

February 4, 2016

Town of Mashpee

*16 Great Neck Road N.
Mashpee, Massachusetts 02649*

FINANCE COMMITTEE – PUBLIC SESSION
Mashpee Town Hall – Waquoit Bay Meeting Room 1
Thursday, February 4, 2016 – 6:30 PM

CALL TO ORDER

PUBLIC COMMENT

APPROVAL OF MINUTES

- January 21, 2016

OLD BUSINESS

- Committee/Liaison Reports

NEW BUSINESS

- Joint FY17 Budget Meeting w/School Committee

ADDITIONAL TOPICS

- This space is reserved for topics that the Chairman could not reasonably anticipate would be discussed.

UPCOMING FINANCE COMMITTEE MEETINGS

- Thursday, February 18, 2016

ADJOURNMENT

Finance Committee
Minutes
February 4, 2016

Present: Chris Avis, David DelPonte, Terrie Cook, Oskar Klenert,
Mike Richardson, Jeffrey Pettengill

Absent: Tom Murphy

Attendees: Patricia DeBoer, Paul Funk, George Schmidt, Rodney Collins

Meeting Called to Order by Chairman Avis at 6:31 p.m.
Mashpee Town Hall, Waquoit Meeting Room

MINUTES

January 21, 2016:

Motion made by Mr. Richardson to approve the minutes of January 21, 2016 as presented.

Motion seconded by Mrs. Cook.

VOTE: Unanimous. 6-0.

Roll Call Vote:

Mr. Avis, yes	Mr. DelPonte, yes	Mrs. Cook, yes
Mr. Klenert, yes	Mr. Richardson, yes	Mr. Pettengill, yes
Opposed, none		

OLD BUSINESS:

Emergency Reserve Fund Transfer:

At the last meeting it was agreed the Board of Health would be consulted regarding a recovery of monies expended by the Town to remove a nuisance condition cited at a residential condominium.

At the time of approval, the Finance Committee requested the liability insurance of the mortgage holder be considered as an avenue to possibly recoup expenditures. There is a lien on the property and it is in foreclosure.

It was reported the majority of work at the site location is complete with the exception of a few outstanding punch list items. The Board of Health has been working within the confines of the \$45,000 budget. The unit has been painted, and cleaned. The furniture and rugs have been cleaned, and mattresses are scheduled for delivery. There were questions regarding the specifications of the sanitary code required for re-occupancy that will be further reviewed. It was noted there are strict mandates from the state with respect to this regard. However, it is hopeful the Town would be able to recoup some of its funding.

Finance Committee
Minutes
February 4, 2016

OLD BUSINESS:

Emergency Reserve Fund Transfer: (continued)

To date, there have been three individuals expressing interest in the purchase of the property.

When titled is conveyed to the new owners, the Town should recapture some funding. This matter is ongoing and the Finance Committee will be further engaged in this matter.

LIAISON REPORTS

CIP:

The Capital Improvement Program Committee completed their review today, of capital projects proposed for fiscal year 2017. Finance Committee member Klenert had an interest in the process and attended one of the interview sessions.

It was reported capital projects were vetted, questions were asked, and the process is moving forward. The CIP plans to deliberate on the capital program on Wednesday, February 10, 2016. A Public Hearing will be scheduled thereafter on March 14, 2016 jointly with the Board of Selectmen.

Mrs. Cook indicated the process has been interesting, and at the end of the day, the CIP should make the right decision for the Town of Mashpee. It was noted that many of the projects are within the queue of the capital improvement program. Funding is anticipated to be utilized from free cash, ambulance receipts, MCAT funding, and other sources.

For the record, the total CIP requests for FY17 amount to \$1,020,000 for all departments. However, this is an unrealistic figure. The Finance Committee will receive an additional update at their February 18th meeting.

LIBRARY:

It was conveyed there has been continued budget discussions with the Library. Most of which has been minor with no major changes to report at this time.

Finance Committee
Minutes
February 4, 2016

NEW BUSINESS

Joint FY17 Budget Meeting with School Committee:

The Finance Committee convened with Patricia DeBoer Acting School Superintendent, Paul Funk School Business Administrator and George Schmidt School Committee representative and liaison to the Finance Committee. Rodney C. Collins, the Town Manager was also in attendance.

Overall, the FY17 School budget has increased 1.83% over the FY16 budget. The total request of \$20,841,556 conforms to the Town Manager's recommended Town budget for fiscal year 2017. This represents an increase of \$374,480. Last year's budget increase was 2.74%.

Mr. Funk highlighted several budget assumptions and determinations which have led to the cost projection for FY17. For ease of review, the figures are rounded. Of note is a \$101,000 reduction in transportation due to a bus contract with the Cape Cod Collaborative. It was noted the Collaborative is a part of the Mashpee School district and therefore the district would determine what is required for transportation. To date, buses are paid for, and there are no new vehicles planned for fiscal year 2017.

With regards to School supplies, employees have been directed not to duplicate supplies. While the Coombs and Quashnet Schools have submitted decreases, the Middle/High School cost of supplies has increased to allow for the purchase of new books. When considering textbooks to technology, it was noted that last year Chromebooks were purchased. However, some of the departments opt to purchase textbooks as well as obtaining software packages. Textbooks are generally used for history, and math including geometry.

In discussing salaries, 80% of the School budget is comprised of this fixed cost. The negotiated increase from FY15 to FY16 is 2%. Currently, the School is engaged in collective bargaining. A one-year contract is being negotiated for COLA only. The COLA in the current operational year is 2%. In negotiations, there are no language changes under consideration.

A costly budget item that is often not fully known is out-of-district placement for special needs students. The expense is pro-rated. Within the past three weeks, it was reported three students have been added to the out-of-district program. This line item has increased by approximately \$88,000.

Mr. Funk indicated the FY17 budget is fair and transparent. It is anticipated that funding would be returned from FY16, but the full amount has not yet been determined.

Finance Committee
Minutes
February 4, 2016

NEW BUSINESS

Joint FY17 Budget Meeting with School Committee: (continued)

Mr. Funk was asked if the School budget is able to accommodate the School Wireless project, a four year upgrade for Network Core Switch Replacement at a cost of \$70,000 per year. The project is listed in the CIP program for funding. The CIP has agreed this project is needed with the use of available funds.

In response, Mr. Funk indicated he is unsure if the wireless project can be utilized with excess school funds. Presently, there have been requests for funding from school members, and there is concern with out-of-district placement students. The School Department has been required to outsource a speech therapist and there are buy backs. One employee will also not be retiring as previously thought. Additionally there is a request from grades 3 to 6 to fund Chromebooks for PARCC testing. Mr. Funk stated the School budget is very transparent, and most of the surplus will derive from salaries.

With surplus funding last year, the School Department purchased Chromebooks for grades 7 to 12. The remaining sum of \$176,702 was returned to the Town. This is a large turn-back of funding that has not been observed in the past.

In considering the School budget, realizing the ebbs and flows of expenditures it was mentioned the School Department realized a surplus of \$375,000. With the decrease in transportation projections, the Schools are seeking an additional \$374,000. With the purchase of nearly \$400,000 for Chromebooks, an item that was not budgeted, it appears the budget increase is close to \$800,000.

Mr. Funk was asked to report the balance of School Choice Funds. Mr. Funk replied by stating at the end of fiscal year 2015 the balance is approximately \$689,000. Mr. Funk indicated the funding is always expended in arrears. It is permissible to fund these monies on technology and infrastructure. Funds cannot be expended on construction or transportation. The disbursement of funding is controlled by the School Committee.

With regards to School Choice Funds it was recommended the School develop a plan on how to use this funding. In discussion Mr. Funk agreed to bring forth the Network Administrator's capital request for wireless to the School Committee for funding through this account. Mrs. Cook responded by stating the Town and Schools are a team, and this initiative would assist the Town in its capital planning.

In reviewing the budget process of the Schools, it was noted the initial budget prepared by the School Superintendent, School Business Administrator and main staff projected an increase over last year's budget by 3.07%. With the input of the Acting School Superintendent the budget increase was pared down to 1.83%. The revision was approved by the School Committee. It was noted the School Committee in normal process does not get involved in the initial budget procedure.

Finance Committee
Minutes
February 4, 2016

NEW BUSINESS

Town Manager's Recommended Operating Budget for FY17:

The Town Manager's recommended Operating Budget for fiscal year 2017 was distributed to members of the Finance Committee. It was disclosed the Town Manager's recommendation is in concert with the School Committee's request for FY17.

Town Manager Collins publically expressed appreciation to the School Committee for making a cohesive team effort to support the Town of Mashpee in continuing at a level service budget. Mr. Collins indicated there are many challenges the Town is facing. This includes the matter of wastewater/clean water, the formation of a Natural Resources Department which is related to wastewater/clean water and other adjustments that will impact the Town budget.

Mr. Collins indicated that without the cooperation of the School Department, the Town of Mashpee would not have met the numbers that are projected. This budget will give the Town the ability to make the bottom line work without having cut-backs. Mr. Collins explained that a reduction in an expanded level of service is not considered a cut-back.

Mr. Collins informed the Finance Committee that some departments will now have an overtime account. To conform to legal requirements and to prevent an unfunded liability this is a necessary component when an employee is required to perform a function after normal business hours. The departments with an overtime account include the Police Department, Fire Department, and Board of Health Department.

To avoid negligence claims, there is a special line item for professional development.

Budget assumptions include the additional new position; Director of Natural Resources to the Police Department, but ultimately transferred to the Natural Resources Department if the department and position is thus created by a vote of the May 2016 Town Meeting.

Two full-time positions have been reduced, one at the Police and the other at the Fire Department.

In addition, the budget contains a new line item to fund contractual obligations including sick buy-back. Mr. Collins indicated he does not want this matter to be underfunded. It was explained sick buy-back would be tracked. Unused funds would be returned, and would not to be utilized for overtime. All employee's eligible for sick buy-back will be included in this process.

Mr. Collins again made reference of gratitude to the School Department for granting the Town some flexibility. Without this support, the Town would not have the ability to maintain level services, contractual obligations and funding the DNR. The Finance Committee expressed appreciation as well.

Mr. Collins also complimented the assistance of his Finance Team in the budget process.

Finance Committee
Minutes
February 4, 2016

NEW BUSINESS

Town Manager's Recommended Operating Budget for FY17: (continued)

It was reported overall, the budget is anticipated to increase by 2.1%. Currently, insurance premiums are projected to surge by 12%. If the number is reduced, an overall savings will be realized.

It was agreed that specific questions would be addressed to the Town Manager. The Finance Committee is scheduled to meet with the Town Manager at their next meeting on Thursday, February 18, 2016. If required, a Department Head will accompany the Town Manager to this meeting.

Finance Committee members were directed to email questions to the Chair by Friday, February 12th for compilation.

Adjournment:

Motion made by Mr. Klenert to adjourn at 7:32 p.m.

Motion seconded by Mr. Richardson.

VOTE: Unanimous. 6-0.

Roll Call Vote:

Mr. Avis, yes	Mr. DelPonte, yes	Mrs. Cook, yes
Mr. Klenert, yes	Mr. Richardson, yes	Mr. Pettengill, yes
Opposed, none		

Respectfully submitted,

Kathleen M. Soares
Finance Committee Secretary