

**Town of Wenham**

**Finance & Advisory Committee  
Meeting of July 14, 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 joint meeting of the Finance & Advisory Committee (FinCom) was held on Wednesday, JULY 14, 2014 at 5 PM in the Selectmen Chambers. This meeting was recorded with permission by HWCAM.

**Public Information:**

- Agenda
- Meeting Schedule- draft
- Reserve Fund Transfers
- Rating Recommendations
- Minutes – June 11, 2014

**1. Call Meeting to Order**

The meeting was called to order at 5:02 PM by Chairman Lucy  
Finance and Advisory Committee Present: Michael Lucy, Chair; Hilly Ebling; Ned Flynn; Richard Quinn Mike Therrien Not Present: Kathryn Mansfield  
Also Present: Mark Andrews, Town Administrator; Angel Wills, Town Finance Director/Accountant; Justin Cole, Baystate Municipal Accounting Group (BMAG); Catherine Tinsley, Minutes Secretary

**2. Introduction of New Members to the Finance Committee**

Mr. Lucy introduced Ned Flynn, and Mike Therrien to the Finance Committee.

**3. Offices – Chair/ Vice Chair**

Mr. Lucy called for nominations for the Chair and Vice Chair positions.  
*Vote: Mr. Quinn moved, and it was seconded, to nominate the current officers continue serving in their current positions: Michael Lucy as Chair and Hilly Ebling as Vice Chair. The motion carried unanimously.*

Mr. Lucy accepted the nomination of Chair. Mr. Ebling accepted the nomination of Vice Chair.

**4. Reserve Fund Transfers/ Intra- Departmental Transfers**

Mr. Lucy welcomed the New Finance Director, Angel Wills, who was present and thanked BMAG for their services this past year.

Mr. Cole provided an excel sheet summarizing the Transfer Requests.

It was noted that End-of-year transfer requests pursuant to MGL Chapter 44, Section 33B, which reads, in part:  
*“A town may, by majority vote at any meeting duly held, transfer any amount previously appropriated to any other use authorized by law. Alternatively, the selectmen, with the concurrence of the finance committee or other entity establish under section 16 of chapter 39, may transfer within the last 2 months of any fiscal year, or during the first 15 days of the new fiscal year to apply to the previous fiscal year, any amount appropriated for the use of any department other than a municipal light department or a school department to the appropriation for any other department or within a department, but the amount transferred from 1 department to another or within a department*

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*may not exceed, in the aggregate, 3 per cent of the annual budget of the department from or within which the transfer is made or \$5,000, whichever is greater."*

Eight departments required transfers in Fiscal Year (FY) 14 and the following requests were before the Finance Committee for consideration:

- (1) \$1,523- From Accounting to Treasurer
- (2) \$17,726 - From Highway to Town Hall
- (3) \$1,000 - From Highway to Street Lights
- (4) \$1,000 - From Highway to Refuse
- (5) \$250 - From Band to Town Clock
- (6) \$113 - From Accounting to LT Debt Int
- (7) \$216 - From Employee Benefits to Medicare
- (8) \$47,044.00 - From Audit, \$2,000 · Assessor \$5,000 · Town Clerk \$5,000 · Maintenance \$5,000 · Fire \$15,000 · COA Van \$5,000 · Employee Benefits \$10,044 · To Snow and Ice.

It was noted the FY14 Snow and Ice budget was \$106,000 and the actual cost was \$153,000; the deficit was covered with money from FY14 appropriations and would not affect the tax rate.

Total Transfers Requested: \$68,872

*Vote: Mr. Ebling moved, and it was seconded, to approve the interdepartmental transfer requests totaling \$68,872.00. The motion carried unanimously.*

#### **5. Legal Services**

Mr. Andrews requested the balance in the Reserve Fund of \$26,792.00 be transferred into Legal Services, citing legal matters that have recently come up on pending cases. It was noted that money remaining in the Reserve Fund would revert to Free Cash if not transferred at the end of the fiscal year.

Mr. Lucy confirmed there are no outstanding balances for FY 14.

*Vote: Mr. Ebling moved, and it was seconded, to transfer the remaining Reserve Fund balance of the \$26,792.00 into the Legal Outside Counsel account. The motion carried unanimously.*

#### **6. FY 2016 Budget Cycle**

Mr. Lucy reviewed the "Preliminary Schedule - Draft FY 2016 Budget Preparation & Town Meeting Schedule". The goal to finish the budget is the end of February. Mr. Lucy will update the schedule as necessary.

He noted the first Saturday (4/4/14) in April is Easter weekend and it is likely the annual spring town meeting will be moved to Saturday, April 11, 2014; the BOS will take this under advisement.

Mr. Lucy talked briefly about the liaison responsibilities, joint meetings with Hamilton regarding shared programs including the Hamilton Wenham Regional School District Budget.

#### **7. Updated Rating Agency Recommendations**

Mr. Andrews gave a brief overview that the Town received a Triple A Bond Rating last year.

Mr. Cole reviewed that according to the Rating Agency, Wenham can still hold its triple A rating but should continue going forward with a five year Capital Plan including funding sources and policy and procedures; the first draft should be a part of the FY 16 budget process and updated annually as part of the budgeting process. Also needing to be done is an Investment Holdings and Earnings Report that go to the BOS to review the Town's financial position as a part of the mandatory policy and procedure. This shows the Town's management is actively working to maintain the Town's financial strategies.

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The Town is included in the bond rating for the School District bonding process as a contributor to the school overall debt.

Formalized funding plan of OPEB (Other Post Employment Benefits) Contribution Model

Triple A communities are expected to have a formalize policy and funding plan. He recommended the Town continue to review that plan.

Budget Planning Policy – This policy mandates the first version of the budget be drafted by November 1 of each year. Most rating agencies perform two reviews a year, usually one in the fall and one in the spring, to confirm the town is dedicating adequate resources for the future and the process is moving forward, well thought out, reviewed, and has oversight.

The Finance Department along with the Town Administrator, will advise the Finance Committee if the schedule changes to meet the November 1 deadline.

Economic Redevelopment Policy with Goals – Wenham’s overall plan for sustainable revenues, noting that this burden lies on the residents and is there an off set to introduce other types of funding into the tax rate i.e. commercial/business.

Mr. Andrews noted these items deserve a full discussion at the FinCom level and the BOS level. He noted the Town is actively seeking grants for capital items and maintenance. The FinCom will continue to review the recommendations and incorporate them into the procedures.

Minutes - June 11, 2014 open/es

*Vote: Mr. Quinn moved, to adopt the open session minutes of June 11, 2014 and it was unanimous to do so.*

*Vote: Mr. Ebling moved, to adopt, but hold not for release, the executive session minutes of the June 11, 2014 and it was unanimous to do so.*

Adjournment

The next scheduled meeting for the Finance Committee is in October.

*Vote: Mr. Quinn moved to adjourn at 5:53 PM and it was unanimous to do so.*

Respectfully submitted by

Catherine Tinsley  
7.19.14