

Approved 1.28.15

TOWN OF WENHAM

Finance & Advisory Committee
Meeting of December 17, 2014
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 Board and Committee members, a meeting of the Finance & Advisory Committee (FinCom) was held on Wednesday, DECEMBER 17, 2014 at 6:30 PM in the Selectmen Chambers. This meeting was recorded with permission by HWCAM.

Public Information:

Agenda

Audit – FY 14

Reserve Fund Transfer Request

Preliminary Budget - FY 16 Notes

Minutes – November 12, 2014; November 18, 2014

1. **Call Meeting to Order**

Mr. Lucy clarified that he would begin the meeting without an official quorum at 6:35 PM but would take no action until a quorum was present. A quorum was reached at 6:37 PM and Mr. Lucy called the meeting to order.

Committee Present: Michael Lucy, Chair; Ned Flynn (6:37 PM); Richard Quinn; Mike Therrien

Also Present: Angel Wills, Finance Director/Accountant; Catherine Tinsley, Minutes Secretary

Not Present: Hilly Ebling,

2. **Chairman Report**

- There is a vacant seat on the Finance Committee. Letters of Interest should be submitted to the Chairman of the Board of Selectmen.
- Gordon College continues to provide financial support to the town and recently donated a police cruiser to the Wenham Police Department.
- Dialogue continues with the Hamilton Wenham Regional School District (HWRSD) Assistant Superintendent for Finance & Administration, Jeff Sands, as authorized at the joint Hamilton & Wenham Finance Committees meeting with the HWRSD leadership on November 18, 2014, regarding the HWRSD Excess and Deficiency Funds policy and procedural features for the turn back of funds to the Towns when appropriate. The School Committee is currently reviewing its' policy in this regard and consultation with the Towns was requested.

3. **2014 Audit – Powers & Sullivan**

Jim Powers, Powers & Sullivan was present to give an overview of the 2014 Audit summarizing that the FY 14 audit went “very well” and was considered a “clean audit”. He recognized Ms. Wills for a smooth transition as the Finance Director from Baystate Municipal Accounting Group who provided the Town with financial services for FY 2014.

Mr. Powers went on to comment on the Town’s major accounts, saying they are well managed. The HWRSD is audited separately and their Fy 14 audit appeared to be in good standing. Ms. Wills confirmed that DOR certified “Free Cash” at \$586,000. Mr. Powers noted that the FY 2015 audit would include unfunded pension liabilities of the Essex Regional Retirement System as mandated by the Government Accounting Standards Board (GASB). Wenham’s contribution to the overall system is 2 percent, which is six million dollars; OPEB (Other Post Employment Benefits) would be included in the future.

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4. **Board of Assessors** – Briefing Triennial Revaluation

Assessor Steve Gasperoni was present to update the Finance Committee on the Tri-Annual Re-evaluation of properties in town, as mandated by the State Department of Revenue to be done every three years. He went on to explain the assessment process, noting that home sales in Wenham were flat and below average the first two years of the evaluation period (2011, 2012) but in the third year (2013) home sales doubled. Some properties have increased in value; on average property values went up 20 percent. The resulting current tax rate is therefore \$16.25 per \$1000 of assessed value. This information is available on the Town's web site. He noted that abatements are time sensitive and requests must be filed in January.

5. **Reserve Fund Transfer** - Unemployment Expense -\$11,475.00

Ms. Wills was present to ask for the Finance Committee's consideration for a reserve fund transfer dated December 17, 2014. This expense is extraordinary and/or unforeseen to pay the invoice from the Commonwealth Executive Office of Labor & Workforce Development was received November 18, 2014 for unemployment claims derived. It was noted that another Reserve Fund Transfer is anticipated for this same reason; only the funds needed at this time were requested.

The Committee noted concern that 50 percent of the Reserve Fund has already been spent half way through the fiscal year, citing the additional legal expenses the town is incurring this FY (2015). Town Counsel has been asked to update the Committee at the January 21, 2015 meeting. The balance of the Reserve Fund Account is \$74,318.00.

VOTE: Mr. Quinn moved, and it was seconded, to approve the Reserve Fund Transfer of \$11,475 to Unemployment Expense. The motion carried unanimously.

6. **FY 16 Budget** – Presentation by Finance Director

Ms. Wills referenced a prepared document in the meeting folder "Notes to Recap Sheet for FY 2016" and gave a general overview, which included preliminary figures/estimates with a detailed budget presentation to be done in January 2015:

Revenue – Level Funded

- Local Receipts
- Water Revenue
- Assessment to Hamilton –Library
- Cherry Sheet
- Other Available Funds

Expenses

- Cherry Sheet Charges
- Other Expenditures
- Overlay
- Special Articles
- Other – Levy Limit, Prop 2 ½, New Growth, Tax Title, Prop 2 ½ Debt Exclusion, Community Preservation Act Funds Expenses/Debt Service

The preliminary figures of the core budget for FY 15 compared to FY 16 is an (estimated) increase of 3.5 percent. It was noted that about 50 percent of the Town's budget goes to the School.

Ms. Wills reviewed the proposed capital of \$534,000 included in the FY 16 preliminary budget:

- Fire Department – Pumper (\$405,000)
- DPW Pick-up trucks / plows
- Finance Department software upgrade
- Police cruiser

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7. **Approval of Minutes** – November 12, 2015; November 18, 2014

- *Mr. Therrien moved to approve the meeting minutes of **November 12, 2014** and it was unanimous to do so.*
- *Mr. Quinn moved to approve the **November 18, 2014** minutes of the Joint meeting with Hamilton Finance Committee as prepared by Jane Dooley and it was unanimous to do so.*

8. **Meeting Schedule** – January 2015

January 15, 2015 – Joint meeting with Hamilton Finance Committee

January 21, 2015

January 28, 2015

9. **Adjournment**

The Finance Committee unanimously adjourned at 7:54 PM

Respectfully submitted by

Catherine Tinsley

1.5.15