

Approved April 6, 2013

Town of Wenham  
Finance & Advisory Committee  
Meeting of Monday, March 4, 2013 ~ 6:30 pm  
Wenham Town Hall, 138 Main Street

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 Monday, March 4, 2013 ~ 6:30 pm in the Selectmen's Meeting Room.

With a quorum present, Ms. Harrison called the Finance & Advisory Committee meeting to order at 6:31 pm.  
Committee present: Catherine Harrison, Chair; Hilliard Ebling, Jeff Fotta, Michael Lucy, Kathryn Mansfield, Rick Quinn  
Also Present: Mark Andrews, Interim Town Administrator; Bay State Municipal Financial Services, David Generaux

**Minutes** – February 11, 2013; February 16, 2013

*VOTE: Mr. Lucy moved to approve the February 11, 2013 Finance Committee meeting minutes as amended. Mr. Quinn seconded.\* Under discussion, Mr. Andrews provided information from Treasurer/Collector regarding collections from tax titles as requested at the last meeting. He reported that there is \$300,000 of delinquent tax titles, and he would work closely with the Treasurer/ Collector going forward to establish a plan. Mr. Andrews informed the FinCom the Leadership Team worked together and determined that a shed for the police department could be done in FY13. He also provided the FinCom with the Market Analysis current information with a formal letter from Human Resource services, noting this included FY12 salary information and how Wenham is related to other communities. \*The motion carried unanimously.*

*VOTE: Mr. Lucy moved to approve the February 16, 2013 minutes. Ms. Mansfield seconded and the motion carried unanimously with Mr. Fotta abstaining, citing he was not present.*

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

The FinCom considered the request for a Reserve Fund transfer of \$1331.47 to pay for the contract services provided by BMAG. 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 \$1331.47 to line item 01-145-5300-0000 Treasurer / Collector / CS for financial services provided by BMAG as per invoice dated March 2, 2013. Mr. Quinn seconded and the motion carried unanimously.*

**FY14 Budget**

**320 - North Shore Regional Vocational School District**

It was noted that when the new regional school is complete, it would be called Essex North Shore Agricultural and Technical High School

Present: Bill Nichols, Representative to the Regional Vocational High School; Superintendent, Daniel O'Connell

The FY14 budget is level funded, and no cuts in staff.

Wenham currently has seven students attending. The formula is based on a minimum of five students attending; the cost per student is \$17,651.

It was noted that Communities are being assessed on interest only for three years. Starting in the fourth year (FY15) Principal and Interest is included. The total bond this year is \$19 million.

*VOTE: Mr. Lucy moved to approve the FY14 Operating Budget for the North Shore Regional Vocational School for \$124,668. Mr. Ebling seconded and the motion carried by majority vote five to one with Ms. Mansfield abstaining.*

*VOTE: Mr. Lucy moved to approve the FY14 Debt Exclusion Budget for the North Shore Regional Vocational School for \$13,881. Mr. Quinn seconded and the motion carried by majority vote, five to one with Ms. Mansfield abstaining.*

**310 – Hamilton Wenham Regional School District (HWRSD); \$7,168,026**

Present: Roger Kuebel, School Committee Chair

Mr. Kuebel explained the Excess and Deficiency Fund was recently certified by the State; \$700,000 is committed for the Cutler School HVAC system. The School Committee will meet and consider a reduction in the assessment to the towns.

The FY14 net Operating Budget for the HWRSD is \$23,864,256; Wenham's FY14 assessment is \$7,168,026.

Mr. Kuebel reviewed the budget and answered questions.

*VOTE: Mr. Lucy moved to approve Wenham's assessment for the HWRSD FY14 Budget for \$7,168,026. Mr. Quinn seconded and the motion carried unanimously.*

**395 – HWRSD Debt: \$232,996**

*VOTE: Mr. Lucy moved to approve the HWRSD FY14 Debt Service of \$232,996. Mr. Quinn seconded and the motion carried unanimously.*

**450 - Water Department: \$434,065**

*VOTE: Mr. Lucy moved to approve the FY14 Water Department Budget for \$434,065. Mr. Fotta seconded and the motion carried unanimously.*

**542- Counsel On Aging (COA) Van Budget: \$24,766**

Present: Mary Beth Lawton, Counsel of Aging Van Director

This is a joint program with the Town of Hamilton. Wenham is the lead, administrative town for the van. The total budget is \$66,117; Wenham's assessment is \$24,766. It was noted that the inter-municipal agreement between the towns ends in November.

The FinCom asked that the COA and the van budgets be combined for FY15.

*VOTE: Mr. Lucy moved to approve the FY14 Budget for the Counsel on Aging Van for \$66,117. Mr. seconded and the motion carried unanimously.*

**541 – Counsel On Aging: Operating Budget \$17,661**

Hamilton and Wenham share a COA Director. It was noted the \$10,000 increase in the budget is in the Director's salary line. The Administration Recommendation was to increase the salary line to the actual cost of \$14,423. The Outreach position is budgeted for 4.5 hours for Wenham for \$3526.

The FinCom asked for a breakdown of what is included in the budget i.e. programs, number of seniors served, etc for Wenham. Ms. Harrison noted this is an interim Director's position. She went on to say the Hamilton BOS are discussing not going forward with a joint COA / van program with Wenham, and the budget may need to be amended. Without formal notice from Hamilton, no alternate action could be taken.

*VOTE: Mr. Lucy moved to approve the FY15 Budget for the Counsel on Aging for \$17,661. Mr. Ebling seconded and the motion carried unanimously.*

**640 - Joint Recreation: \$45,994**

Present: Sean Timmons, Director of Recreation

This is a shared program with Hamilton including parks, programs, and the pool.

There is one full time Director and a part-time staff. Salary and Utilities are included in the expenses; Hamilton is the lead administrative town. The revolving fund is based on 1% of the Town's levy fund; Wenham's assessment is \$45,994.

This is a revenue generating account through programs, user fees and goes into a revolving fund for maintenance etc.

The FinCom requested the budget (expenses) be broken down for FY14 and FY15.

A plan for capital improvements including the pool is being prepared.

*VOTE: Mr. Lucy moved to approve the FY14 Budget for the Joint Recreation for \$45,994. Mr. Ebling seconded and the motion carried unanimously.*

**Final Adjustments to the FY14 Budget**

Mr. Generaux addressed the FinCom saying the BOS respectfully request the FinCom revoke the 422 Highway Budget to include a \$5,000 adjustment increase in the salary line for the DPW Director.

The previously voted budget was for \$508,307. The new budget including the increase would be \$513,307.

**Highway Department - Revision of Director salary**

Mr. Ebling reviewed that a few years ago, town meeting voted down a request to increase specific salaries. He questioned the request to increase one employee salary.

Ms. Harrison emphasized as a policy process, one employee should not be singled out for a raise without a comprehensive salary study, referring back to the town meeting voted down individual raises.

Mr. Quinn was noted that the director has added to his responsibilities, improved operations at a cost savings. He went on to say that Mr. Tyack is a finalist in another position, and if he were to leave, the town would have to increase the salary for a new DPW Director. The FinCom recognized that Mr. Tyack's knowledge and experience provides a high value for the town's tax dollar. Mr. Andrews noted that the town participated in a regional consortium survey at no cost to the town. This is similar to the Mass Municipal Association Survey that is conducted at no cost to the town for participating in the survey but a comprehensive survey can be done for a fee.

This \$5,000 is a re-class and the 1.5 % COLA would not be applied. This would increase the salary line to \$512,094 and the total Highway 422 budget to \$666,738.

*VOTE: Mr. Lucy moved to rescind the Highway Budget 422 voted by the FinCom for \$662,951.00. Mr. Quinn seconded and the motion carried by majority vote, five to one, with Ms. Harrison voting in the negative five to one.*

*VOTE: Mr. Lucy moved to adjust the Highway budget 422 to add \$5000 to the DPW Director's salary for Bill Tyack and to approve the FY for the Highway Department of \$666,738.00. Ms Mansfield seconded and the motion carried by majority vote, five to one, with Ms. Harrison voting in the negative.*

The FinCom requested an up-to-date salary survey, including job descriptions, be provided to the FinCom by June 30, 2013.

### **Employee Benefits**

*VOTE: Mr. Lucy moved to rescind the 914 Employee Benefits FY14 budget voted by the FinCom. Mr. Fotta seconded and the motion carried unanimously.*

*VOTE: Mr. Lucy moved to adjust and to approve 914 Employee Benefits FY14 budget for \$633,775 with \$15,000 to the Contract Settlement Line and \$15,000 to Group Insurance line. Mr. Fotta seconded and the motion carried unanimously.*

Mr. Generaux updated the FinCom saying the proposed tax rate was now \$18.97. He went on to give a general overall summary of the FY14 budget.

*VOTE: Mr. Lucy moved to adjourn at 8:54 pm and it was unanimous to do so.*

Ms Harrison asked the FinCom to remain for a moment while she read the following statement:

Resignation statement—to Wenham Finance Committee

I have been a member of the Wenham Finance Committee for 3 years--2 years as chair.

Throughout this time—actually throughout my entire professional and volunteer life—I have been personally driven by 2 guiding principles.

One is process—in my opinion, a good process that is carefully crafted, and then followed, is essential for a good outcome.

Second is a strong ethic to meet my obligations—finish what I have begun.

I've been involved in the Town of Wenham's FY14 budget process since last fall. In the last 4-5 months, I have been in the difficult position of losing confidence in the integrity of the process. It has been a struggle to balance my desire to fulfill my obligation as a fin com member ("to advise and make recommendations to town meeting on the budget and other areas of finance...")\*, with my dissatisfaction with the process.

Tonight, with the voting for town meeting budgets essentially complete, I've reached the point where I must compromise my desire to finish what I have begun. The fact that I haven't agreed with a few of the votes is immaterial—and actually healthy in decision-making groups. The issue is that I have lost confidence in the process.

With that in mind, I am resigning from the Wenham Finance Committee, effective tomorrow, March 5, 2013.

I wish the rest of you much luck as you approach the Warrant Hearing and Annual Town Meeting. And for those of you continuing to next year—I hope you spend at least a little time defining the process you want to use—and ensure that it is followed.

The Finance & Advisory "Ask" list:

3.4.13

1. Up-to-date Salary Survey by June 30, 2013
2. Joint Recreation expense breakdown
3. COA Budget breakdown

2.25.13

1. It was agreed that at the end of FY13, the Assessors would encumber funding for the GIS/mapping maintenance.

2. The Committee discussed increasing the Senior Center FY14 budget to include the ADA renovations, noting the importance for seniors to access and use the building.
3. Ms. Mansfield suggested the FinCom be proactive and recommend an architectural study be done, saying if a Master's program, e.g. at MIT, accepted the Iron Rail as their project, there would be no cost to the town for a plan to maximize the use of the property as a revenue source for the town.

#### 2.20.13

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

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.

#### Completed:

#### 3.4.13 Mr. Andrews completed

- ✓ 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.
- ✓ For a sense of additional expenses anticipated for FY13 for the next meeting.
- ✓ 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.
- ✓ Market analysis (comprehensive job description) has been done and submitted to the FinCom
- ✓ Be sure the Department Heads receive the updated, salmon colored budget papers

The Reserve Fund Transfer Form includes the remaining balance of the Reserve Fund and an updated Tracking Document

