



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, September 13, 2007 at 7:00 P.M. at the Town Hall Room 315.

MEMBERS PRESENT: Greg Lynam, Peter Friedman, Leonard Gonsalves, Melissa Haskell,
Stewart Washburn, Larry Fox

MEMBERS ABSENT: Francis Pettengill, George Jacobs,

BEGINNING RESERVE FUND BALANCE: \$630,000

ENDING RESERVE FUND BALANCE: \$551,000

FINANCE COMMITTEE MEETING AGENDA

Thursday, September 13, 2007 at 7:00 P.M.

Room 315

7:00 P.M. Approval of September 6, 2007 Minutes

7:05 P.M. Meeting with Christopher Cassara, Personnel Board

7:35 P.M. Meet with David Hickox, Michael Gagne and Ed Iacaponi for discussion of Articles B,C,D, E, and F

-Explanation of turn back amount in DPW salary line item

-Vote Articles B, C, D, E and F

8:05 P.M. Ratify One Time Revenue Policy

8:10 P.M. Strategic discussion of spending breakdown of available revenue

-Cap I

-Stab Fund

-Reserve Fund

-Other information needed?

- Possible vote?
- Discussion of Articles G, I, J, K, R by E. Iacaponi
- E. Iacaponi brief FinCom on issue of “offsets” re: Health care account and DOR
- Vote Articles G, I, J, K, and R

8:50 P.M. Action Items Review

9:00 P.M. Adjourn

Scheduled Meeting dates:
September 20, 27

ACTION ITEMS:

- Receive a monthly account of Town Revenue – to start by the end of July (08/10/07-reminded C. Karvonen via email, 09/05/07- follow-up email)
- 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)
- Draft a Town Financial Status Report for website (Peter and Greg)
- Informational piece on responsibilities of the Finance Committee for the website (Len Gonsalves)
- Ask for 2007 Management Letter around September 28th (date of last years management letter).
- Draft of Finance Committee and Select Board joint policy with regard to one time revenues. (unassigned)
- List of Town insurance policies and corresponding deductibles (Ed Iacaponi and Michael Gagne)
- Explanation of the substantial turn back amount in the DPW salary line item (David Hickox)

UNSCHEDULED AGENDA ITEMS

- discuss audit and management letter and response - ongoing
- discuss Financial Management Review from DOR - ongoing
- Discuss letters to department heads regarding 2% challenge (Stewart)

IDEAS FOR FURTHER CONSIDERATION

MOTION

Leonard Gonsalves moved and Larry Fox seconded a motion to approve the September 6, 2007 Meeting Minutes.

(Vote 6-0-0)

Meeting with Christopher Cassara and Scott Corwin from the Personnel Board

Christopher Cassara said that he had heard discussions about creating a Memorandum of Understanding and felt that that exercise was not necessary. The Personnel Board could use the letter sent to them by Attorney Savastano as a guide for the work that they should be doing.

Mr. Cassara said that based on this letter, he believed it was within the purview of the Personnel Board to review all contracts except for Town Officials elected annually and School Department contracts.

There was some discussion that the Personnel Board might be able to review the School Department contracts with the consent of the School Department and hope that the School Department would voluntarily go along with this to lessen any wedge that had been created between Town employees and School Department employees.

Michael Gagne said that the Select Board would like to meet with the School Department and planned to invite the Personnel Board and the Finance Committee to that meeting. The review of School contracts would definitely be an agenda item for that meeting. Mr. Gagne indicated that Town Meeting asked for a comparative analysis of salaries across Town government.

Discussion continued about the role that the Personnel Board might play and the opportunities that existed to collaborate and enhance the information that is given to Town Meeting. The Finance Committee said that any information that the Personnel Board put together about the financial implications of a contract would be helpful to the Finance Committee.

Larry Fox asked that an email from September 6th from Christopher Cassara be included as part of the record.(see below)

Mr. Cassara indicated that the Personnel Board supports increasing its membership to seven members.

Email requested as addition to minutes

From: Cassara, Christopher C. [<mailto:CCC@PSH.com>]
Sent: Thursday, September 06, 2007 2:38 PM
To: Audrey Quail; Brian Sylvia; Scott Corin; Alison Nastanski [Home]; Alison Nastanski [Work]; Jeff Stauffer; Cassara, Christopher C.; lfox@genlyte.com; pfriedman@umassd.edu; p.d.friedman@comcast.net; JMichaudlaw@juno.com; horanmcleanhoran; Kathmcln@aol.com; d.m.gilbert@comcast.net; lgonsal420@aol.com; anthony@savastanolawfirm.com
Subject: RE: Personnel Board

Dear Board Members,

As previously provided, I am again attaching a summary of the recommendations adopted by the Personnel Board at its last meeting concerning Town employment contracts and related matters, as follows:

1. No employment contracts for terms greater than 1 year, except for critical positions, being limited to Executive Administrator, Finance Director, Police Chief and Town Accountant. All proposed employment contracts to be subject to review and recommendation of the Personnel Board.
2. Elimination of all job protection clauses, so-called, in all employment contracts.
3. Fringe benefits in employment contracts (vacation days, sick pay, health insurance, vehicle allowance, tuition reimbursement, etc.) not to exceed those fringe benefits available and set forth in the Personnel Bylaws. For instance, vacation days may NOT accrue and be accumulated under the Personnel Bylaws; however, this is a regular practice in the employment contracts.
4. No automatic COLA increases for employees. Employees that are subject to the Classification Schedule receive salary step increases per the Classification Schedule; employees subject to employment contracts receive salary merit increases under the terms of the employment contract. Adding the COLA salary increase means, in essences, a double raise. Employees should get the step increase or merit increase, as appropriate and warranted, but NOT also the COLA increase on top of that.
5. All step increases and merit increases must be supported by evaluations and recommendations from supervisors and subject to review and approval by the Personnel Board.
6. More employees should be moved back into the Classification Schedule and not provided with employment contracts (means amending Schedule A so that certain positions are no longer classified as "Negotiable" and instead placed into a Grade and Step level). Salary increases would be based upon the Classification Schedule and not individual employment contracts which vary from contract to contract.
7. The Personnel Board recommends a full review of the existing Personnel Bylaws fringe benefits, and amendments as necessary to control the costs of these benefits to the Town.
8. The Personnel Board recommends a full review of the current Classification Schedule to (a) move more positions into the Classification Schedule and away from employment contracts, and (b) adjust grade and step level increases.

With respect to the specific question raised below regarding the expired contracts of Library Director, Veterans Agent, Police Chief and Police Captain, and the proposed new contracts for these positions presented to the Personnel Board, each of the submitted contracts runs afoul of one or more of our recommendations set forth above (i.e., terms longer than 1 year, greater fringe benefits than the bylaws provide, job-saving clauses, so-called, etc.). As such, the Personnel Board does not recommend that the Town enter into the proposed new contracts.

The Personnel Board would be happy to answer any questions or provide whatever further assistance the Select Board and Finance Committee may require regarding our recommendations above, or the (4) specific positions with expired contracts.

Regards,

Chris

MEETING WITH DAVID HICKOX, Department of Public Works

ARTICLE B

David Hickox said that Article B is unique. The original budget for this project was \$239,000 for Phase I. Approval by 2/3rds of the resident for Phase II came in late and the article could not be voted on at Town meeting. The project costs for Phase I came in substantially lower than expected. The Phase II residents wanted to find a way to go forward with Phase II while the project was already under way. Bids for both phases came in low enough that the entire project could be completed for what they thought the budget on Phase I would be. It was determined an appropriate use of funds to use the funds that had been voted on at Town Meeting to do the second Phase of this project. Article B refers to \$87,070 that would be used to reconstruct the road one year from now and pay for the inflow/infiltration permit. This cost will ultimately be a betterment.

ARTICLE C

The sewer is being taken to Bayview and the residents of Birchfield Farm have voted to ask that the sewer be extended to Birchfield. The Birchfield Farm residents agreed to pay the same betterment as those individuals in Bayview. Mr. Gagne pointed out that there are poor soils in Birchfield Farm. Leonard Gonsalves said that at one time he had investigated plumes of pollution coming from that area and there are a lot of cracks that go down into the granite there and flow directly into the ocean. It was his experience that even the best laid plans for leaching systems would often fail in that area, so there was definitely an environmental reason to put sewer in Birchfield. The cost to lay the sewer is \$546,000 and a cost of between \$20,000 and \$24,000 per resident. David Hickox indicated that residents in Shore Acres had asked to have sewer as well, but they were not part of the wastewater plan and are not allowed to tie in. This does not include bringing sewer up the road into Birchfield Farm. They need to get an easement and the article for that will probably not be ready for the fall Town Meeting

ARTICLE D

Withdrawn until the spring.

ARTICLE E AND F

Withdrawn

ARTICLE __ FUNDING WATER DIVISION STAGE 2, DISINFECT

The EPA is mandating a program to evaluate the effects of chlorine and other disinfecting agents used. The cost is \$120,000. While it is a mandate, no funding comes with the mandate.

Discussion of DPW Salary Line Item Turn Backs

David Hickox was asked why the turn back amount was so high. He said that, primarily for commercial projects, as project number is assigned and an escrow account is established. Individual time cards note the project number and the amount of time spent on a project. On a

quarterly basis, funds are redistributed to the water, sewer and general funds. Mr. Hickox further pointed out that all costs are tracked and certified, then a state engineer certifies the costs before the funds are wired back to the Town.

Leonard Gonsalves asked if the turn back amount was a result of the overhead charged back to the water and sewer enterprise funds. Ed Iacaponi said no, they were not part of the charge backs. Mr. Gonsalves inquired as to whether the construction division had billed separately to the Water and Sewer Enterprise Funds and if the turn back show was a result of the construction divisions prorated charges to the Water and Sewer Enterprise Fund. Mr. Iacaponi said no the turn backs were not a result of construction division charge backs. The charge backs get closed out to retained earnings.

David Hickox said that two Highway division employees are out on workers' compensation and both a have not come back to work. We had a mild winter last year and there was very little plowing and late sanding. Also, the Town used straight salt on the roads versus sand and salt and that keeps the cost down.

MOTION

Leonard Gonsalves moved that the Finance Committee recommend approval of Articles B and C to Town Meeting contingent upon receiving the required 2/3rds acceptance by residents on the named streets. Melissa Haskell seconded the motion.

(Vote 6-0-0)

MOTION

Melissa Haskell moved that the Finance Committee recommend approval of Article ___ Funding Water Division Stage 2, Disinfectants and Disinfection By-products Rule

(Vote 5-1-0)

Larry Fox wanted the record to reflect his opposition to this motion because he felt that the Finance Committee should not be voting on articles at the last minute even though this article would have required Mr. Hickox to be present to speak about the article and Mr. Hickox already had an appointment with the Finance Committee for this evening. Mr. Fox indicated that he would like more information about this article.

MOTION

Melissa Haskell moved that the Finance Committee ratify the policy on use of one-time revenues as submitted. Leonard Gonsalves seconded the motion.

(Vote 6-0-0)

MOTION

Melissa Haskell moved and Larry Fox seconded the posting of the use of one-time revenues policy on the website.

(Vote 5-1-0)

Peter Friedman summarized the policy by saying that there is a trend of an increasing gap in the budget due to reliance on one-time revenues. This policy establishes that one time revenues should only be used for capital improvements, property acquisitions, or additions to the Stabilization Fund ("Stab Fund").

ARTICLE G

Town meeting does not have the authority to eliminate the salary of the election registrar in Massachusetts. The Town Clerk gets \$1,000 as the voter registrar. Mr. Iacaponi is recommending that the \$1,000 be fund out of the Other Assessments Reserve line item.

Mr. Iacaponi is also recommending the transfer from Other Assessments Reserve to the Reserve Fund in the amount of \$87,726 to cover the funds that were transferred out for police cruisers.

Motion

Stewart Washburn moved that the Finance Committee recommend Article G to Town Meeting. Melissa Haskell seconded the motion.

(Vote 6-0-0)

ARTICLE I

The Finance Committee agreed to postpone discussion on this warrant article

ARTICLE K

The \$105.00 prior year invoice is to pay an elevator repair bill.

MOTION

Melissa Haskell moved and Larry Fox seconded a motion to recommend approval of this article to Town meeting.

(Vote 6-0-0)

ARTICLE R

Article R relates to the CIP Committee recommendations.

Larry Fox wanted to be on record that he felt the CIP recommendations should have included computers for the schools. He thought that there was a commitment by Town leadership and a commitment had been made to address this issue at the fall Town Meeting. There was some discussion that the School Department views window replacement at the Quinn School as a higher priority than purchasing new computers. Mr. Fox continued to express his outrage at this situation.

ARTICLE__ ADVERTISING OF OPERATING BUDGET SUMMARY

This article would change the requirement of advertising an Annual Budget Summary in the newspaper and would, instead, allow the detailed budget to be posted on the Town web page with printed copies available at various public buildings. This change would save the Town approximately \$1,500 annually.

MOTION

Melissa Haskell moved and Greg Lynam seconded a motion that the Finance Committee recommend approval of this article to Town Meeting.

(Vote 6-0-0)

There was some discussion about the turn back amounts and available funds. Ed Iacaponi indicated that the certified amount was a little under \$1.7 million. Larry Fox reiterated his feelings about the unfair nature of the school bussing fees, that in his view they are discriminatory and that parents are paying an extra 12-17% "tax" over other residents. He asked why some of

the funds could not be applied to reduce fees charged to parents. It was explained that the only way to do that would be to increase the school budget. Members agreed to refrain from voting on this issue until most of the Finance Committee would be available for the vote.

There were some questions about our insurance policies and their deductibles. Michael Gagne said he would prepare something for the Finance Committee to discuss at a future meeting. It was agreed that this would be a good agenda topic for after Town Meeting.

MOTION

Melissa Haskell moved that the meeting be adjourned. Stewart Washburn seconded the motion.

(Vote 6-0-0)

Meeting adjourned 9:40 P.M.

Respectfully submitted,

Melissa Haskell

Clerk
