Joint Meeting of the
Board of Selectmen and the FinCom
Minutes of August 14, 2012
Bourne's Veterans Memorial
Buzzards Bay, MA 02532

TA Guerino

Selectmen: Chairman John Ford, Vice-Chairman Don Pickard, Clerk Peter Meier, Earl Baldwin and Linda Zuern

Finance Committee: Chm. Michele Ford, Co-Vice Chm. Elinor Ripley and Mary Jane Mastrangelo, David Ahearn (excused), Mark DeCicco, Hal DeWaltoff, Glen Galusha, Bill Grant (excused), Donald Montour, Jeff Perry, John Redman and George Slade.

Members of the Press: Diana Barth, Bourne Enterprise and Paul Gately, Bourne Courier

List of documents

- None

Note this meeting is being televised and recorded. If anyone in the audience is recording or video-taping, they need to acknowledge such at this time

Finance Committee Meeting - Chm. Ford called the meeting to order at 6:30 pm.

Reserve Fund Transfers
To transfer $28,120 to allow continuity of the local cable access programming and staffing while articles of incorporation are sent to the Secretary of State and the non-profit is prepared and forwarded to the IRS for temporary approval. Once the non-profit is set up and in place, there will be an article for the transfer of money to the non-profit less dollars spent will be deducted and transferred back to the Reserve Fund – TA Guerino said most likely in October.

Mr. Mulvey – opposes the current charges in his cable bill. TA Guerino said Comcast indicated in the contract agreement there would be a check made to the town.

Mr. Mulvey – raised issue of subscribers being charged for a corporation that doesn't exist. TA Guerino said the option would to have the public access go "black" until set up. Mr. Mulvey said "appropriate" and "legal" are different and questions the legality of the fees.

Redman MOVED and SECONDED by DeWaltoff to approve the transfer of $28,120 to allow continuity of the local cable access programming and staffing to General Receipts. UNANIMOUS VOTE.

Update of Sewer Commissioner's Meeting
FinCom Chm. Ford summarized the outcome of the 7/10/12 meeting. The BOSC was re-appointed for another two (2) years and by charge to investigate the next steps and costs underlined in the program presented by the WAC. The intent is to start narrowing charges and costs to get detailed information in looking to expand sewering in Buzzards Bay. The BOSC agreed there is sufficient work and is important enough for the BOSC to attempt to meet monthly for updates with the WAC.

Mastrangelo – would like the WAC to come before the Capital Outlay Committee.

V. Chm. Pickard –Selectmen Chm. Ford and TA Guerino have met to discuss what the needs are and possible alternative methods to discuss before the BOSC with regard to reducing the town's nitrogen loading.

Zuern – Sat. 8/18/12 is workshop on Composting Toilets from 10:00 am -12:00 pm.

FinCom Chm. Ford - FinCom will stay in session until after the audit review.

Call Meeting to order – Chm. Ford at 7:00 pm.

a. **Sullivan, Rogers & Company, LLC to review and discuss report on FY11 Municipal Audit with the Board of Selectmen and Finance Committee – Chris Rogers**

New standard for fund-balance reporting as of 2011. There are five new categories that took effect to the FY11 presentation (pages 36 and 37).

1. Nonspendable
2. Restricted
3. Committed
4. Assigned
5. Unassigned

Financial Summary (pages 18-21)
Balance Sheet of Governmental Funds (June 30, 2012). New Fund Balances broken down and briefly reviewed. Bourne is in a good financial position.

Propriety Funds Statement of Net Assets (page 24)

Revenue surplus - $250,000 for the year.
CPA and School Construction Fund balances were also briefly reviewed.
ISWM – loss of $2.3M due to estimated closure costs and capacity of Phase II had been completed (as use, expenses go up).

Note: Capital Assets (page 44) reviewed, totaling a little over $95M; Sewer - $3.9M, Landfill - $93.3M

Note: Long term debt (page 49)
Details related to the outstanding indebtedness at 6/30/11 and the debt service requirements.

Note: Landfill Closure and Post-closure Care (page 53) briefly reviewed. TA Guerino said the town is in full compliance of Closure and Post-closure with DEP in this point in time.

Note: Other Post Employment Benefits (page 54).
Briefly reviewed.

Note: Net OPEB obligation of $9.4M out of liability. Increase will grow.
Briefly reviewed.

Note: Fund Balances (page 58) components of numbers.
Briefly reviewed.

Note: Stabilization Funds (page 58)
Amounts and where reported at briefly reviewed.

General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual for FY ended 6/30/12 (page 62).

Town of Bourne Reports on Internal Control Over Financial Reporting, Compliance and Federal Award Programs
The audit didn't identify any material weaknesses or deficiencies or on compliance here as no opinions are stated here. This is the most important report.

Town of Bourne Management Letter
Federal Awards
Bourne spent $2M. Includes Title I and Special Education Programs. The audit issues an unqualified opinion of two programs, but found 11 findings related to the two programs.

The audit found five (5) findings of internal control. With regard to the Special Education and Title I Programs - both had issues of maintaining appropriate documentation.

- Title I – 5 out of 35 employees didn't have appropriate documentation. Question cost of $3,200.
- Special Education - 11 out of 32 employees didn't have appropriate documentation. Question cost of $23,000.

Granting Agency can come back look at Bourne's records. The history with Federal Department of Education is that they probably won't hear about the findings, but Bourne should review and correct.

Reporting has to be based on the Town's General Ledger. Verify information should be recorded in General Ledger and that it agrees. The findings are pretty simple to resolve but do need to be addressed.

Management Letter
7 comments; 4 repeated and 2 new comments. Two internal control over financial reporting.

Risk Assessment and Monitoring
Recommendation - develop and implement a monitoring program to periodically evaluate the operational effectiveness of internal controls.

Ford – this is part of the BOS policy. TA Guerino said the town side has improved and the policies for the Financial Department and one of the Selectmen's goals is to tighten up. A risk assessment and monitoring policy has been written and will be brought forward for acceptance by the BOS.

Zuern – can the BOS ask for a copy of report to be sent to the Financial Director for back up.

Mastrangelo – she would like to see a policy where grants administrators would request report needed from the General Ledger. It was said this is a simple step to resolve.

TA Guerino –there are some issues, but he can see a huge improvement in the accounting and bookkeeping in the School Department. He doesn't feel the need of a policy but does feel it needs to be cleaned up.

Ford – he agrees with Mastrangelo with regard to policy development.

General Ledger
There are accounting issues, but the auditor has met with Financial Director and this will be done next year.

Capital Assets
The town completed in 2/2012. This has already been resolved.

Student Activity Funds
School Department initiated a process that requires the Director of Business Services to conduct annual performance audit of all activity. Compliance procedures done either internally or externally.

Financial Policies and Procedures
Financial Director has begun the process of developing financial policies and procedures for several financial processes.

Enterprise Funds
Written policy for indirect cost allocation has begun and will be used and updated annually during budget preparation. The town's Treasurer is following up.

Last comment has to do with:
Pension Accounting – a new standard will now require to book town's share of liability for the pension system. FY15 will be the implementation year and is strictly financial reporting.

TA Guerino – requested in the audit under Fund Balances for FY12 (beyond standard reporting) to add a page to show what is needed now and what you are used to seeing for transition on undesignated fund balance. Mr. Rogers can do this.

Conclude Joint Session
Redman MOVED and SECONDED by DeWaltoff to adjourn. Meeting adjourned at 8:00 pm. UNANIMOUS VOTE.

Selectmen recessed for 5 minutes and were back in session at 8:06 pm.

Selectmen to discuss Facilities Manager (FM) position
Money was approved at Town Meeting. The position is advertised with the School Department. Resumes have been reviewed and are at the point to commence interviews moving forward pursuant to the board's goals.

Couple of issues have been raised once position has been filled. One of the major pieces deal with long-term responsibilities - working with all custodial staff and to plan different ways to take care of buildings. The town has trades (electrical, plumbing, carpentry) who aren't available in detail or dedicated to jobs – this new staff would be out a couple of years. A couple of things that can be done in this interim period:

The FM's first year will take work off the shelf (Cecil program, looking at cost improvements for examples) and put together a realistic approach in addressing capital issues in existing structures (school and town). The other task is to look at the upcoming DPW facility, add value to the committee, serve as a Project Manager (if qualified saving substantial money) and assist in stamping engineering plans. TA Guerino asked if the latter is sufficient enough to move forward with an $80,000 - $90,000 salary or percentage of with remainder of the FY. It is budgeted the way it is funded, but this board has been diligent of cost benefit. He is at the point to move forward and wants to be sure he is backed by this board as he moves the position ahead.

TA Guerino – the position is sustainable as is. No custodians will be under the FM at this time, but it will be transitional. There is sufficient work to be done, but the questions is do we wait until we have the trades people on board or move position forward.

V. Chm. Pickard – believes the town needs to take position to finalization and will vote in favor to fill position as soon as possible.

Zuern – asked for clarification on the Facilities Manager position's responsibilities. TA Guerino said this isn't busy work, but can hire an outside company to do necessary work, however, this town is in need of a lead person to manage not just the custodial but work that needs to be done in the buildings. We have been dependent on DPW and Mr. Tribou for too long. We need to have someone in place.

Meier – this position will ultimately pay for itself and is for funding the position at this time.

V. Chm. Pickard – the town has $250,000 in building replacement value. One goal of the FM should be to identify where the town is paying prevailing wages by evaluating paid invoices for the town and school side.

Zuern – the library had a leaky roof and asked if this is this what the FM would be doing. TA Guerino said yes and added that Ms. Plante has put in a lot of hours and is still getting specifications together vs. the FM would take a couple of months.

Mr. Mulvey – discussed capital expenditures of DPW, Fire Department, School Department, a Sewer proposal and the Pocasset Fire Station. He has concerns of adding people and expenses in town and when there is a layoff, it is costly in a number of ways. He feels a FM is not needed, and duties of the FM can be done by departments.

TA Guerino – the FM position is not about replacing employees.

Mastrangelo – the issue is addressing the capital expenditures identified which will take a long time. The really important thing is to have a FM to make buildings a good working environment until capital improvements are done. The FM would be a great help to the department heads and is in favor of implementing the FM position.

Redman – he is in support of moving the position forward.

Pickard MOVED and SECONDED by Meier to endorse the Facilities Manager position to direct TA Guerino to continue with the interview and selection process as soon as possible.

<u>Discussion</u>
Baldwin – would like to see the FM job description prior to the vote.

Zuern – take vote tonight and TA Guerino to send the description to review at the next meeting.

VOTE 4-0-1 (abstention from Baldwin).

TA Guerino will put the FM job description on the agenda of the next meeting.

Set Special Town Meeting date for October 29, 2012
Meier MOVED and SECONDED by Pickard to set Special Town Meeting date for 10/29/12. VOTE 5-0.

Adopt Executive Order action regarding Transportation Advisory Committee (TAC) from October 18, 2011 meeting
Chm. Ford said the board did discuss the committee make up on 10/18/12, but did not take a vote. He would like to recommend adding the Chief of Police or his designee.

Zuern – asked about why a Planning Board member and suggested a person familiar with bicycles. TA Guerino feels this person can be brought on as an exoficio member.

Meier – recommended a Planning Board member.

Pickard MOVED and SECONDED by Zuern that the membership of the Transportation Advisory Committee to consist of Department of Public Works Director, Chief of Police or his designee, a representative of the Cape Cod Commisson or the MPO, Planning Board and five (5) members appointed by Selectmen. VOTE 5-0.

Adjournment
Pickard MOVED and SECONDED by Meier to adjourn Selectmen meeting. Meeting adjourned at 9:00 pm. UNANIMOUS VOTE.

Respectfully submitted,
Lisa Groezinger, sec.