

Approved 6.26.13

Town of Wenham  
Finance & Advisory Committee  
Meeting of Wednesday, February 20, 2013 ~ 6:30 pm  
Wenham Town Hall, 138 Main Street

Draft Meeting Minutes

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, February 20, 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 6:35 pm.  
Committee present: Catherine Harrison, Chair; Hilliard Ebling (7:36), Jeff Fotta, Michael Lucy, Kathryn Mansfield, Rick Quinn  
Also Present: Mark Andrews, Interim Town Administrator; Baystate Municipal Accounting Group David Genereux; Catherine Tinsley, Minutes Secretary; Fire Chief Bob Blanchard (7:09 pm), Highway Superintendent Bill Tyack; Selectman Wilson

Public information

Agenda

FY14 Budget

Abbreviations use

FinCom Finance & Advisory Committee

BOS Board of Selectmen

FY Fiscal Year

ATM Annual Town Meeting

COLA Cost Of Living Adjustment

Report of the Chair

The School Committee's web site is listing the general total Operating Budget: \$27,229,786

The assessment to Wenham is estimated to be \$7,335,000

The Finance Committee will meet jointly with the BOS on Wednesday, February 27, 2013 to discuss the final budget.

Hamilton and Wenham are reviewing the administration fees paid to the lead town for joint programs; changes would be brought to the Finance Committee.

Minutes - Minutes were deferred to the next meeting. No action was taken.

February 11, 2013

February 16, 2013

Reserve Fund Transfer Request - Bay State Municipal Accounting Group (BMAG)

The FinCom considered the request for a Reserve Fund transfer of \$1929.18 to pay for the contract services provided by BMAG from February 4, 2013 through February 12, 2013. The Chair noted that Contract Services (CS) could not be paid out of a salary line.

*VOTE: Mr. Lucy moved to approve a Reserve Fund Transfer for \$ 1929.18 to line item 01-145-5300-0000 Treasurer / Collector / CS for financial services provided by BMAG February 11 – February 17, 2013 as per invoice. Mr. Fotta seconded and the motion carried unanimously.*

The Chair requested that the Reserve Fund Transfer form include:

The remaining balance of the Reserve Fund: \$50,981.57

An updated Tracking Document

The FinCom was informed there may be a \$5,000 transfer request from the Police Department.

Fiscal Year 2014 Budget

291 Wenham Emergency Management (WEM)

Present: Fire Chief Bob Blanchard

At the request of the FinCom, Chief Blanchard provided a list compiled of supplies / cost estimates to stock the emergency shelter at the Buker School for the Town of Wenham. He identified the priority is to begin purchasing food and water; the shelf life for these items is 15 to 20 years. The state recommends enough supplies for three days. The approximate cost to totally stock the shelter is \$14,167.66. This would be achieved at an annual budget of \$3,000 for the next 4 to 5 years. The Chief stated that in the event of an emergency, the Gordon College Bennett Center is self-sufficient and is available for use by the Town as an emergency shelter (if the emergency is not a hurricane due to the roof structure).

The Department uses grants when possible for supplies such as cots and blankets.

The Connect City (CTY) is paid out of this budget at a cost of \$3,300. This reverse calling system allows the town to give important information with residents.

*VOTE: Mr. Lucy moved to approve the Emergency Management Budget for FY14 budget of \$6,300. Mr. Quinn seconded and the motion carried unanimously.*

Parks Budget was deferred for additional information regarding the funding of the gatekeepers position.

199 Iron Rail: \$46,225

Present: Bill Tyack, Highway Superintendent

Ted Batchelder, Chairman of the Iron Rail Committee

The Expense Budget (utilities, maintenance, fire alarms, etc) did not include capital.

Capital for the Iron Rail would include:

Flat roof repair

New Septic system

Heating system conversion from steam

The net income to the town is about \$100,000 after expenses.

The FinCom supported the town be proactive with maintenance to avoid emergencies.

Prioritized list:

Fire alarm \$5000

Outside stairs - \$5000

Door replacement \$3000

Mr. Andrews will work with Mr. Tyack to document, and update this line item for the FinCom.

The FinCom took no action.

Mr. Andrews was asked to provide the salmon covered updated budget sheets be provided to the Department Heads.

294 Tree Warden - \$21,818

The FinCom was informed that the Tree Warden was moving out of town and therefore vacating the position. The Tree Warden's budget was moved to the Highway/ DPW. The Tree warden's Budget was presented by Bill Tyack.

Mr. Andrews reviewed that a lot of tree maintenance is being attended to by National Grid in an effort to keep the power lines clear of limbs and reduce outages. This also saves the Town time and cost.

A tree survey (\$3,000 - \$5,000) would include the most hazardous, diseased, and valuable tree as proposed by the Tree Warden. It was noted that proactive work could minimize the cost with a competitive bid process and the use of National Grid. The DPW assists with clean up and grinding.

Mr. Tyack noted that the DPW does not have a line item in the budget for tree work, the clean up and grinding of the limbs is under Street Maintenance. Mr. Andrews reported the Police Detail was under funded in previous years and was increased substantially to cover actual costs.

The FinCom did not have a high level of comfort the way the budget was put together for FY14 and asked that FY15 includes more detail. It was noted election papers were pulled for the Tree Warden position.

*VOTE: Mr. Ebling moved to approve the Tree Warden's Budget for FY14 budget of \$21,818. Mr. Lucy seconded and the motion carried unanimously.*

Town Accountant

Present: Catherine Gabriel

916 FICA/ Medicare – level funded (1.45% formula of base pay into FICA)

*VOTE: Mr. Lucy moved to approve the FICA / Medicare Budget for FY14 budget of \$46,000. Mr. Fotta seconded and the motion carried unanimously*

911 Essex Regional Retirement System

This is the Pension Assessment for active and retired employees (does not include schools)

*VOTE: Mr. Fotta moved to approve the Essex Country Retirement Budget for FY14 budget of \$470,270. Mr. Quinn seconded and the motion carried unanimously*

945 General Insurance (Workman's Comp, Accident)

General Insurance is assessed and provided by MIIA (Mass Interlocal Insurance Agency)

Mr. Andrews said MIIA was asked to review the town's insurance for the appropriate coverage and was able to reduce the cost by \$10,000; Mr. Andrews confirmed this is the right coverage, for the town and that this evaluation process should be conducted on an annual basis.

The FinCom questioned the cost of the insurance for underground tanks at Iron Rail vs. above ground.

*VOTE: Mr. Lucy moved to approve the General Insurance Budget for FY14 budget of \$113,900. Mr. Fotta seconded and the motion carried unanimously*

914 Employee Benefit Budget - \$663,775

Present: Catherine Gabrielle, Town Accountant

Group Insurance

Ms. Gabrielle reviewed that open enrollment for insurance is in April- May, because this is after the budget is voted, an eight percent increase is used. This is a conservative budget with two contingencies used for health insurance.

Unemployment premiums - Level funded

Workman's Compensation – As needed

Collective Bargaining Salary Adjustment - Mr. Andrews reviewed this is a new line item related cost to collective bargaining and sick time buy backs for retirements during the year to avoid Reserve Fund Transfers. Mr. Andrews stressed that union negotiations are ongoing, and is imperative that a separate budget line item be established to continue to bargain in good faith under Massachusetts General Laws and collective bargaining processes. If this money is not used, it is returned to Free Cash.

Ms. Harrison preferred the sick time buy back be accounted for in reserve fund saying if it is not needed, the money can be used for an unexpected cost, leaving the town with some flexibility. It was the consensus of the FinCom to fund the budget.

*VOTE: Mr. Lucy moved to approve the Employee Benefit Budget for FY14 budget of \$663,775. Mr. Fotta seconded and the motion carried unanimously*

135 Town Accountant - Expense Budget

*VOTE: Mr. Lucy moved to approve the Town Accountant Budget for FY14 budget of \$56,735. Mr. Quinn seconded and the motion carried unanimously*

700 Town Debt Service

This budget figure is generated from the debt schedule.

The FinCom requested a list of the town's debt by project with the principal and interest separated.

*VOTE: Mr. Lucy moved to approve the Town Debt Service Budget for FY14 budget of \$655,857. Mr. Fotta seconded and the motion carried unanimously*

OPEB –Level funded \$5000

Mr. Andrews provided information of Wenham for Other Post Employment Benefit. This is an unfunded liability of \$4,050,000, plus regional costs. The Town will request that an updated OPEB liability report be conducted by the Finance Department in FY 2014.

An Individual Survey of Liability is required every three years; this needs to be done this year. Mr. Andrews reported that a final report of the OPEB Special Commission had been completed in January 2013. Further, that the Massachusetts Municipal Association presented on this subject matter at their annual meeting on January 25 and 26, 2013.

Mr. Andrews elaborated on the OPEB liability adding that there is possible legislation to assist towns/ cities with funding in FY 2014.

The Chair recommended that revenues seen by the town in the future be partially dedicated to funding OPEB.

This was a separate article last year to establish a stabilization fund and deposit \$5000; it was the recommendation of Bay State that this remains a separate article.

*VOTE: Mr. Quinn moved to transfer \$5,000 to the OPEB Stabilization Fund for FY14. Mr. Lucy seconded and the motion carried unanimously*

Mr. Andrews was asked to have the BOS add this article to the 2013 Annual Town Meeting Warrant.

#### 123 Town Administrator – Level Funded

This is currently an Interim position. The contract with Mr. Andrews ends June 30, 2013.

Ms. Harrison noted that it is not known if the Government Study Committee is going to recommend changes to this position.

*VOTE: Mr. Lucy moved to approve the Town Administrator Budget for FY14 budget of \$102,885. Ms. Mansfield seconded and the motion carried unanimously.*

#### 210 Police Department - Amendment

Ms. Harrison explained that the COLAs for the Chief and Captain were inadvertently left out of the budget.

The total amendment to the previously voted Police Department budget is an additional \$2,845. The FinCom was requested to consider a Police Department Budget of \$1,117,999.

*VOTE: Mr. Lucy moved the FinCom rescind their vote on February 11, 2013 to approve a Police Department Budget of \$1,115,154 Mr. Ebling seconded and the motion carried unanimously.*

*VOTE: Mr. Lucy moved to approve an amended FY14 budget for the Police Department of \$1,117,999. Mr. Ebling seconded and the motion carried unanimously.*

The Finance & Advisory Committee is posted to meet Monday, February 25, 2013 at 7 pm in the Town Hall.

The Finance & Advisory Committee will meet jointly with the Board of Selectmen on Wednesday, February 27, 2013 at 6:30 pm in the Town Hall.

*VOTE: Mr. Fotta moved to adjourn at 9:03 pm and it was unanimous to do so.*

Respectfully submitted by

Catherine Tinsley

The Finance & Advisory "Ask" list:

2.20.13

1. The Reserve Fund Transfer Form includes the remaining balance of the Reserve Fund and an updated Tracking Document
2. Mr. Andrews was asked to provide the salmon covered updated budget sheets be provided to the Department Heads
3. Parks Budget was deferred for additional information regarding the funding of the gate keepers position
4. FY15 Tree Warden Budget: includes more detail
5. Iron Rail: Mr. Andrews will work with Mr. Tyack to document, and update this line item for the FinCom.
6. The FinCom questioned the cost of the insurance for underground tanks at Iron Rail vs. above ground tanks
7. The FinCom requested a list of the debt by project with the principal and interest separated
8. Mr. Andrews was asked to have the BOS add this article to the 2013 Annual Town Meeting Warrant

2.16.13

1. Mr. Andrews was asked to provide the FinCom with projected savings (salary & benefits) of the Financial Director position and the contracted services.

WFC 2.20.13

2. The FinCom requested to continue to see the RECC budgets each year.
3. The FinCom requested data related to the cost of the supplies for the emergency shelter.
4. The FinCom requested for the Fire Station Budget be included in the Fire Operation Budget for FY15

2.11.13

Mr. Generaux was asked to include FY13 Water revenue as a side note in future revisions, to be used as a reference

Mr. Andrews:

1. Provide the FinCom with information of the actual money collected on delinquent tax titles with staff vs. collection agency including estimated cost, and amounts anticipated to be collected.
2. For a sense of additional expenses anticipated for FY13 for the next meeting.
3. If the Police shed (Capital) could be funded through the Town Hall/ Police Station building funds as part of the project when the shed was originally requested.
4. Market analysis (comprehensive job description) has been done and submitted to the FinCom
5. Be sure the Department Heads receive the updated, salmon colored budget papers

Bill Tyack:

1. Analysis of the pros and cons, and cost benefits on above ground fuel tanks be done for the FY15 budget.
2. Analysis of the Town's fleet for the next budget cycle

Police:

The Police Station Building Budget be rolled into the Operating Budget for FY15.