

**FINANCIAL ADVISORY COMMITTEE
APRIL 18, 2018**

PRESENT: PAULO DEOLIVEIRA, (CHAIR), ROBBIE COAD, JIM CARTER, LES BAYNES, STEVE JORDAN, MORT FEAREY

OTHER: PAM DOLBY, KIM KANE, WANDA WILLIAMS

MS. WILLIAMS CALLED THE MEETING TO ORDER AT 4:00PM.

MS. WILLIAMS CONDUCTED THE APPOINTMENTS AND VOTE FOR CHAIRMAN AND CO-CHAIRMAN.

AT 4:11PM THE MEETING WAS TURNED OVER TO MR. DEOLIVEIRA, THE CHAIRMAN, FOR CONTINUATION OF COMMITTEE BUSINESS.

THE COMMITTEE HAD A BRIEF DISCUSSION ABOUT THE OPTION OF MOVING GRADES 6-8 FROM THE EDGARTOWN SCHOOL TO THE HIGH SCHOOL.

MS. DOLBY, TOWN ADMINISTRATOR, AND MS. KANE, TOWN ACCOUNTANT WERE PRESENT TO ANSWER QUESTIONS FROM THE COMMITTEE REGARDING THE BUDGET AND WHAT HAPPENS AFTER TOWN MEETING.

MS. KANE INFORMED THE COMMITTEE THAT THEY MUST VOTE TO AUTHORIZE THE CHAIRMAN TO SIGN THE WARRANT AND PAYROLL WITHOUT A MAJORITY OF SIGNATURES FROM THE COMMITTEE.

MOTION PLACED ON THE FLOOR BY MR. CARTER TO AUTHORIZE THE CHAIRMAN TO SIGN THE WARRANTS AND PAYROLL WITHOUT A MAJORITY. VOTE SECONDED, NO DISCUSSION; CARRIES 6-0.

MS. KANE AND MS. DOLBY INFORMED THE COMMITTEE THAT SALARY AND EXPENSE ACCOUNTS CLOSE JUNE 30TH, WITH AN OPTION TO PAY UNTIL JULY 15TH. THE YEAR-END TRANSFER OPTION BECOMES AVAILABLE AFTER MAY 1ST.

MS. KANE INFORMED THE COMMITTEE THAT THE BUDGETS ARE GUIDELINES AND THE ACCOUNTANT DOES NOT MICRO-MANAGE THE LINE ITEMS IN THOSE BUDGETS. MS. KANE BUILDS ACCOUNTS FOR EVERY ARTICLE ON THE WARRANT, THIS YEAR THERE WERE 93. SHE INFORMED THE COMMITTEE THAT CAPITAL EXPENDITURES GO BACK INTO THE GENERAL FUND AND CLOSE AT THE END OF THE FISCAL YEAR.

THE COMMITTEE ASKED MS. DOLBY HOW THE MONEY FROM THE ARTICLES IS MONITORED TO ENSURE IT IS SPENT ON WHAT IT WAS APPROPRIATED FOR. MS. DOLBY SAID THE MONEY IS MONITORED BY THE ACCOUNTANT'S OFFICE AND THE SELECTMEN. MS. SERPA, MEMBER OF THE BOARD OF SELECTMEN, GOES THROUGH THE WARRANT EACH WEEK AND MUST SIGN IT FOR APPROVAL. MS. KANE CLARIFIED THAT PROJECTS WHICH ARE NOT COMPLETED IN A SINGLE YEAR CAN HAVE ACCOUNTS THAT CARRY OVER. SHE INFORMED THE COMMITTEE THAT THERE WAS A LOT OF MONEY RETURNED AT TOWN MEETING THIS YEAR.

MS. KANE THEN EXPLAINED THE DIFFERENCE BETWEEN A FIXED ASSET PROJECT AND A PROJECT WITH NO FIXED ASSETS.

THE COMMITTEE DISCUSSED WHERE THE UNUSED MONEY GETS RETURNED TO. MOST GOES TO THE GENERAL FUND, BUT PROJECTS FUNDED BY THE CPC RETURN TO THE CPC ACCOUNT, ETC.

MS. KANE OFFERED AN EXPLANATION OF THE TOWN'S FREE CASH. PUT SIMPLY, IT'S THE NET REVENUE AND EXPENDITURES FROM THE PREVIOUS YEAR. MR. CARTER ASKED WHETHER THE FAC SHOULD BE MONITORING THAT FUND AND MS. KANE REPLIED THAT SHE DOES THAT CAREFULLY. MS. DOLBY SAID A REPORT CAN BE GENERATED AND DISTRIBUTED TO THE FAC. SHE ADDED THAT MS. KANE IS EXTREMELY DILIGENT, WHICH IS WHY THE TOWN HAS CONTINUED TO HAVE SUCCESSFUL AUDITS. MS. KANE ADDED THAT THREE AUDITS HAVE BEEN PERFORMED THIS YEAR ALREADY.

MR. CARTER INQUIRED ABOUT STAGNANT FUNDS. MS. KANE REPLIED THAT MANY OF THEM HAD BEEN RETURNED TO THE GENERAL FUND WITH A VOTE AT THIS PAST TOWN MEETING. MR. FEAREY AND MR. DEOLIVEIRA REQUESTED AN ANNUAL REVIEW BY THE FAC OF ON-GOING APPROPRIATIONS THAT HAVE NOT BEEN SPENT.

MS. DOLBY SAID THE FAC SHOULD JUST LET HER KNOW WHAT THEY WANT TO REVIEW AND SHE WILL PROVIDE THEM WITH THE INFORMATION. MR. CARTER REQUESTED COPIES OF THE AUDITS. MS. DOLBY SAID ABSOLUTELY, SHE WOULD SCAN AND EMAIL A COPY THE FOLLOWING DAY.

MR. COAD ASKED ABOUT AN INCREASE IN TOWN REVENUE BASED ON THE TAX INCREASE HE EXPERIENCED AS A TAX PAYER. MS. DOLBY RESPONDED THAT THE PURCHASE OF THE YELLOW HOUSE WAS A MAJOR FACTOR IN THE TAX INCREASE SEEN FROM LAST YEAR, BUT THAT IT WAS A ONE-TIME INCREASE. THE COMMITTEE THEN DISCUSSED THE TAX LEVY AND WHERE THAT MONEY GOES.

MR. FEAREY ASKED WHO MADE THE DECISION NOT TO BORROW MONEY FOR THE PURCHASE OF THE YELLOW HOUSE, AND INSTEAD INCREASE THE TAX LEVY. MS. DOLBY RESPONDED THAT THE FINANCIAL OFFICERS OF THE TOWN, IN CONJUNCTION WITH THE BOARD OF SELECTMEN, MADE THE DECISION NOT TO BORROW IN CASE THERE WAS LEGAL ACTION THAT CAUSED MORE DEBT TO BE ADDED TO THE EXISTING DEBT; HAVING THE MONEY UP FRONT MEANS A CLEAN SLATE FOR ANY EXPENSES MOVING FORWARD.

MS. DOLBY TOLD THE FAC THAT SHE HAS ENCOURAGED THEM TO SAY "NO" TO DEPARTMENTS IN THE PAST, THAT DEPARTMENTS DON'T ALWAYS NEED WHAT THEY'RE ASKING FOR.

MR. BAYNES INQUIRED AS TO WHY THE FAC WAS NOT INVOLVED IN THE DISCUSSION REGARDING THE PURCHASE OF THE YELLOW HOUSE. MS. DOLBY RESPONDED THAT THERE WASN'T ANY DEBATE.

MS. DOLBY INFORMED THE FAC THAT THE ARTICLES FOR FY19 WERE MOSTLY FUNDED BY FREE CASH. THE RECLASSIFICATION INCREASED SALARIES AND THE OPERATING BUDGETS USE UP MOST OF THE TAX LEVY MONEY.

THE FAC DISCUSSED THAT SOME DEPARTMENTS WILL INCREASE THEIR BUDGETS TO CONTINUE TO RECEIVE FUNDING FROM THE STATE. THE FAC AGREED THAT WHEN THIS OCCURS, IT SHOULD BE REVIEWED THOROUGHLY.

MS. DOLBY TOLD THE FAC THAT THE FINANCIAL OFFICERS WILL PUT TOGETHER A PRELIMINARY SUMMARY AFTER THE BUDGET HEARINGS HAVE BEEN COMPLETED FOR THE FAC TO REVIEW. SHE

ADDED THAT TAXES SHOULD GO DOWN A LITTLE THIS YEAR; THE MONEY BORROWED FOR THE WASTEWATER DEPARTMENT WILL NOT BE REFLECTED IN THE TAXES UNTIL THE SECOND YEAR.

THE FAC PROCEEDED TO HAVE IN DEPTH DISCUSSION OF FREE CASH, RECEIPTS, EXCISE TAX, AND OTHER ELEMENTS OF FREE CASH, AND FURTHER, HOW THAT ACCOUNT IS REGULATED. MR. BAYNES INQUIRED ABOUT HOW OFTEN THE RECOMMENDATION OF THE AUDITORS WAS IMPLEMENTED. MS. KANE RESPONDED THOSE RECOMMENDATIONS ARE IMPLEMENTED CONSTANTLY AND QUICKLY.

MR. CARTER ASKED ABOUT HOW THE TOWN'S REVENUE IS DISTRIBUTED. MS. DOLBY RESPONDED THAT OPERATING BUDGETS ARE THE FIRST TO BE FUNDED; THEN THE ARTICLES ARE REVIEWED. THE ASSESSOR, ACCOUNTANT AND TOWN ADMINISTRATOR ALL INCORPORATE THEIR OWN FORMULAS AND THOSE ALL HAVE TO WORK TOGETHER. RAISE AND APPROPRIATE MONIES CANNOT BE OVER 2.5% OF THE PREVIOUS YEAR'S LEVY LIMIT.

THE FAC DISCUSSED THE COSTS ASSOCIATED WITH "SCHOOL CHOICE".

MR. CARTER ASKED ABOUT UNTIMELY PAYMENT OF TAXES AND HOW THAT AFFECTS THE BUDGET. MS. DOLBY RESPONDED THAT IT DOES NOT HAVE MUCH OF AN EFFECT, LIENS COME INTO PLAY WITHIN MONTHS OF A PASSED DUE DATE.

MS. DOLBY STATED THAT SHE FELT STRONGLY THAT THE FAC SHOULD BE MORE INVOLVED IN DISCUSSIONS ABOUT TOWN FINANCIALS. MS. KANE DISTRIBUTED COPIES OF THE AUDITS FOR THE FAC TO REVIEW.

MR. JORDAN ASKED WHY THE SHELLFISH DEPARTMENT HAS SO MANY ARTICLES AND WHETHER THE ANNUAL ARTICLES COULD BE INCORPORATED INTO THE BUDGET. MS. DOLBY RESPONDED THAT IT WOULD RESTRICT THE FLEXIBILITY OF THE MONEY, BUDGETS HAVE TO BE FUNDED FIRST SO NON-ESSENTIAL ITEMS SHOULD BE REMOVED TO INCREASE CONTROL OVER THE MONEY APPROPRIATED.

MR. DEOLIVEIRA ASKED WHY THE FAC WAS ONLY PROVIDED WITH TWO PAGES OF INFORMATION FOR THE SCHOOL BUDGET. MS. DOLBY REPLIED THAT THE FAC SHOULD REQUEST THAT THE SCHOOL COMMITTEE PROVIDE THEM WITH A BREAKDOWN OF THEIR BUDGET.

A MOTION WAS MADE AND SECONDED TO APPROVE THE MEETING MINUTES FROM 3/21/2018. NO DISCUSSION, MR. FEAREY ABSTAINS, MOTION CARRIES 5-0, WITH 1 ABSTENTION.

THE FAC DISCUSSED THEIR DECISION NOT TO SUPPORT THE FY19 MONEY REQUESTED BY THE COUNTY.

THE FAC APPOINTED MR. FEAREY AS THEIR REPRESENTATIVE TO THE CPC. THE COMMITTEE DISCUSSED HOW TO MAINTAIN OVERSIGHT OF THE CPC MONEY AND HOW IT'S DISTRIBUTED.

MOTION PLACED ON THE FLOOR BY MR. JORDAN TO HAVE ALL AUDITING REPORTS PRESENTED TO THE FAC FOR REVIEW AND QUESTIONS AND TO BE INVITED TO ATTEND ANY RELATED MEETINGS OR PRESENTATIONS.

THERE BEING NO FURTHER BUSINESS, THE MEETING ADJOURNED AT 5:40PM.

RESPECTFULLY SUBMITTED, JULIET MULINARE, ASSISTANT