

TOWN COUNCIL MEETING MINUTES
Budget/Management Committee
Weymouth High School
Mary Jo Livingstone Humanities Center
April 6, 2015-Monday

Present: Michael Molisse, Chairman
Patrick O'Connor, Vice Chairman
Jane Hackett, Councilor
Rebecca Haugh, Councilor
Brian McDonald, Councilor

Also Present: Susan M. Kay, Mayor
William McKinney, Chief Financial Officer
George Lane, Town Solicitor

Recording Secretary: Mary Barker

Chairman Molisse called the meeting to order at 6:17 PM.

15 003-FY2014 Audited Financial Statements and Management Letter Presentation by Melanson & Heath

Chairman Molisse reported that this measure was referred to the Budget/Management Committee on January 20, 2015 . A presentation was made by Frank Biron and Erica Lussier of Melanson & Heath at the Budget/Management Committee and Town Council meetings of March 16, 2015. Auditor Swanson was not present at that meeting and he was invited at this time to provide a review of the highlights. He noted the town once again had a clean audit and presented the following report:

“Relating to Measure 15 003:

Town Council and Budget/Management Committee Meetings- April 6, 2015

- A. Our auditors issued a “clean audit opinion” on the financial statements, which is excellent, as it means no material discrepancies were found during the audit of the Books and Records of the Town for FY 2014.*
- B. At the end of the year, total assets exceeded liabilities by \$98,901,937 and the current ratio was 3.34 to 1, which is outstanding. This strong ratio shows there is \$3.34 in assets to cover each \$1.00 in liabilities.*
- C. Total Bonds Payable Debt at year-end was \$79,065,213 a decrease of \$7,431,679 from FY2013. This significant decrease of 8.6% resulted from pay down and refinancing of debt.*
- D. The Water & Sewer Enterprise Funds Operating Revenue for FY14 was \$24,682,047 and Operating Expenses were \$17,085,148 resulting in \$7,596,899 of Operating Income.*

A portion of the Operating Income was used to pay Interest Expense (net \$1,544,011) and Transfers to the General Fund (net \$2,277,529 to reimburse the General Fund for Benefits & Indirect expenses. After these payments Net Income for Water & Sewer Operations was \$3,775,359.

- E. Total Investment in Capital Assets at year-end was \$195,861,950 (net of depreciation), an increase of \$4,368.289 compared to the prior year. Four major additions to Capital Assets were:
 - a. \$1,796.654 Improvements to Roadways using Chapter 90 funds*
 - b. \$399,493 Dispatch/Communications project and equipment upgrade*
 - c. \$274,447 School Technology*
 - d. \$243,365 Public Works International 4300 Vacuum Sweeper**
- F. Total FY14 Revenue for the General Fund was \$144,645,785, which was \$1,860,421 over budget. The principal drivers of higher revenues were:
 - a. \$302,737 Excise Taxes*
 - b. \$252,475 Intergovernmental*
 - c. \$538,144 Charges for Services*
 - d. \$586,196 Interest, Penalties and other taxes**

Total Expenditures for FY14 were \$141,341,634 which was \$1,443,730 less than budget. The principal driver of lower expenditures resulted from Employee Benefits being \$1,020,099 less than budget.

- G. Contained within Melanson and Heath's 2014 Management Letter were four recommendations to improve internal controls. The Administration (with input from Town Auditor Swanson) provided a response to each recommendation. I will follow up during the course of my audit work to assure the recommendations are implemented."*

Richard Swanson, Town Auditor, April 6, 2015

Councilor Hackett once again congratulated the administration and finance department on an outstanding audit report; one of the major improvements as a direct result of the change in government. She asked if the 8.6% reduction in debt includes both the general fund and enterprise accounts, and further asked to provide a breakdown.

Chairman Molisse noted that in Melanson & Heath's overview, they discussed the need for an audit of the Student Activity Account and he asked Auditor Swanson if it will be performed. Auditor Swanson responded that he has already begun to review it with the school officials.

A motion was made by Vice Chairman O'Connor to forward measure 15 003-FY2014 Audited Financial Statements and Management Letter Presentation by Melanson & Heath to the full Town Council with a recommendation for favorable action; that the Town of Weymouth accept the FY2014 Audited Financial Statements and Management Letter and was seconded by Councilor Hackett. UNANIMOUSLY VOTED.

15 011-Debt Refinancing

15 012-Bonding for Various Capital Projects

15 014-debt Exclusion Bonding for various Capital Project s

15 015-Special Purpose Stabilization Fund Legion Field

15 016- CPC Legion Field

Mayor Susan Kay addressed the committee, accompanied by CFO William McKinney and Town Solicitor George Lane. Mayor Kay read the following memo, withdrawing the measures into the record. She reported that she will come back with measures when the budget is presented. During the reading, Councilor McDonald arrived, at 6:27 PM.

“Please accept this letter as my official withdrawal of the following measures:

15 011-Debt Refinancing

15 012-Bonding for Various Capital Projects

15 014-Debt Exclusion Bonding for Various Capital Project s

15 015-Special Purpose Stabilization Fund Legion Field

15 016- CPC Legion Field

These measures, which my team, consisting of representatives from multiple departments and I worked on for several months, were a plan to deal with pressing capital needs of our town, such as the replacement of roofs on buildings, repair and remediation to alleviate water infiltration at Town Hall, paving of parking lots and roadways, and boiler replacements. These are projects and necessities that are outside the operational needs of our departments.

That plan was presented to the Town Council at your March 2, 2015 meeting and further vetted during a public hearing on two of these measures at the March 16, 2015 Town Council meeting. Since that time, however, there appears to be quite a lot of confusion regarding these capital improvement measures and how they would work in conjunction with my FY2016 budget proposal.

To remove any confusion in this regard it is my intent to present a comprehensive budget plan to the Town Council at your April 21, 2015 meeting that supports the immediate operational needs of the town for FY2016 and addresses the long term capital projects as outlined in my capital plan as presented to the Town Council on March 16, 2015.

The measures in question are budgetary in nature and having consulted with Solicitor Lane, they may be withdrawn by me at any time. The Town Council simply needs to take no action as the measures, inclusive of the two measures that have previously been discussed at a prior public hearing, are no longer in effect.

I appreciate your cooperation in this matter and look forward to presenting to you my FY2016 budget proposal at which time we will all have an opportunity to further discuss the operational needs of our departments, the growing list of capital improvements that must be addressed to maintain the integrity of our buildings and equipment and the need to develop a methodology to increase revenues to address both areas.”

Sincerely,

Susan M. Kay, Mayor

15 011-Debt Refinancing

15 012-Bonding for Various Capital Projects

15 014-Debt Exclusion Bonding for Various Projects

15 015 Special Purpose Stabilization Fund-Legion Field

15 016-CPC-Legion Field

Chairman Molisse noted there were no questions from the committee. Solicitor Lane advised the committee that in keeping with past practice and provisions outlined in Section 6-7 of the Charter (notice and public hearing) the committee can motion to take no action on the measures.

A motion was made by Vice Chairman O'Connor to refer measures:

15 011-Debt Refinancing

15 012-Bonding for Various Capital Projects

15 014-Debt Exclusion Bonding for Various Projects

15 015 Special Purpose Stabilization Fund-Legion Field

15 016-CPC-Legion Field

to the full Town Council with a recommendation for "No Action" and was seconded by Councilor Hackett. Mayor Kay reported that she will also read her memo into the record at the Town Council meeting. UNANIMOUSLY VOTED.

15 017-Appointment to the Board of Elder Services-Christine McDonough

Chairman Molisse reported that this measure was referred to the Budget/Management Committee on March 16, 2015. He reported that although normally first-time appointees are urged to appear before the committee and Council, he received a call that Ms. McDonough was unable to be present. Her resume was provided to the committee; she has worked for Norwell VNA for nine years, and Elder Services Director Susan Barnes has given her an excellent recommendation.

A motion was made by Vice Chairman O'Connor to forward measure 15 017 to the full Town Council with a recommendation for favorable action; that the Town of Weymouth appoints Christine McDonough of 70 Fuller Road to the Board of Elder Services for a term to expire on June 30, 2018 and was seconded by Councilor Hackett. UNANIMOUSLY VOTED.

A motion was made by Vice Chairman O'Connor and seconded by Councilor Hackett to bundle the following reappointments and refer to the Town Council with recommendations for favorable action:

15 018-Reappointment to the Board of Elder Services-Dorothy Canniff

15 019-Reappointment to the Historical Commission-Donald Matthewson

15 020-Reappointment to the Veteran's Council-Francine Nesson

15 021-Reappointment to the Board of Health- Karen DeTellis
15 022-Reappointment to the Board of Assessors-Paul Haley
15 023-Reappointment to the WETC Board of Directors-Robert O'Connor
15 024-Reappointment to the Conservation Commission-Thomas Tanner
15 025-Reappointment to the Board of Library Trustees-Donna Shea
15 026-Reappointment to the Recreation Commission-Karen Johnston
15 027-Reappointment to the Housing Authority-Donald Sheehan
15 028-Reappointment to the Board of Health-Richard Wetterberg
15 029-Reappointment to the Recreation Commission-Mark Kilban
15 030-Reappointment to the Waterfront Committee-Nancy Blazo
UNANIMOUSLY VOTED.

ADJOURNMENT

At 6:35 PM, there being no further business, a motion was made by Councilor O'Connor to adjourn the meeting and was seconded by Vice Chairman Hackett. UNANIMOUSLY VOTED.

Respectfully submitted by Mary Barker as Recording Secretary

Approved by Chairman Michael Molisse

Voted unanimously on 21 April 2015