

Minutes of the Meeting of the Norfolk County Advisory Board Finance Committee
Wednesday, May 13, 2020
Remote Meeting
2:00 pm

On Thursday, March 12, 2020, Governor Baker issued an “Order Suspending Certain Provisions of the Open Meeting Law, G.L. c30A, Section 20.” That Order was effective immediately until it is rescinded or the State of Emergency is terminated.

Welcome/Call to Order

Finance Committee Chairman Joseph Reardon called the Meeting of the Norfolk County Advisory Board Finance Committee to order at 2:00 pm. Mr. Reardon called the roll and Owen Dugan of Wellesley, Helen Donohue of Norwood, Carl Balduf of Plainville, Mr. Connors of Randolph, and Dr. Elizabeth Childs of Brookline responded present. Mr. Reardon declared a quorum.

Mr. Reardon identified those on the remote meeting:

County Commissioners Francis O’Brien (Chair), Peter H. Collins, Joseph Shea

From the Commissioners’ Office: County Director Michael Mullen, Assistant County Director Bill Buckley, Recording Secretary Philip Iantosca, Personnel Manager Michelle Labadini, Veterans’ Services Advocate Dale Kurtz

From the Advisory Board: Ed Little

From Norfolk County Agricultural High School: Trustee Michael McFarland, Director Tammy Quinn, Business Manager Rick Fitzpatrick

From the Registry of Deeds: Register of Deeds William O’Donnell, Second Assistant Register of Deeds Marguerite Lee, Local 2417 Vice-President Linda Austin

From the Treasurer’s Office: Treasurer James Timilty and County Accountant Joseph D’Auria

Two unidentified participants

Mr. Reardon stated today’s meeting of the Finance Committee is a public meeting. He stated only Finance Committee members will speak unless recognized.

Advisory Board Chairman Paul Connors led the recitation of the Pledge of Allegiance.

Mr. Reardon stated all budget materials and presentations will be available online at norfolkcounty.org. Mr. Reardon stated departments were asked to submit any additional materials at last week's meeting. He stated Register O'Donnell did not submit any additional materials. Mr. Reardon asked Register O'Donnell if he wished to submit any materials today. Register O'Donnell stated he submitted materials last week and he has nothing additional to submit today.

FY21 Norfolk County Budget Presentation

Treasurer Timilty presented the FY21 Treasurer's Office Budget Proposal. He thanked the Finance Committee for their efforts. Treasurer Timilty stated the Treasurer's Office presentation is available to everyone on the County website.

Treasurer Timilty stated the Treasurer's Office has been operating and meeting obligations during the COVID-19 crisis. He thanked John McGowan, Superintendent of Buildings, and his staff for their hard work during the COVID-19 crisis. Treasurer Timilty stated his office continues to do its daily work.

Treasurer Timilty stated he requested additional funding in his budget proposal to fund financial policies for the County. He stated these are trying times and we cannot expect revenue projections to be realized. He stated County finances deserve a stem to stern revue.

Treasurer Timilty stated Joseph D'Auria, County Accountant and Deputy Treasurer, will present detailed Norfolk County financial information. Treasurer Timilty stated he and Mr. D'Auria will answer Finance Committee questions after the presentation. He stated anyone who is not a Finance Committee member may submit written questions and the Treasurer's Office will answer within 48 hours. Treasurer Timilty stated Mr. D'Auria is non-partisan and has served Norfolk County for 34 years and under 5 different Treasurers.

Mr. D'Auria presented Norfolk County Financial Information as detailed in Exhibit A, "County Financial Information."

Mr. Reardon asked Finance Committee Members for questions.

Mr. Balduf stated the presentation was excellent and thanked Mr. D'Auria for his efforts. Mr. Balduf asked about the Unexpended Balance is decreased. Mr. D'Auria stated the Unexpended Balance is reduced because the County used \$900,000 to fund the budget.

Dr. Childs asked Mr. D'Auria to explain the mandate and indirects funding. Mr. D'Auria stated the mandate is a portion of the Registry of Deeds and Norfolk County Agricultural High School budgets the County must fund. He stated the mandate is 2 ½% of prior year's expenditures. Mr. D'Auria stated several years ago there was an internal argument between former County Director Dan Matthews and Register O'Donnell to base the mandate on appropriation instead of expenditure.

Mr. Mullen stated indirect charges are costs such as health insurance obligations for departments, pension liability, building and liability insurance, and Medicare. He stated these are charged back to departments.

Dr. Childs asked how the indirect charge funding flows. Mr. D'Auria stated indirects are charged on paper on a 1/12 basis.

Mr. Reardon asked for further questions. There were none.

Mr. Connors, Mr. Dugan, Ms. Donohue, and Mr. Reardon thanked Mr. D'Auria for his presentation. Mr. Reardon stated Mr. D'Auria's presentation was clear and easy to read.

Budget Follow-Up & Information Review

Mr. Reardon stated some questions arose from last week's meeting related to comparisons of the Norfolk County Registry of Deeds to other Registries of Deeds in the Commonwealth in terms of number of employees and size. Mr. Reardon asked Register O'Donnell if he could provide the Finance Committee with this information. Register O'Donnell stated he requested information from several Registries but did not receive a response. He stated Norfolk County is different than the other Counties and that he made a presentation last week. Mr. Reardon asked Register O'Donnell to name the Registries of Deeds from which he requested information. Register O'Donnell stated Richard Kennedy, First Assistant Register of Deeds requested information via email from the following Registries of Deeds: Worcester South, Essex South, Suffolk, Plymouth, and Barnstable. Mr. Reardon stated he will forward this information to the Advisory Board. Mr. Reardon stated Plymouth County Registry of Deeds numbers are available on their website. Mr. Reardon asked Register O'Donnell to provide copies of the requests to the various Registries of Deeds.

Mr. Reardon stated several questions were raised at last week's meeting, including questions related to the County's structure and procedures on employee salaries and personnel budgets, FY20 fourth quarter Registry of Deeds receipts, and FY21 Registry of Deeds estimates.

Commissioner Collins and Commissioner Shea called on Mr. Mullen to address the Finance Committee's questions. Mr. Mullen presented a Budget Follow Up and Information Review as detailed in Exhibit B, "Norfolk County Fiscal Year 2021 Operating Budget County Commissioners and County Director Follow-Up."

Mr. Reardon asked for questions from the Finance Committee on Mr. Mullen's presentation. There were no questions. Mr. Connors thanked Mr. Mullen for his presentation.

Mr. Reardon asked for any further questions from the Finance Committee.

Dr. Childs stated the budget as the Commissioners proposed looks good.

Mr. Connors stated he has some concern regarding the \$4.4M in excess in the Registry of Deeds account. He stated long term planning is necessary.

Mr. Dugan stated he supports the Commissioners' budget proposal.

Status of County Commissioners'/Treasurer's Audit Request to State Auditor & Discussion of County Operational Review and Analysis

Mr. Reardon stated the Commissioners sent a request to the State Auditor to conduct a performance review audit of the County. Commissioner Shea stated this request to the State Auditor is fairly new, dating back to January of this year. He stated the request was spurned by management letters of repeated audits. Commissioner Shea stated the management letters mentioned that funds in Registry of Deeds accounts should be in custody of the County Treasurer. He stated the Commissioners' Office reached out to other Counties who have used the State Auditor for performance review audits and they reported positive experiences. Commissioner stated the Commissioners have not received a definitive response from the State Auditor's Office. He stated if the County has outside auditors we should abide by their recommendations.

Commissioner Shea discussed personnel. He stated the days of COLAs plus steps/grade increases are coming to an end. Commissioner Shea stated the Commissioners always take the opinion of department heads regarding personnel papers and actions.

Mr. Reardon asked for an update on the audit request. Mr. Mullen stated the County Commissioners submitted the request to the State Auditor in January. Mr. Mullen stated the Auditor contacted him and discussed the reasoning and rationale of the request. Mr. Mullen stated the Auditor informed him that the Auditor's Office resources are stretched and it was unclear if they could move forward.

Mr. Mullen stated it important to have an outside set of eyes examine County finances and operations. He stated the information from an state audit would prepare the County to move forward.

Mr. Reardon stated the State Auditor's Office is probably stretched thin and the County is not likely to have their services based on the current situation. Mr. Reardon stated based on management letters, he recommends the Finance Committee take action to have an outside source to provide performance audit and operational review services to form a long term plan for Norfolk County.

Ms. Donohue asked if the proposed outside audit would duplicate services provided by the County's current auditors. Mr. Reardon stated the current auditors provide financial audit services. Mr. D'Auria stated the current County auditors are financial auditors and do not have legal expertise. He stated the proposed outside performance audit would provide a legal financial audit with expertise in Massachusetts General Law. Mr. Reardon stated these types of audits have been useful in his professional career.

Treasurer Timilty stated 3 different companies have performed audits since 2004 and all have noted in their management letters that the County needs documented financial policies. He stated the County needs to address the issues noted in the management letters. Treasurer Timilty stated he has no misgivings about an outside vendor examining the County's operation. He stated this would be a healthy undertaking.

Mr. Reardon asked who sent the request to the State Auditor. Mr. Mullen stated the Commissioners and Treasurer Timilty sent the joint request. Mr. Reardon asked if Register O'Donnell sent a letter supporting the Commissioners' request of the State Auditor. Ms. Lee stated Register O'Donnell has left the remote meeting, and she does not know if the Register sent a letter supporting the Commissioners' request. Mr. Reardon stated he will send a request to Register O'Donnell asking him to forward to him any letters supporting the Commissioners' request of the State Auditor.

Dr. Childs stated the outside performance and operational review audit is a good idea and she favors the most cost-effective solution.

Mr. Reardon stated he hopes the Commissioners ask for the Finance Committee's continued input if an operational review were to move forward.

Mr. Connors stated best practices are necessary and the County needs to do this audit and operational review in the FY21 Budget. He asked about obtaining quotes so an appropriate amount may be added to the FY21 Budget. Mr. Mullen stated securing quotes is important.

Commissioner Collins stated the Commissioners support a best practices review and performance audit. He directed Mr. Mullen to obtain references for any potential firms.

Mr. Dugan stated he supports the initiative.

Mr. Dugan made a motion to table any action regarding the County Operational Review and Analysis until next week. Mr. Connors seconded the motion.

On the roll call vote,

Mr. Balduf voted "yes"

Ms. Childs voted "yes"

Mr. Connors voted "yes"

Ms. Donohue voted "yes"

Mr. Dugan voted "yes"

Mr. Reardon voted "yes"

It was then:

Voted: to table any action regarding the County Operational Review and Analysis until next week (Unanimous).

Mr. Reardon asked if there were any more questions on the FY21 Budget. There were no more questions.

Mr. Balduf made a motion to recommend Advisory Board approval of the FY21 Norfolk County Budget in the amount of \$31,841,209. Dr. Childs seconded the motion.

On the roll call vote,

Mr. Balduf voted “yes”

Ms. Childs voted “yes”

Mr. Connors voted “yes”

Ms. Donohue voted “yes”

Mr. Dugan voted “yes”

Mr. Reardon voted “yes”

It was then:

Voted: to recommend Advisory Board approval of the FY21 Norfolk County Budget in the amount of \$31,841,209 (Unanimous).

Mr. Reardon notified Register O’Donnell there was discussion of the Commissioners’ request for a performance audit from the State Auditor’s Office. Mr. Reardon asked Register O’Donnell if he sent a letter supporting the Commissioners’ request for a performance audit. Register O’Donnell stated he sent a letter to the State Auditor’s Office. Mr. Reardon asked Register O’Donnell to provide a copy of his letter to the State Auditor. Register O’Donnell stated he would provide the Finance Committee with a copy of his letter to the State Auditor.

Mr. Connors stated the Finance Committee is scheduled to meet on May 20 and the Advisory Board Public Hearing is May 27. Mr. Mullen stated the public hearing was posted for 7 pm on May 27 and the Advisory Board vote on the budget is scheduled for June 10.

Mr. Connors thanked Mr. D’Auria for his presentation.

Dr. Childs recommended an agenda item detailing a Finance Committee calendar to address the County’s structural deficit. Mr. Reardon stated he is in favor of Dr. Child’s recommendation.

There being no further business to come before the Finance Committee, Dr. Childs made a motion to adjourn the meeting. Mr. Dugan seconded the motion.

On the roll call vote,

Mr. Balduf voted “yes”

Ms. Childs voted “yes”

Mr. Connors voted “yes”

Mr. Dugan voted “yes”

Mr. Reardon voted “yes”

Mr. Reardon stated Ms. Donohue left the meeting prior to adjournment.

It was then:

Voted: to adjourn the Meeting of the Norfolk County Advisory Board Finance Committee at 3:47 pm.