

TOWN OF WENHAM

**Wenham Finance & Advisory Committee
Meeting of Thursday, February 19, 2015
Wenham Town Hall, 138 Main Street**

Pursuant to the Open Meeting Law, M.G.L. Chapter 30A, §§ 18-25 written notice posted by the Town Clerk and delivered to all Committee members, a meeting of the Wenham Finance & Advisory Committee was held on February 19, 2015 at 6:30 PM in the Selectmen Meeting Room

1. Call Meeting to Order

With a quorum present Mr. Lucy called the meeting of the Wenham Finance Committee to order and opened the joint meeting at 6:31 PM

Wenham Finance Committee present: Michael Lucy, Chair; Hilliard Ebling, Vice Chair (A 7:33 PM); Ned Flynn, Rick Quinn, Michael Therrien; Finance Director Angel Wills; Catherine Tinsley, Minutes Secretary

The Hamilton Finance Committee did not have a quorum and took no action.

Hamilton Finance Committee Present: Rick Sprenkle, FinCom Chair; Charles Chivakos; Town Manager Michael Lombardo; Finance Director Deborah Nippes-Mena (remotely)

Chairman Lucy announced that Deborah Nippes-Mena was participating by "remote participation" via the telephone having met all requirements according to 940 CMR 29.10 a member of a public body shall be permitted to participate remotely in a meeting, in accordance with the procedures if the chair or, in the Chair's absence, the person chairing the meeting, determines that one or more of the following factors makes the member's physical attendance unreasonably difficult: (e) Geographic distance. All votes taken during remote participation would be done by roll call vote.

Public information

This meeting was recorded with permission by HWCAM

Agenda

FY 16 Draft Budget - Hamilton Wenham (HW) Recreation Department; Library Reserve Fund Transfer Requests – IT Study; Unemployment Minutes – January 28, 2015 & February 4, 2015

2. FY 16 Joint Town Budgets – Presentation / Discussion

a. Hamilton Wenham Recreation Department - Sean Timmons, Director, introduced the Recreation Committee members present: chairman Steve Ozahowski, John Cusilito and Brad Tilley.

Mr. Timmons reviewed the general budget, saying it is divided into three categories; all were level services

1. Personnel (wages director and administrative assistant; various dues/training)
2. Building / Recreation Center (utilities, heat, custodial service)
3. Office (supplies, computers, software)

He noted increases to the budget are minimal the difference is an increase of (2.3 percent) \$3,000

The allocation for the HW Recreation Department is based on three year rolling evaluation.

Wenham's assessment for the proposed FY 16 budget as prepared is \$64,528; this includes 35 percent of the general budget (\$162,387.11), administration fee of \$4,819.31 and FY14 reconciliations.

Approved 2.25.15

Mr. Timmons talked about the Revolving Fund for programming that is not a part of the General Fund.

Revenue resources include programming fees, field user fees, pool membership, etc; only one percent of the total tax levy for the Town of Hamilton (est. \$225,000) can be spent from the Revolving Fund.

He noted that the pool closed (summer 2014) and expenses for that year were not recouped because pool passes were not sold for the next season. Ms. Mena explained how revenues are collected in one fiscal year (May/June) for programming expenditures in the following Fiscal Year (July/August); these funds are in the Reserve Fund and adjusted when the "books are closed". A separate Revolving fund would be created for the pool (if approved)

He observed that with the implementation of online payment options, more people are participating in the programming.

In closing, Mr. Timmons gave a brief update on the status of the new (proposed) joint pool saying that applications for Community Preservation funds are before both town Community Preservation Committees (CPC) for a recommendation to Town Meeting. Hamilton CPC voted in favor of recommending \$1.4 million dollars of CP funds for the pool design and construction. An application was submitted to the Wenham CPC for \$700,000; the Committee has not yet met to vote on applications.

Mr. Timmons said the estimated operating cost for the first year of the pool is \$100,000 and \$80,000 - \$84,000 the following year. The season for the pool is anticipated to be about fourteen weeks per year. It is expected that the pool would be self-supporting.

b. Library - Jan Dempsey, Library Director presented the FY 16 draft budget for the Library. Ms. Dempsey provided a narrative to the Committee dated February 18, 2015, an operating budget, noting Wenham and Hamilton voted different budgets are their 2015 Town Meetings; Wenham voted a budget that included salary increases and Hamilton voted a reduced share, pending the salary study report results/recommendation. The FY 16 budget includes a placeholder in anticipation of the Hamilton's salary survey providing information.

Notable changes to the FY 16 proposed budget:

- The budget included the increase in minimum wage (\$9) for support staff
- Additional 2.5 hours weekly for support staff
- Increase for heat / utilities of 15% to actuals (\$1,290)
- Increase of Building and Grounds (\$1,000)
- Capital Request to replace nine public computers running Windows XP (\$9,995)

Ms. Wills explained that Wenham's assessment is 35 percent of the total budget of \$1,085,760.85; Wenham is the lead town on the Library and Hamilton will pay Wenham their apportionment of \$700,125.83.

In closing, Ms. Dempsey noted that the library building has some damage from ice dams. Snow is being removed from the roof. An insurance claim has been filed. Ms. Wills added that a portion of the snow removal is not expected to be covered by insurance; the cost is expected to exceed \$10,000.00.

c. Hamilton Wenham Regional School District (HWRSD)

Mr. Lucy reviewed that the two Finance Committees received the Schools' budget presentation on January 15, 2015 and that it was subsequently approved by the School Committee on February 12, 2015. The Wenham Finance Committee is comfortable with the HWRSD FY 16 proposed budget. The net increase over FY 15 is 3.25 percent (\$923,050.00). Wenham's proportionate assessment has increased as a result of student enrollment changes (Wenham + 37; Hamilton - 106) per the HWRSD District Agreement formula. It was noted that unexpectedly, there was a significant increase in registration of students for next year. Mr. Lucy went on to note that overall, there is a decline in student enrollment projected to be 1.2 to 2 percent (20-25) students less per year suggesting the drop in enrollment be reviewed noting this impacts the long range planning including infrastructure and economics. The Superintendent is working on a draft report.

7:37 PM - The remote call with Deborah Nippes-Mena was ended; the joint meeting with Hamilton was adjourned.

The Wenham Finance Committee continued in session.

FinCom 2.19.15

Approved 2.25.15

1. Update on FY 2016 Budget Process

Ms. Wills informed the Committee that there have been no changes to the FY 16 budget since previously presented. The tax rate on the proposed budget would be \$16.95 per assessed \$1,000 (3.72 percent increase). Ms. Wills noted she would have information for the Committee at the next meeting for consideration re small adjustments to the proposed budget and hopefully some reduction in the proposed tax rate. The Snow and Ice Budget continues to be monitored.

2. Reserve Fund Transfers – Vote

Ms. Will presented each transfer request with a brief summary of the unanticipated expense. The Reserve Fund Transfer requests were dated February 19, 2015

a. IT Study: \$1,800 – For an evaluation of the Town’s Information Technology by an independent firm to identify issues that have increased to the level of requiring expedient attention

Vote: Mr. Ebling moved, and it was seconded, to transfer \$1,800 for an IT Evaluation. The motion carried unanimously

b. Unemployment Expense: \$5,000 – To pay the current obligation to the Commonwealth of Massachusetts for unemployment expenses; invoice dated February 10, 2015. Ms. Wills confirmed there is a maximum obligation for the town, but at this time, the term of this payment is unknown. Ms. Will fielded questions from the committee regarding the process of reserve fund transfers, the ability of the Town to “deficit spend” specific budgets, and how this effects the end of the fiscal year.

Vote: Mr. Therrien moved, and it was seconded, to transfer \$5,000 for unemployment expenses. The motion carried unanimously.

The Reserve Fund Balance 2/19/15: \$47,978.00; 68 percent of the Reserve Fund has been spent to date.

Ms. Wills noted she provided a fee schedule analysis by department that compared Wenham fees to other local municipalities, as requested by the Committee. She went on to say that Wenham fees are comparatively low. At this time, the Finance Committee has no authority to raise fees but an article being prepared for the Town Meeting Warrant that would amend the bylaw to allow departments to change fees with the approval of the Board of Selectmen. Mr. Flynn also noted that it appears the Town has the ability to charge fines in specific cases, i.e. public safety responding multiple times to one address for false alarms. He added the town does not appear to be taking advantage of the state ruling that allows the Assessors to charge property taxes during construction of a home. These will be looked into further.

3. Approval of Minutes: January 28, 2015 & February 4, 2015

Vote: Mr. Quinn moved to accept the minutes of January 28, 2015 and it was unanimous to do so.

Vote: Mr. Ebling moved to accept the minutes of February 4, 2015 and it was unanimous to do so.

4. Adjournment

Vote: Mr. Ebling moved to adjourn at 8 PM and it was unanimous to do so.

Respectfully submitted by

Catherine Tinsley
2.23.15

FinCom 2.19.15