



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 20, 2007 at 7:00 P.M. at the Town Hall Room 315.

MEMBERS PRESENT: Greg Lynam, Peter Friedman, Leonard Gonsalves, Melissa Haskell,
Stewart Washburn, Francis Pettengill, George Jacobs, Shannon Jenkins

MEMBERS ABSENT: Larry Fox

BEGINNING RESERVE FUND BALANCE: \$630,000

ENDING RESERVE FUND BALANCE: \$551,000

FINANCE COMMITTEE MEETING AGENDA

Thursday, September 20, 2007 at 7:00 P.M.

Room 315

7:00 P.M. Approval of September 13, 2007 Minutes

7:05 P.M. Meet with Tom and Celeste DaCosta and Attorney Eric Jaikes
re: Article V

7:35 P.M. Review FinCom Role prepared by L. Gonsalves
-Posting of DOR Audit on FinCom Website
-Posting of Warrant Articles

7:55 P.M. Discussion of bussing fee mechanism (E. Iacaponi)

8:15 P.M. Discussion of allocations to Stab Fund, Reserve Fund and CIP

8:50 P.M. Action Items Review

9:00 P.M. Adjourn

Scheduled Meeting dates:

September 27, October 4, 11

ACTION ITEMS:

- Receive a monthly account of Town Revenue – to start by the end of July (08/10/07-reminded C. Karvonon 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 Spring 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 (*FinCom to review-on agenda for 20 Sep 2007*)-DELETE
- 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. (*09/06/07 – M. Gagne agreed to bring up at next SB meeting*)-DELETE
- Ed Iacaponi to discuss the posting of the draft Town Meeting Warrant on the FinCom portion of the website with Michael Gagne. (Ed Iacaponi and Michael Gagne *09/05/07 – reminder email sent to E. Iacaponi and M. Gagne copied.* -DELETE

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)
- Consistent format for Revenue breakdown (Greg)
- Review insurance policies and deductibles (M. Gagne) – all agreed after October Town Meeting.
- Explanation of recap (E. Iacaponi)

IDEAS FOR FURTHER CONSIDERATION

Meeting with Tom and Celeste DaCosta and Attorney Eric Jaikes re: Article V

The DaCostas purchased their property in 1999 and were told that it came with three outbuildings. Recently, they applied for a building permit to improve these outbuildings and were granted the permit. Subsequently, they received a cease and desist and were told that the buildings were on land that did not belong to them. After researching the title, it was determined that the parcel of land on which the outbuildings were located was part of a larger parcel of land that the Town purchased from the Interchurch Council of New Bedford. Since Federal Funds were used, the property cannot be sold and used for anything other than conservation land. The proposal is that the Town grant a license to the DaCostas which does not run with the property. The DaCostas have been paying taxes on the sheds all this time. As part of the licensing agreement, the DaCostas are willing to continue to pay taxes on the sheds or a licensing fee equal to the taxes that would be charged.

Leonard Gonsalves abstained from discussion on this issue because his brother-in-law's business was involved in this matter. Melissa Haskell asked if using the land for the sheds was a violation of use of the land as conservation land only. Attorney Jaikes indicated that the restriction only applied to the ownership of the land.

A licensing agreement has not been put together yet. Attorney Jaikes said he would draft something and send it along to Attorney Savastano for his review. George Jacobs suggested that insurance and indemnification be a condition of the license.

There was agreement among FinCom members that if they could get a copy of the licensing agreement in advance of their next meeting and the language is clear, they would not need to meet with Attorney Savastano.

MOTION

Leonard Gonsalves moved to accept the September 13, 2007 meeting minutes as presented.

Melissa Haskell seconded the motion.

(Vote 7-0-1)

Review FinCom Role prepared by L. Gonsalves

MOTION

Melissa Haskell moved that "Role of the Finance Committee" as prepared by Leonard Gonsalves be approved and posted on the Finance Committee portion of the Town's website. The motion was seconded by Gregory Lynam.

(Vote 8-0-0)

Post Current Financial Report to Town website

There was a discussion about posting a working draft of the document laying out the Finance Committee votes for the warrant articles to the website. It was agreed that a working draft would not be posted.

There was discussion about the posting to the website of the Current Financial Report put together by Greg Lynam. Leonard Gonsalves said that Town Meeting members who would like to educate themselves and see the financial changes that have happened since the last publishing of the Schedule A could download the information from the Finance Committee website. There was agreement that the document would indicate that it had been prepared by the Finance Committee and would not be called Schedule A so as not to confuse people.

MOTION

Melissa Haskell moved that the Current Financial Report prepared by Greg Lynam be posted to the Finance Committee portion of the Town's webpage. Francis Pettengill seconded the motion.

(Vote 8-0-0)

Discussion of transportation fee mechanism with Edward Iacaponi

Edward Iacaponi recommended that the transportation fees collected by the School Department be deposited into "Other Special Revenue" and expenses charged to that account. He indicated that his office surveyed approximately twenty-five communities to see how they treated these types of fee accounts and most of them used an "Other Special Revenue" account. There was discussion by Committee members about this not being the most transparent method of spending funds and questioning whether or not this counted toward net minimum school spending. There was discussion about the use of funds collected. Leonard Gonsalves suggested that the fees collected might be restricted in their use to transportation versus supplementing the general budget. Others on the Committee had the impression that the funds collected could be used for general educational purposes. The Select Board was going to take a vote on the assessment of

transportation fees at their next meeting. Mr. Iacaponi said that he needed to discuss this issue further with Michael Gagne.

Discussion of allocations to Stab Fund, Reserve Fund and CIP

There was considerable discussion by the Finance Committee on the recommended allocation of surplus funds to the Stabilization Fund, Reserve Fund and for Capital Improvements Projects. Recently, the Finance Committee approved a policy with regard to the use of one-time revenues and discussed how various proposed allocations would violate the recently approved policy since the bulk of funds available were one-time revenues.

MOTION

Stewart Washburn moved that \$371,000 in addition to \$87,726 be placed in the Reserve Fund to bring the Reserve Fund total to \$1,009,000.

The motion failed due to the lack of a second.

MOTION

Melissa Haskell moved that the Reserve Fund Balance be brought to \$818,000, \$180,000 would come from “pot hole” money and \$87,726 would be appropriated to the Reserve Fund. The motion was seconded by Francis Pettengill.

(Vote 7-1-0)

The Committee discussed recommending that \$40,000 be appropriated to do the engineering report for the Quinn School windows. Concerns of the Committee included how accurate the \$40,000 estimated cost of the engineering report was and the payback period on the replacement windows. Peter Friedman volunteered to take a stab at calculating the savings, but noted that the difficulty in doing this is the volatility associated with heating costs. He wanted to make it clear that there would be a wide payback period range as a result of this uncertainty. When Mr. Iacaponi was asked about recouping some of these costs from the State, he indicated that there have been a number of times when the State has not come through with funding that it had previously promised.

Ed Iacaponi briefed the Finance Committee about his debt plans and the opportunity to maintain level funded debt principal and interest. He also spoke about health insurance and the huge migration to the HMO option.

Action Item Review

Finance Committee Members briefly reviewed the Action Items.

MOTION

Melissa Haskell moved to adjourn the meeting. George Jacobs second the motion.

(Vote 8-0-0)

Meeting adjourned at 9:01 P.M.

Respectfully submitted,

Melissa Haskell
Clerk