



TOWN OF DARTMOUTH MASSACHUSETTS

Finance Committee
400 Slocum Road
Dartmouth, MA 02747
Phone (508) 910-1802
Fax (508) 910-1885
cabrantes@town.dartmouth.ma.us

Peter Friedman, Chairman
Greg Lynam, Vice-Chairman

Pursuant to a call to order and notice duly given in the manner required by law and the By-laws of the Town of Dartmouth, a meeting of the Finance Committee was held on Tuesday, July 17, 2007 at 7:00 P.M. at the Town Hall Room 315.

MEMBERS PRESENT: Leonard Gonsalves, Greg Lynam, Steward Washburn,
Melissa Haskell, George Jacobs, Peter Friedman,
Francis Pettengill, Larry Fox

MEMBERS ABSENT: Patrick Roth

BEGINNING RESERVE FUND BALANCE: \$630,000 a/o July 1, 2007
ENDING RESERVE FUND BALANCE: \$630,000

FINANCE COMMITTEE MEETING

AGENDA

Tuesday, July 17, 2007 7:00 P.M.

Room 315

- 7:00 P.M. School Liason Meeting
- 7:10 P.M. New Finance Committee Operations
(website, agendas, etc.)
- 7:30 P.M. Post Override Strategy
- 8:30 P.M. Discussion of Special Meeting on July 26th
- 9:00 P.M. Adjourn

The meeting was called to order at 7:00 P.M.

Peter Friedman opened the meeting with an acknowledgement of Larry Fox's leadership as the Committee Chair in very tumultuous times. Larry reciprocated.

SCHOOL LIASON AGENDA ITEM

Peter Friedman indicated that he had a telephone conversation with Dr. Russell about the School Department's spending of funds in the event that an override was passed. It was Peter's recommendation to Dr. Russell that the Schools consider adopting a "Level Services Budget" versus their "Needs Based Budget", expressing concern about the continued funding of all the programs the School Department proposed adding.

Stewart Washburn expressed agreement with Peter's position, suggesting that the amount the Schools spent in excess of Net Minimum Spending be reduced to \$500,000 over time.

Leonard Gonsalves pointed out that the School Committee is on record as saying they would adopt the Needs Based Budget should the override pass.

It was determined that Leonard Gonsalves and Greg Lynam, as liaisons to the School Department, would arrange to meet with the School Department to discuss their budget should an override pass.

Melissa Haskell raised a question about the cost of reopening schools that the School Department is planning to close. It was Greg's impression that the School Department thought these schools could reopen in one year without needing any retrofitting, but the School Department was waiting to hear definitively from the State on this issue.

NEW FINANCE COMMITTEE OPERATIONS

With the restructuring of the Finance Committee, Peter Friedman suggested that the Finance Committee budgets, agenda and minutes be posted on the Town website to be made available to the public and to respond to the community's desire for transparency in government. He suggested that perhaps Mike Corville could easily create a link for us to post these items. Finance Committee members thought this was a great idea and we should move forward with it.

A motion was made by George Jacobs and seconded by Leonard Gonsalves that we inquire with the webmaster as to whether a Finance Committee link could be added to the Town website.

(Voted 8-0-0)

Greg Lynam said that the Finance Committees of other towns create general status reports and post them on their websites. He thought that might be helpful to the public if we did something like that and suggested that we look online to see what other Towns are doing.

There was some discussion about Reserve Fund Transfers and how they might be listed on our Agenda. Leonard Gonsalves pointed out that it has been the policy, even if it was not always followed, that transfers must be received with some reasonable notice and department heads must be present to explain the transfer request. Transfer requests should be for unforeseen expenses and should be emergencies.

Peter Friedman moved that we establish a policy that Reserve Fund requests be received by the Chair or Clerk no later than 5:00 P.M. on the day preceding a Finance Committee meeting. Leonard Gonsalves seconded the motion.

(Vote 8-0-0)

Leonard Gonsalves expressed some concern that a member of the Select Board or their representative has not been present at School Department contract negotiation sessions. Ed Iacaponi was designated as the representative of the Select Board. Ed has indicated on numerous occasions that he has not been notified of these meetings. Further, he has a lot of responsibilities that might keep him from participating in these meetings. Mr. Gonsalves felt it was important that the Select Board have a representative that would participate in these meetings and suggested that the Finance Committee bring this issue to their attention. It was determined that Peter Friedman, as the Chair, would call the Select Board Chairperson to discuss this concern. Leonard Gonsalves would provide Peter with the appropriate statute information.

Larry Fox raised the issue that the Finance Committee has asked for various contracts, like utility contracts, and never received them. It was his opinion that we should be reviewing all contracts. Based on his work experience and knowledge in this area, Larry Fox offered his services in an advisory role to help with these contracts. It was agreed that Larry Fox would be the liaison for the Finance Committee on utility contracts. Larry Fox offered his services in an advisory role. George Jacobs suggested that we might ask that Larry be able to informally sit in on these negotiations.

It was agreed by the Committee that Action Items be included a part of the minutes going forward.

Melissa Haskell asked about the Action Item that was to schedule a meeting with the Town's auditor. It was determined that the Committee should have an agenda item to discuss the audit and management letter before the auditor was brought in to meet with the Finance Committee.

It was agreed that the Committee would ask for the 2004 and 2005 Management Letters to have a basis for comparing the 2006 Management Letter.

POST OVERRIDE STRATEGY

Peter Friedman expressed concern about the creation of a series of reserve funds for the funds that would be raised as part of an override. He is concerned that there will be future cashflow issues that the Town Administration is already fully expecting and that the reserve funds will merely mask these issues.

Greg Lynam reviewed the Town's projections and is concerned that the rate of growth of expenses in the budget is significantly lower than the historical growth rate of expenses. He indicated that he had a lot of questions about the budget projections including: How are costs going to be controlled when the growth in expenses has never been this low? What are the cost cutting measures that are being implemented? How are you going to meet targets for override projections to work out?

There was discussion about the budget that would be recommended to Town Meeting should the override pass and whether a more aggressive funding of the Stabilization Fund should be implemented to increase the controls that are put on the additional funds. It was also the consensus of the group that the most important capital improvement items should be funded.

The Finance Committee discussed the actions it should take in light of the concerns about the budgeted projections. George Jacobs said he thought that it is wrong to raise formal questions prior to override. His recommendation was that the Committee take a less formal approach to raising our concerns to the Select Board. George suggested that we should indicate that we have some questions about the 5-year projections that we received and in the event that an override passes, we would like to meet with the Select Board shortly there after to prepare ourselves for Town Meeting. It was agreed that this is the course of action that should be pursued.

DISCUSSION OF SPECIAL MEETING ON JULY 26TH

Peter Friedman asked the group whether or not we felt we should attend the special meeting on July 26th that the Select Board is convening to discuss the override. If we do attend the meeting, what is our obligation? Discussion about these questions ensued. It was determined that the Finance Committee would not take a position on the override question, but individuals were welcome to make their personal opinions known. Peter Friedman suggested that the Finance Committee response to a question about our opinion on this issue be that we indicate that the revenues we have are not enough. There is a natural pinch on the budget and the problems will not be solved unless serious structural changes are made. The Committee agreed that this should be the answer to any question about the Committee's position with regard to an override.

A motion was made by George Jacobs and seconded by Larry Fox, to adjourn this meeting at 9:13 P.M.

Respectfully submitted,

Melissa E. Haskell
Clerk

Scheduled Meeting Dates:

ACTION ITEMS:

- Follow-up with Claire Karvonen re: 2007 sources of revenue. (Assigned to Melissa Haskell – *emailed request 7/26/07 Claire responded that Mike and Ed wanted to review the numbers before they were distributed.*)

- Letter to SB indicating that we have questions about the 5 year projections and expressing a desire to meet with them should the override pass. (Melissa Haskell to draft letter. Send to Peter Friedman for review and posting.)
- 2004 and 2005 Management Letters –(Melissa Haskell to request information from Cheryl – *emailed request 7/26/07, Spoke with Bryan Britton and he agreed to .pdf them to me 7/31/07*)
- Ask Cheryl to post August 2nd Meeting (Melissa Haskell – *emailed request 7/26/07, Spoke with Bryan Britton and he agreed to post this meeting and one on August 9th 07/31/07*)
- Lenny to provide Peter with information on the statute that allow the Select Board to participate in School contract negotiations.
- Peter will contact the Select Board Chair to discuss their representative participating in school department contract negotiations.
- Contact Mike Corville about link on Town Website. (*Spoke with Mike on 07/31/07. He said that anything emailed to him could be posted the next day.*)
- Receive a monthly account of Town Revenue – to start by the end of July (unassigned)
- Receive an update of legal bill estimates and some sort of a calculation of the variance between budgeted and actual expenses – check at the end of first quarter (unassigned)
- Schedule a meeting with Mary Sahady to review the Town Audit and Management Letter (decide if necessary after reviewing Management Letters)
- Insure that the October Town meeting Schedule A is in the same format as the last Town Meeting so that it is consistent and presented in a format to which Town Meeting Members are accustomed. (unassigned)
- FY07 Departmental Turn Backs requested from Claire Karvonen by G. Lynam (08-02-07)

UNSCHEDULED AGENDA ITEMS

- discuss audit and management letter and response (*tentatively scheduled for Aug 9th*)
- discuss Financial Management Review from DOR (*tentatively scheduled for Aug 9th*)

IDEAS FOR FURTHER CONSIDERATION

- Create a general status report about the financial condition of the Town, similar to those created by other communities. (*tentatively on Agenda for Aug 9th*)

