire fighters and suggested this be carefully researched before adding an ambulance service.

It was noted both the Hamilton and Wenham Fire Chiefs are retiring soon and this is the time to consider all possible scenarios e.g. regionalization, hiring additional full time firefighter(s), adding ambulance service, shared equipment, etc.

There was a lengthy discussion regarding the current structure of the Fire Department and how any one of these scenarios could potentially change the Fire Department and impact the budget.

Fire Chief Blanchard will be asked to attend a future Finance Committee meeting.

The committee liaisons will continue to research their assigned departments for future discussion regarding shared services.

## **4. FY18 Budget Development Cycle**

The Committee was provided with a draft letter to the School Committee “Qualitative Request in Advance of FY18 Budget Planning” that originated with the Hamilton Finance Committee.

Mr. Lombardi talked about the Town's financial pressures continuing into the FY18 budget to stay within proposition 2 ½ with a level service budget. Because it appears an operating override is eminent, the FY18 budget process will be started earlier to allow for sufficient time to thoroughly vet the FY18 budget. Of importance, it was noted that the school budget is the "financial driver" at 51% of the budget, even before the enrollment shift increase to the town of Wenham of \$350,000 in FY 17.

A discussion followed. Mr. Flynn suggested the budget process be different, starting with different goals. He strongly advocated to avoid an override and asked that two budgets be drafted to include level services with override and a level budget without an override in the event an override does not pass at Town Meeting.

Mr. Clemenzi was recognized by the chair and observed that this is an annual conversation, and encouraged a team approach to the budget with all departments including the School, stressing "there is only so much money available, adding that the current apportionment formula in the Intermunicipal Agreement for the HWRSD is unrealistic for the towns, which is why it is being (considered) to be amended.

The FinCom requested information regarding town owned properties / parcels and the process to liquidate property. The Finance Director cautioned, that she would provide the information but that this has been reviewed and does not appear to be beneficial in supplementing the budget.

Steve Ozahowski introduced himself to the Board as the new Chief Assessor and offered his knowledge of assessing to the Finance Committee.

**Minutes** - November 18, 2015; December 30, 2015; April 26, 2016

*Mr. Quinn moved to adopt the minutes of **November 18, 2015** and it was unanimous to do so.*

*Mr. Quinn moved to adopt the minutes of **December 30, 2015** and it was unanimous to do so.*

*Mr. Quinn moved to adopt the minutes of **April 26, 2016** and it was unanimous to do so.*

### **Adjournment**

The Finance Committee unanimously adjourned at 7:49 pm.

Respectfully Submitted By

Catherine Tinsley  
7.21.16