



TOWN OF DARTMOUTH MASSACHUSETTS

Finance Committee
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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 Thursday, August 14, 2007 at 7:05 P.M. at the Town Hall Room 314.

MEMBERS PRESENT: Greg Lynam, Peter Friedman, Francis Pettengill, George Jacobs,
Leonard Gonsalves

MEMBERS ABSENT: Larry Fox, Melissa Haskell, Patrick Roth, Stewart Washburn

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

ENDING RESERVE FUND BALANCE: \$630,000

FINANCE COMMITTEE MEETING

AGENDA

Tuesday, August 14, 2006 at 7:00 P.M

Room 314

- 7:00 P.M. Approval of August 9,2007 Minutes
Approval of Record of Votes Taken July 17,2007
Approval of Record of Votes Taken August 9, 2007
- 7:05 P.M. Discussion of Management Letters and DOR Review with Ed and Mike
- 7:30 P.M. Discussion of Budget and Review Task Force Health Insurance costs(Fran)
-Medicare for Retirees(Mike and Ed)
- 7:50 P.M. Schedule for Fall Town Meeting
- 8:00 P.M. Continuing discussion on Website Content
- 8:20 P.M. Discussion about future meeting with Personnel Board
-topics
-input on Schedule A- impact of contracts
-personal service contracts
- 8:30 P.M. Discussion of items to incorporate into 5-year plan
-revenue and expense trends
-management response to Management Letter and DOR Review
- 9:00 P.M. Adjorn

Scheduled meeting dates: ***Please note changes...Thursday...***

August 16,23,30. September 6,13,20,27

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. 08/01/07 Forwarded email from Claire.*) - COMPLETED

- 2004 and 2005 Management Letters –(Melissa Haskell to request information from Cheryl – *emailed request 7/26/0, Spoke with Bryan Britton and he agreed to .pdf them to me 7/31/07. Emailed 2005 and 2006 out to FinCom on 8/1/07.*

08/02/07 – emailed Bryan requesting 2004. 08/09/07 – followed up by telephone with Bryan requesting 2004 management letter.)

- 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) - COMPLETED
- Peter will contact the Select Board Chair to discuss their representative participating in school department contract negotiations.-COMPLETED
- 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- G. Lynam requested from C.Karvonen. 08/09/07- M. Haskell spoke with M. Gagne about turnbacks. He indicated that he thought they should be available next week along with Cooke and Company's estimate as to what the town must put aside for healthcare account.)

UNSCHEDULED AGENDA ITEMS

- discuss audit and management letter and response *-ongoing*
- discuss Financial Management Review from DOR *-ongoing*

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*)-**MOVE TO ACTION ITEM**

COMMUNICATIONS

Email Communication with Select Board regarding School Negotiations (8/10/2007):

Cc: Dr. Russell

Dear Select Board Members,

The FinCom is concerned about contract negotiations with school department employees.

Specifically, contract negotiations are required to include a representative of the general government as a voting member. It is our understanding that the Director of Budget and Finance has been designated for this function. It is also our understanding that he has not been active in

this process for a number of reasons including lack of time and also the fact that he has not always been informed of or invited to the negotiations. It is likely that by ensuring that this requirement is actively filled will improve the communication between the school department and town leaders in the general government. More importantly, it will promote consistency in negotiations.

Response from Dr. Russell (8/13/2007):

Hi Peter, with all of this talk about personnel boards, etc. I've already asked Walter Smith for a legal outline of what are responsibilities are/are not. We will be glad to share this with you/FinCom once available.

In the past Ed Iacaponi has been advised and on occasion participated in collective bargaining discussions in accordance with the law.

More later,

Steve Russell
Dartmouth Schools

Email Communication with the Select Board regarding "Five year plan" (8/10/2007):

Dear Select Board Members:

In light of the current financial difficulties facing the Town and the requirements of the Town Charter [Section 5-3, paragraph 2], the Finance Committee is requesting that we be informed of the plan and schedule the Select Board has established for completing a 5-year financial plan. The Finance Committee stands ready to assist in this endeavor and is willing to have one or more committee members participate in this process. We feel that it is important that a plan be completed by the October Town Meeting.

Meeting was called to order at 7: 05 PM

Peter Friedman noted the need to deal expeditiously with regular agenda items so that maximum time could be dedicated to review with Ed and Mike...Accordingly, George Jacobs moved and Fran Pettengill seconded a **Motion** to accept the minutes of August 9,2007 as submitted... There being no discussion, the motion carried 5-0

*George Jacobs moved and Fran Pettengill seconded a **Motion** to approve the record of votes taken on July 17, 2007 and August 9, 2007... There being no discussion, the motion carried 5-0

The Chairman then welcomed Mike and Ed and opened discussion and questions on Management Letters and DOR Review :

*In response to Fin-Com's request for Management Letters of '04,'05 and '06 for comparison, it was noted that there was no Management Letter for '04 – Ed responded that there was none for that year because Auditors had probably not picked out any concerns significant enough for noting.

* Len Gonsalves then asked why items noted in Management Letter of '05 and repeated in '06 had not been noted in prior years... Ed responded that concerns noted by auditors were selected on a random basis and that Schools retention of Certified School Funds without any specific encumbrance noted had been a result of questions by Finance Committee that he had relayed to auditors and that as a result, that omission had been corrected and monies had been returned to general fund in this last fiscal year.

* Fran Pettengill asked what actions Selectboard took in reference to Mgmt. Letters, what audit cost town and why we had to do one each year...Ed responded that he made sure each Selectboard member received a copy of each years audit and management letter, that the cost was approximately \$20,000 for the annual audit and that the town needed an audit before going into the market for bonding.

*After some further general discussion on Management Letters and Independent audit Chairman moved on to Discussion and Comments on DOR review.

* Fran Pettengill asked Ed to address issue of Surplus Revenue and how the DOR finding applied to us? Ed responded by stating his interpretation of recurring as opposed to non-recurring revenue as it applied to determining available surplus and further explained that in recent years, as a result of expanding fiscal demands and diminished revenue sources, the town had been forced to abandon its precedent of adopting a balanced budget at the spring annual town meeting and switched to presenting a partial budget for that meeting and supplementing it in the fall town meeting after the turn backs for the prior fiscal year had been determined and applying them.

*It was noted that this departure had the effect of depleting monies that had formerly been appropriated to the stabilization and reserve funds and therefore weakened the town's financial position... that the fiscal crisis we were presently in gave the Selectboard and Town Meeting an opportunity to return to the old policy whereby the Town adopted a **BALANCED BUDGET** in the Spring Town Meeting and reserved the Fall town meeting for dealing with zoning issues, replenishing the Stabilization fund and only addressed fiscal emergency issues that could not have been foreseen.

*Ed did note that because of the constrictions placed on us by 2 ½ coupled with state mandated increases, the Town would need an override that would provide a recurring revenue to meet the resulting revenue needs. He stated that he hoped that this fall town meeting would focus on providing only for the capital expenditure funds for police cruisers that had not been provided .

* Further discussion ensued and the chairman concluded this portion of the discussion by asking Ed to verify his summary that this Fall's Town Meeting would focus whatever "surplus" funds we had on "Stab" fund Police Cruisers, and Police Radios... Ed responded that it was his hope that the Selectboard and Town Meeting would adopt this policy.

* there was continued general discussion on other DOR review recommendations

* Mike informed Fin-Com that Selectboard had discussed our intent to meet with Personnel Board in reference to several issues raised by DOR review and would request attendance and participation at that meeting.

*Ed informed Fin-Com that he has delegated to School's Finance officer the responsibility to function as procurement authority in granting Transportation, oil, supply and other related contracts, but clarified after questioning, that the monies expended in Transportation contracts were from the General Fund, not from School Funds and therefore any monies accrued from School imposed bus fees could not be assumed by School Administration for school budget purposes unless so appropriated and voted on by Town Meeting.

*There was further discussion on recommendations#9,#11 #19 Mike concluded by reporting that he would compile report on Selectboard's responses to DOR review and submit that report to Fin-Com as preparatory material for upcoming meeting between Selectboard and Fin-Com.

Task Force Health Insurance issue

*Fran reported that his subcommittee had researched GIC and provisions of Mass.32Bsection18, that acceptance of and inclusion into GIC required at this point adherence to a timeline that was difficult at best, impossible at worst and that Selectboard had voted to follow Task Force recommendation and retain a professional consulting group EDS to educate all participating entities in the Town as to the benefits, costs and overall advantages of working with the statute and taking necessary steps to gain best health coverage at least possible cost to Town and its participants.

Schedule for Fall Town Meeting

*Mike reported Town Meeting would be on October 16,2007, that the warrant draft would be available to the Fin-Com on August 21, 2007 and that Fin-Com recommendations would be required by October2,2007.

* George Jacobs reported that he had been mistaken in identifying a scheduling conflict at last week's meeting which would have prevented his attendance at Thursday meetings, that, in fact, the conflict was on Tuesdays and that, since most other members had noted that Thursdays were preferable he would move that the schedule of meetings for the Fin-Com in preparation for the Fall Town Meeting be changed to Thursdays beginning with August 16,2007 and thereafter continuing on Thursdays until Town Meeting at the discretion of the Chairman. This **Motion** was made by George Jacobs and seconded by Greg Lynam. There being no further discussion, the motion was accepted by a vote of 5-0.

*George Jacobs had to leave meeting at 8:29 P.M.

Website Content

*Chairman Friedman distributed to members an overview outline of proposed website content, reported that he had discussed same with Mike Courville and received assurance that it was doable, and asked members to review and be prepared to comment so that we could finalize in the near future.

Personnel Board future meeting

*Chairman noted that he and Melissa had conferred on content and timing of that meeting, that, in light of the Selectboard's request to be present and of the perceived need for an expeditious consideration of the DOR recommendations, and the Fin-Com's previously expressed concerns, that the Clerk would be instructed to set a meeting for August 23rd, invite the Personnel Board and the Selectboard and address the issues.

* In response to a question on progress of a five year plan as required by the Charter, Mike noted that the Director of Finance, under his supervision is progressing on that task, but that the Selectboard has embarked on a larger "Long Term Business Plan" approach that would address Capital needs, Infrastructure needs, Town Service needs and Educational needs, that for this, a larger group of citizens would be required to work with the Selectboard in preparation and that he was researching what other communities had done in this area.

Chairman, noting the hour, suggested that any further discussion in this area might be better left for the next meeting and asked if there were any further business to be brought before the meeting. There being none offered a **Motion** was made by Fran and seconded by Greg to adjourn. It was so voted at 9:16 P.M.

Respectfully submitted

Leonard Gonsalves
Assistant Clerk

