

Town of Wenham  
Finance & Advisory Committee  
Meeting of Wednesday, January 23, 2013 ~ 6:30 pm  
Wenham Town Hall, 138 Main Street

Meeting Minutes: Approved January 30, 2013

Pursuant to MGL Chapter 30A, written notice posted by the Town Clerk and delivered to all Committee members, a meeting of the Finance & Advisory Committee was held on Wednesday, January 23, 2013, at 6:30 pm in the Selectmen's Meeting Room.

With a quorum present, Ms. Harrison called the Finance & Advisory Committee meeting to order at 6:36 pm.

Committee present: Catherine Harrison, Chair; Jeff Fotta, Michael Lucy, Kathryn Mansfield, Rick Quinn

Not Present; Hilliard Ebling

Also Present: Mark Andrews, Interim Town Administrator; Bay State Consultant David Generaux; Catherine Tinsley, Minutes Secretary;

Present Not Participating: Selectman Wilson; Fire Chief Blanchard; Police Chief Perkins; Police Captain Toby; DPW Director Bill Tyack

Public information

Agenda

Abbreviations used

FinCom Finance & Advisory Committee

FY Fiscal Year

Minutes

The minutes were deferred to a future meeting; no action was taken.

Chair's Report

Ms. Harrison informed the Committee that the final Fire Study Report has been released and presented to the BOS at their January 22, 2013 meeting. She recognized the Fire Study Group for their work.

The Fin Com was provided with copies of the Fire Study. A presentation by the Fire Study Group is on the agenda for the February 6<sup>th</sup> meeting. Public input will be accepted at this meeting regarding the Fire Study and other budgets.

Reserve Fund Transfer

Mr. Andrews spoke regarding the Reserve Fund Transfer saying the Legal (outside) Special Counsel account has been depleted with recent events of preparing for the Liquor License and Union Contracts. The balance of this account is \$103.

Mr. Andrews provided copies of invoices due for Special Counsel for a total of \$3,547.97.

The FinCom questioned if the Town could raise the cost of permitting to cover the cost of legal fees i.e. Liquor License.

Mr. Andrews will look into this and provide an analysis of typical legal costs.

*VOTE: Mr. Fotta moved to transfer from the Reserve Fund \$3,547.97 to line item 01-151-5220 Legal Special Outside Counsel for legal fees. Mr. Lucy seconded and the motion carried unanimously.*

FY14 Budget Review

Revenue Assumption update: Mr. Andrews reported that the Town received notification from the Governor's Office regarding the Governor's budget proposal saying it has started off on a bright note, with increases in Local Aid:

Unrestricted Aid - \$362,308

Chapter 70 money to the HWRSD - \$3,370,416

He cautioned there may be reductions in the FY14 budget.

Ms. Harrison clarified that a reduction in the school budget was only discussed at the Hamilton Wenham all-Chair joint meeting. No formal request or action was taken.

The discussion regarding the Water Department's account continued from the last meeting when Bay State Consultants explained that the Town has been including revenue from the water bills in the budget, but that taxes are not responsible for the Water Department's expenses.

After the State Department of Revenue (DOR) certifies the Town's Free Cash and it is available for appropriation, the Town traditionally keeps the balance of the account at \$250,000 and uses the remainder to reduce the tax rate.

Ms. Harrison identified that \$586,934 (FY13) was submitted to be certified; this is less than FY12.

Baystate recommended reducing the balance kept in Free Cash. The FinCom can consider this during the budget process.

One suggestion for a basic policy going forward, is to dedicate a percentage of the Town's operating budget as the determining balance amount for Free Cash.

It was questioned if the balance in Free Cash is tied to the Town's bond rating.

Areas within the budget not accurately being budgeted are being identified and will be discussed at a future meeting.

The FinCom had a side discussion on the town's approach to the budget, observing that the current tax rate is \$18.44 and with added expenses will be close to \$19.58.

Ms. Harrison asked that the discussion be continued as the budget is reviewed to give the Committee a better understanding how the process works before changing the way the budget is approached.

#### Cost Of Living Adjustments (COLA) for Non-Union Employees

Mr. Andrews reported that the data requested from a salary survey would not be available to the FinCom in time to be included in budget decisions regarding salaries. The Town Administrator's office is reviewing all positions, job descriptions, salaries, and hours worked. This information will be helpful for next years budgeting process.

Ms. Harrison stated that the Town contracted with the Unions for a 1.5% wage increase.

She reviewed that even though non-union employees received a 2% COLA last year, it was the first pay increase in many years and recommended the FinCom support a COLA.

*VOTE: Mr. Lucy moved to adopt a 1.5% COLA increase for all non-union employees for FY14. Ms. Mansfield seconded and the motion carried unanimously.*

Ms. Mansfield left the meeting at 8:14 pm

Mr. Generaux reviewed the format of the budget, noting it is different from previous years.

Those budgets with no changes, were level funded, and did not include salaries, were on the agenda for voting.

114 – Moderator: \$50 - Level Funded

*VOTE: Mr. Fotta moved to approve the Moderator's budget of \$50.00. Mr. Lucy seconded and the motion carried unanimously.*

122 –Selectmen: \$12,812 – Level Funded (It was noted that the Selectmen typically are not included in COLA increases)

*VOTE: Mr. Lucy moved to approve the Selectmen budget of \$12,812. Mr. Quinn seconded and the motion carried unanimously.*

132 Reserve Fund: \$150,000 – Level Funded

*VOTE: Mr. Lucy moved to approve the Reserve Fund budget of \$150,000. Mr. Fotta seconded and the motion carried unanimously.*

139 Municipal Audit: \$22,000 – 10% increase

*VOTE: Mr. Lucy moved to approve the Municipal Audit budget of \$22,000. Mr. Fotta seconded and the motion carried unanimously.*

Information Technology (IT)

Action on the IT budget was deferred to another meeting. The IT budget would include the cost for the new web site; this amount was not available at this time.

195 Town Annual Reports: \$4,000 – Level Funded

This budget supports the distribution of the Annual Town Reports to all households in town. The FinCom discussed the need to deliver the Report efficiently. It was noted that last year, both printed copies and discs were available.

The Annual Report and Town Meeting Warrant will be posted on the town's web site.

The form by which the information is produced will continue to be discussed and Town Counsel consulted.

*VOTE: Mr. Lucy moved to approve the Town Annual Report budget of \$4,000. Mr. Quinn seconded and the motion carried unanimously.*

249 Municipal Fire Alarms: \$2,000 – Level Funded

*VOTE: Mr. Lucy moved to approve the Municipal Fire Alarm budget of \$2,000. Mr. Fotta seconded and the motion carried unanimously.*

424 Street Lighting: \$42,000 - 5% Increase

*VOTE: Mr. Lucy moved to approve the Street Lighting budget of \$42,000. Mr. Fotta seconded and the motion carried unanimously.*

#### Other Business

Review of Finance Committee Materials (updates to budget book, distribution of inter-municipal agreements)

Ms. Harrison stated that there was no new material, or updates for the budget books. A new tracking document will be provided to the Committee at the next meeting.

Budgets that are low or too high have been identified in the document Historical Departmental Budget Training, dated January 22, 2013.

The Finance Committee's Budget Vote Schedule was reviewed.

The Tree Warden submitted a report as requested by the FinCom at the last meeting; Ms. Harrison noted that the cost for the services outlined in the report were not included in the FY14 budget. This will be discussed when the Tree Warden's budget is voted.

#### Meeting Dates (Wednesdays, unless otherwise noted)

January 30, 2013 - The HWRSD will present a draft budget at a joint meeting in the library; this is informational only and no votes will be taken at this meeting. The Wenham FinCom will continue their regular meeting following the presentation.

February 6th - Fire Study Report presentation; public input session; regular meeting

February 13th - no meeting –religious holiday

February 20th

February 27th

March 2nd – Saturday meeting

March 6th League of Women Voters Candidate's night

*VOTE: Mr. Quinn moved to adjourn at 9 pm and it was unanimous to do so,*

Respectfully submitted by

Catherine Tinsley