

Approved Jan. 20, 2021

**Advisory Committee Meeting
Zoom Video Conference
Wednesday, January 13, 2021, 6:30 p.m.**

Those present from Advisory Committee included Shawn Baker, Julie Bryan, Tom Cunningham, Lauren Duprey, Jake Erhard, Jennifer Fallon, Neal Goins, John Lanza, Jeff Levitan, Bill Maynard, Deed McCollum, Corrine Monahan, Patti Quigley, Mary Scanlon and Doug Smith.

Julie Bryan called the meeting to order at 6:30 pm.

6:30 p.m. Citizen Speak

There was no one present for Citizen Speak.

7:00 p.m. Audit Committee Overview

Susan O'Shea, Chair, Audit Committee; Peter Covo, Secretary, Audit Committee; and Sheryl Strother, Finance Director were present.

There was an introduction of audit committee members; currently there is one opening on the committee. The Audit Committee's mission statement, roles and responsibilities were reviewed, and the recently audited departments were presented.

Powers & Sullivan, CPA is the town auditor. The audit manager is different each year to provide a different lens. The audit reports for FY20 were discussed and the significant items of interest were reviewed.

Questions and Discussion

- What year was the audit committee formed?
 - The books have been audited since 2004, but it is unknown when the committee was initially formed.
- There is an understanding that there is no internal audit in Wellesley. How do we make sure numbers and processes are running the way they should be running?
 - There are Standard Operating Procedures (SOPs) written across every department. Those are audited across those organizations by running tests on their procedures. The external audit team comes in and tests some of the policies and procedures. It's a random selection.
- Who does testing in the departments?
 - For example, in the School Department the finance person within the business office randomly tests policies. There is no report from this testing. The only report is from the external auditing team on a random sample of departments within the scope of the town departments that they have been asked to focus on.
- Is there a schedule for audits of departments?
 - If there is a concern it is brought to the auditors. For example, turnover at the COA was high so the auditors will look at COA policies and procedures. It might be something identified by the Select Board (SB), Auditors, or Financial Director. If someone has a concern in a department, it is investigated more. It's not an automatic review of departments.
- Who gets the audit reports, what is the chain, and who sees them?

- All reports are reviewed with external auditors and Town management receives a copy. The Audit Committee receives the Audit Report and it is reviewed at the 4-5 Audit Committee meetings throughout the year. All reports are published on the town's website except for the management letter but this management letter is available. Finer points are reviewed with the SB.
- Has there been an audit looking at work across departments for an issue?
 - In last two years we haven't looked at any cross charging. Audit methodology is to make sure everything is in line with policy.
- Have the auditors ever offered opinions about consolidation across the organization?
 - In the past there was discussion of putting departments under a Town Manager and creating centers of excellence.
- Why did it take the Gordon Kingsley report to create and write a policy for cost allocation? Are there any other elements of the basic tool kit like that?
 - It's not common in municipal government to allocate the way the Department of Public Works (DPW) does. In other towns, DPW's are cost centers. However, enterprise funds can bear some appropriate allocated costs. It's legal and appropriate to charge costs to enterprise funds. In municipal finance this charging mechanism is confined to enterprise funds.
- Can an audit be done of any government department's budget?
 - Auditors will audit policies and procedures, not necessarily their budget. It's not cyclical. It would have to be identified by someone.
- Is the outside auditor able to conduct a data/security audit?
 - They would bring in a third-party team with cybersecurity capabilities. There is already a significant testing done by IT. We are using outside people and software to test.
- If only departments where an issue is raised are audited, what about issues that might not be known? If we were to go in randomly, we might be able to find issues before they become an issue.
 - If there are no issues, then we look at something more random. We look at known exposures, size of department, and level of fiscal responsibility.
- Do we know if departments have policies and procedures and they are updated?
 - We don't know that.
- Do we audit departments that collect money?
 - Yes, this is part of the testing during the audit and it is selected sampling.
- Does the audit committee feel Powers and Sullivan is taking enough time to complete a good clean audit, or do we need to allocate more time?
 - It's a very thorough audit.
- Where should we look and what is the audit plan for 2021, and where are some of the concerns?
 - We want to focus on materiality to ensure the town's procedures, policies, fiscal responsibility, and flow of funds are proper. These are the areas on which the auditors, Audit Committee, and Finance Department are focused. If there isn't a risk that funds might be mislaid or diverted, then a department might come up for audit every 5 to 7 years. There needs to be a connection to some type of fiscal responsibility. Departments with a risk of diversion or misappropriation of funds are departments the audit focuses on.
- Is there a focus on Retirement?
 - There are no issues, but a review of the pension funding was completed and found that the town is funding the pension appropriately. We are appropriately funded, and more so than other towns. The town is commended on this by the auditors. We audit the OPEB liability to make sure it is covered and the funds are appropriate.

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- To what extent do you audit what happens to outside money such as CARES funding, and that these funds were appropriately spent based on the criteria?
 - It's going to be a significant audit for FY21 because not a lot of CARES money was expended in FY20. The town was told to apply for FEMA first. The use of those funds is slower than we anticipated it would be. Now, use of CARES funds has been extended through December 2021. Auditors have said that this is one area they will focus on for FY21.
- The auditors are independent of the town and develop their own procedures and scope.

7:23 p.m. Wellesley Free Library (WFL) FY22 Operating and Capital Budget

Marla Robinson, Chair, Board of WFL Trustees; Ann-Mara Lanza, Secretary, Board of WFL Trustees; Maura Murphy, Board of WFL Trustees; Jamie Jurgensen, Director, WFL; Ann Rappaport, Board of WFL Trustees; and Ann Howley, Vice Chair, Board of WFL Trustees were present.

The WFL's FY22 budget considerations, operating budget, and capital budget were presented and reviewed, including personal services, operating expenses, priorities, and cash capital. Mission and vision drive all decisions at the WFL, and the key drivers for FY22 were covered. The FY22 operating budget meets the 2.5% guideline.

FY20 turnback was discussed and is due to personnel changes – retirement, a position left vacant, and reduced Sunday hours contributed to the turnback. For FY21 year to date, expenses are at 50% which is where they usually are at this time in the year. Some office expenses will be covered by CARES money. Personnel expenses are also at 50%. WFL is not expecting a huge turnback for FY21. Other communities have closed their libraries during the COVID pandemic. WFL leadership and personnel have made it possible to keep the library open during the pandemic.

Questions and Discussion

- Were there COVID-related expenses/costs that are raising operating costs for next year that may go away the following year?
 - WFL did include PPE and a greeter in the front of the library in the budget. WFL will make sure the budget meets that need. In the spring, the budget was used to deliver additional electronic materials and databases.
- Does WFL have to pay for the number of books checked out by Hoopla, and has this expense gone up as a result of COVID?
 - With Hoopla, a catalogue of things is purchased, not individual items. WFL is charged when a patron uses Hoopla. Yes, there are more charges but, as part of the response to COVID, WFL increased that budget. That budget is primarily paid for with private funds from the WFL Foundation.
- Why is there a traffic study with the renovation project?
 - This is a placeholder. WFL felt that eventually there may be a reason to do a traffic study, for example with the increase in the size of the school and activity in the area, but doesn't know yet.
- Has the materials handler met expectations, and what efficiencies have been realized because of it?
 - There were some issues with the software, and WFL is working with the company on this. There is usually a minor issue once per week. For example, someone could put something in the slot that stops the machine. Efficiency was very important during COVID, and WFL never had a backup of materials during COVID. The materials handler also reduced the number of times someone had to touch materials. There are

efficiencies in how quickly items go back to shelves and in not having as many staff together working on things. WFL will need to wait until COVID is over to realize full efficiencies.

- What's happened this year with traffic and traffic volume?
 - A gate count is completed every day. There is a decrease in traffic mostly because of capacity limits.
- There is a cash capital jump up in future years.
 - WFL tries to be tight in cash capital. That said, there is a concern about technology and the way companies charge for technology, i.e. subscription services versus buying the product and holding on to it. There will be increases to ensure the library is able to do what it wants and needs to do.
- What is the rationale behind staying open at 25% capacity when other towns are not opening?
 - Fearless, flexible, and fun. The staff wants to serve the public, and they believe in the freedom of access to information and this is their job. WFL believes it can do this in a safe way for staff and patrons. There is no sitting and using the computer in the building. The library is used for borrowing only. WFL has been working with the BOH every step of the way. There have been no staff cases of COVID. If it were to become an issue and the BOH recommending closing, the WFL would close.
- How is capacity kept at 25%?
 - The greeter has a counter and only one door is open. If patron count gets to 50 then we don't let someone in until someone leaves. It is a rolling 50. The building allows us to physically and socially distance.
- Has the WFL found rental space for construction project?
 - We are still on the search and will have an answer before the end of the month. There will be a place where patrons can come to pick up materials. We will do our best to make sure people can pick up materials and that there is room for the staff to continue work.

8:00 p.m. Citizen's Petition

David Himmelberger, the Citizen's Petition sponsor, is helping the owner of 2 Edgemoor Ave obtain elimination of split zoning. This is similar to what was approved by Town Meeting two years ago for 999 Worcester Street.

2 Edgemoor Ave is a 10,400 square foot lot located behind the Mobil gas station on Rt. 9 just on the Natick line. In the past, variances were obtained from the town for lots of single-family residence to be used for parking of vehicles. The owner of 2 Edgemoor Ave would like to have all of his property now zoned as business. The property does not lend itself to single-family residence and is more suited to business use.

Questions and Discussion

- Has there been a discussion with the Planning Board, and has there been any consideration about how to do this all at once for the multiple neighboring parcels in the same situation rather than parcel by parcel?
 - The short answer is it is unknown why the vision was not expanded beyond 999 Worcester. I think if we weren't in COVID pandemic the client would have had more conversation with Planning. There was limited time to get something onto the Warrant. There has been some conversation with Planning, and the matter will be discussed further with the Planning Board on Tuesday January 19.
- A comment was made that perhaps Advisory table a deep discussion on this issue until guidance is received from Planning about what they think about it.

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- Why is it that there is a Citizen's Petition rather than Planning?
 - If there had been more time, the client would have gone through Planning. But, in order to not lose this Town Meeting, it was put on as a Citizen's Petition with the hope that Planning would join on.
- Is there anyone opposing this?
 - No. Edgemoor Condominiums abuts the property, but there are no abutters objecting.
- Why is the owner planning on expanding now?
 - The building is on dividing line between business and residential. The owner has an auto and detailing business and would like to add a third bay for detailing vehicles. He has also been approached by people who would want a place to store their cars.
- What about washing cars and the impact to Morses Pond?
 - Cars are handwashed, and the runoff goes into the municipal drain system and does not go into Morses Pond. There is no painting and no auto body repair.

Administrative Matters/Liaison Reports/Minutes

Minutes Approval

Patti Quigley made and Shawn Baker seconded a motion to approve the January 6, 2021 minutes.

Roll call vote:

Bill Maynard – yes
Patti Quigley – yes
John Lanza – yes
Mary Scanlon - yes
Deed McCollum - yes
Jennifer Fallon – yes
Jeff Levitan – yes
Corinne Monahan - yes
Shawn Baker – yes
Doug Smith – yes
Jake Erhard – yes
Tom Cunningham – yes
Lauren Duprey – yes
Neal Goins - yes

Minutes were approved 14 to 0.

Liaison Reports

Library/Corrine Monahan – at the last Trustees meeting, the discussion was about when the library would be closing; moving into temporary replacement space; and how Hills and Falls branches would be open. WFL is looking for a rental space. DRB and renovation updates at Hills library and the A/C units were also discussed. There was a renovation update.

Schools/Jenn Fallon and Lauren Duprey – there is an ongoing discussion around the balance between hybrid and remote and the metrics associated with these. The initial framing of the budget is being discussed, and budget workshops will be held throughout January and into February. There is talk about the testing program, and the state is rolling out its version of the testing program. WHS is currently remote, and tests are being distributed while school is remote. Metrics are being adjusted and metric

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groups reevaluated. Teacher vaccination is in Phase 2. The budget is coming in at 2.49% and 2.74%, and the School Department is still culling and tightening.

SEC/Deed McCollum– SEC plans to amend their bylaw to change the organization’s name and increase the number of people on their committee from 7 to 9. A current topic of focus for the group is that Building guidelines don’t contain sustainability guidelines.

Historic Commission/Deed McCollum– Dana Marks is leaving the Planning Department.

Administrative Matters

Write-up assignments for 2021 Advisory Report were sent out.

8:30 p.m. Adjourn

Mary Scanlon made and Deed McCollum seconded a motion to adjourn.

Roll call vote

Bill Maynard - yes
Patti Quigley – absent
John Lanza – yes
Mary Scanlon - yes
Deed McCollum - yes
Jennifer Fallon – yes
Jeff Levitan - yes
Corinne Monahan - yes
Shawn Baker – yes
Doug Smith – yes
Jake Erhard – yes
Tom Cunningham – yes
Lauren Duprey – yes
Neal Goins – yes

Approved 13-0.