

APPROVED 8/8/18  
Phil Stearns

HAMILTON FINANCE AND ADVISORY COMMITTEE  
Minutes of Meeting  
June 13, 2018

Members Present: Darcy Dale, John Pruellage, Phil Stearns (Chair), Nick Tensen, and David Wanger.

Others Present: Marisa Batista

This Hamilton Finance and Advisory Committee meeting was called to order at 7:02 pm at the Council on Aging Building.

**Public Comments**

**Discussion regarding outstanding items for Q4 and potential year-end transfers.**

Marisa Batista presented a list of year-end transfers, which could be completed from May 1 to July 15, 2018. Ms. Batista was working with departments and thought there might be more transfers in the future. Ms. Batista referred to the Finance Operating Expense (\$75), which was over-due as members attended an annual meeting.

Solid waste collection had increased due to zero sort recyclables. The Town did not meet its \$75 per ton fee requirement causing the Town to be responsible for 100% of the costs of processing fees. The number due was \$75,000. The FY19 Budget would be revised to include the increased costs. Ms. Batista said the contract was only 1.5 years into the five year agreement. The new Town Manager would likely attempt to renegotiate the contract. Discussion ensued regarding education, contamination of waste, and that China was no longer purchasing the product.

Tim Olson was reportedly expecting a \$3,000 deficit in street lighting costs, which would be transferred from property and casualty insurance expenses. This was the first year, the Town needed to pay for the LED lighting as a credit had been used for previous years. David Wanger noted solar lights used along highways and Darcy Dale added that municipal grants were encouraging solar lighting. Phil Stearns cautioned members to refrain from using Town Hall resources such as the energy manager without coordination. Marisa Batista thought the solar program would be part of the Town Manager's responsibilities.

Another \$3,000 transfer from property and casualty insurance expenses would be for the Recreation Operating Expense. The utility budget had been cut in FY17, which did not leave enough money to cover the costs of utilities. The account was already in deficit. Marisa Batista said the actual costs for property and casualty insurance were similar to health insurance estimates, which were based on a 10% increase but were actually 7.2%. Ms. Batista would have a true number in July when the bill would be paid.

Celebrations expenses had increased due to the previous Memorial Day celebration when flags were replaced. The missing \$2,000 invoice for flags purchased by the American Legion post had not yet been paid. While Marisa Batista said she was uncomfortable with a third party purchasing the flags and the Town paying for the purchase, the Town Manager had a previous agreement with the Commander. Another invoice for the breakfast at the American Legion Post was also presented. There were no purchase orders for either invoice. Phil Stearns said it was not a negative thing but should be in the budget. Ms. Batista said it needed an agreement. Mr. Stearns suggested the American Legion Post submit plans of how many flags would be purchased as part of the budget process. Ms. Batista said Jeff Hubbard (Veteran's Service Liaison) reported that the State might reimburse the Town for the flags in another fiscal year. David Wanger noted the flags had been purchased and were being maintained by a private entity, which may cause concern. It was unclear where the flags were kept. It was agreed that the process needed to be clearer.

Marisa Batista offered a summary of transfer accounts and from where they were being moved to where they were moving to. The transfers would be covered in the existing budget. Ms. Batista thought there still might be free cash and the number would be determined July 15, 2018. Ms. Batista would be turning back \$25,000 from her department based on the grant and the budgeting for an unpurchased account module, which could not be carried over into the next year. Marisa Batista said the new Town Manager would determine the threshold for procurement. The module, which had a purchase order component would add a recurring annual MUNIS fee.

Currently the DPW had bigger projects and purchases but Marisa Batista was confident Tim Olson, who was a certified chief procurement officer, would obtain three quotes before signing a contract. Some contractors wanted a purchase order so the paper would be signed by Mr. Olson and Ms. Batista. Ms. Batista would sign as the Town Accountant to ensure payment. Ms. Batista did not think the Procurement Policy was sufficient and that implementation was critical and time consuming. John Pruellage added that the implementation would be taxing staff for a situation where fraud was unlikely. Ms. Batista wanted a checklist with a sign off by the Chief Procurement Officer. Work for \$10,000 to \$50,000 required three written quotes and work over \$50,000 required sealed bids. The law required \$10,000 in work for a purchase order, under best business practice.

Motion made by Nick Tensen to approve the transfer of year-end transfer requests as outlined in the memo from Marisa Batista to the Board and Selectmen and FinCom, dated June 13, 2018 from the accounts listed to the accounts listed.

John Pruellage seconded.

Vote: Unanimous in favor.

#### **Discussion regarding draft financial policies**

Travel reimbursements had already been approved under the Personnel Policies. Marisa Batista asked if members wanted to work on the new travel reimbursement or stay with the one adopted

by the Board of Selectmen. Per diem expenses and overnight trips that were extended into a partial next day were discussed. The Town would also not pay sales tax even if the employee was charged for it because the Town was tax exempt. An Amazon account had been created so the Town could order things directly and continue to be tax exempt. Employees were reimbursed for meals and room tax. It was agreed that the GSA website would be used with DLS details added. The GSA policy would consider individual cities and calculate a price for meals.

Marisa Batista said she intended to restructure the Accounting Department to have it make more sense. The part-time position had been increased to a full-time position but Ms. Batista was waiting for the new Town Manager to determine the job responsibilities. Previously the property and casualty insurance and worker's compensation were in the Accountant's office and Town Manager's office. Currently they were the responsibility of the Finance Department. Ms. Batista was putting a list together of where the functions should be located. Ms. Batista thought that payroll and benefits should be together but did not think it would change. The part-time position might be a benefits coordinator as well.

David Wanger asked about union employee disbursements. Marisa Batista explained that the compensation terms and conditions were reflected in contracts that covered changes, which were changed by the treasurer collector by the Annual Manpower Summary. Compensation terms and conditions were specified in the contracts, collective bargaining agreements or individual agreements.

David Wanger asked if Marisa Batista was comfortable making judgements as to what was legal or had a legal purpose. Ms. Batista responded that she only verified expenditures and the concept of legal meant the expenditure was being paid in accordance with the collective bargaining agreement or individual agreement rather than the legal aspect of being paid for hours worked. Mr. Wanger requested to add the phrase: "in accordance with the governing documents." The term "bi-weekly" was debated.

The terms "Web Time" and "Harpers" were written in but if the Town changed programs, the policy would need to be changed. John Pruellage suggested using a generic reference. Time submission would be on Tuesday by noon after a Monday holiday.

Motion made by Nick Tensen to vote to recommend for the Disbursements Policy with the comments discussed tonight for Marisa Batista to present to the Board of Selectmen.

John Pruellage seconded.

Vote: Unanimous in favor.

Regarding the policy to deposit cash of over \$200 at the end of the day, Phil Stearns suggested changing the phrase to the end of the first business day in the event of a Saturday collection of cash. Cash could be kept in the Recreation Department safe until the time of deposit. A recommendation had been made to have a pre-numbered receipt book for cash, check, or credit

card receipts. The Recreation Department received drop-in fees. Mr. Stearns suggested offering a pre-filled receipt. Marisa Batista suggested pre-numbered tickets, which could be counted and reconciled for cash receipts.

When turning over revenues, Department Head signatures were required on each form but it was staff that prepared the schedule. Marisa Batista suggested having the preparer sign and have the Department head initial. Two separate forms (AD9 and 10) were supposed to go to the Treasurer's office, according to the policy (Section B), but Marisa Batista said they should be independent. The Treasurer's office should get a copy of the accounting page so at the end of the month, receipts could be reconciled against the other copy. The change would indicate that forms would be independently turned into the Accounting office and Treasurer separately.

Section D of the policy indicated that the Treasurer would enter a negative deposit if a check bounced, which could not be done in the MUNIS system. Language would be added under Section D that the \$25 overdraft fee would not go into the same account as the original deposit. The \$25 would be added to fines and misc. revenues and would need to be paid via a certified check or cash.

Motion made by Darcy Dale that the FinCom approve the Revenue Turnover Financial Policy as per the discussion with recommended changes.

John Pruellage seconded.

Vote: Unanimous in favor.

Treasurer Revenue Turnover example schedule of receipt to the Finance Director was proposed to be weekly by GLS but would be done on the 15<sup>th</sup> and month end. Currently the turnover was once a month, which caused a month delay for revenues to post to the General Ledger when reports were run.

#### **Discussion of FY19 Calendar of Important Dates.**

Phil Stearns noted that Robin Crosbie was preparing a calendar for the fiscal year, which would be helpful in determining quarterly meetings with the Selectmen. The quarterly meetings were dependent on the Quarterly Reports. Marisa Batista requested having the 3<sup>rd</sup> Quarter meeting the last week of August or first week of September as she would still be posting Warrants and encumbrances around July 15<sup>th</sup>, followed by State reporting. The following meeting would be mid-November.

The Special Town Meeting schedule was very aggressive, according to Marisa Batista. All Warrant Articles were due by August 6, 2018. David Wanger added that Citizen's Petitions would change the schedule. Members discussed the Ipswich FinCom presentation, which could be used as a template. Phil Stearns recalled that he told Robin Crosbie how much the FinCom liked the Ipswich Warrant Book layout. The Budget document could be used as a draft for

**Review and approval of any available minutes (May 30, 2018)**

A motion was made by Darcy Dale to approve the minutes from the May, 30, 2018 meeting and seconded by John Pruellage. Vote unanimous to approve minutes.

**Determine/Discuss agenda for next meeting.**

**Adjournment**

Phil Stearns made motion to adjourn the meeting.

Seconded by Darcy Dale.

Vote Unanimous to adjourn at 8:44 pm.

Prepared by:

\_\_\_\_\_  
Marcie Ricker

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Attest

\_\_\_\_\_  
Date