

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, January 10, 2008 at 7:00 P.M. at the Old Town Hall.

MEMBERS PRESENT: Greg Lynam, Peter Friedman, Melissa Haskell,
Stewart Washburn, Francis Pettengill, Shannon Jenkins,
Larry Fox, David Ferreira

MEMBERS ABSENT: George Jacobs

BEGINNING RESERVE FUND BALANCE: \$724,130.36 (a/o 2007-11-15)

ENDING RESERVE FUND BALANCE: \$646,639.00

Approved Reserve Fund Transfers on 12/06/07 - \$7,500 for comparative analysis

Approved Reserve Fund Transfers on 01/10/08 - \$9,991.36-Overtime and Additional Hours, \$60,000-Veterans' Benefits – Cash

Francis Pettengill moved that the minutes from December 6, 2007 be approved as submitted. Melissa Haskell seconded the motion.

(Vote 8-0-0)

Reserve Fund Transfers

The first reserve fund transfer discussed was \$2,700 for snow removal by custodians for Old Town Hall, Town Hall, Counsel on Aging and the Town Landing. Employees have the choice of choosing compensation time or getting paid. These employees chose to get paid. Additional funds were needed to fill voids throughout Town Hall. Larry Fox expressed concern about the spending associated with overtime. Ed Iacaponi pointed out that he overtime is not only in his office, but spread out through Town Hall. In reviewing the spending from last year, Gregory Lynam noted that the Manpower account was funded at \$28,000 and was funded at \$0 this year.

MOTION

Melissa Haskell moved that \$9,991.36 be transferred from the Reserve Fund to the Overtime and Additional Hours account. The motion was seconded by Gregory Lynam.

(Vote 8-0-0)

Finance Committee members reviewed a Reserve Fund transfer request to the Veterans' Benefits account in the amount of \$60,000. Gregory Lynam asked about the verification procedure and what other monies might be available. Shawn Goldstein, the Veterans' Agent indicated that other funding sources must be exhausted to receive these funds. If they get other money, they may receive these funds at a reduced rate. The increase in benefits was a result of increased outreach by the Veteran's Agent. In response to Gregory Lynam's expression of irritation about a letter being sent by the Veterans' Agent after Town Meeting indicating that more funds would be needed to pay benefits, Mr. Goldstein pointed out that his budget request had been cut back substantially and there was a State directive that increased the budget for fuel assistance by \$1,500 per month. Fuel charges had historically been based on the number of heated rooms, they were now being paid at a flat rate. There were some unforeseen circumstances that are hard to budget for like a number of burials. Peter Friedman asked if any of this funding was reimbursed by the State. Mr. Goldstein indicated that 75% of the costs are reimbursed quarterly, but they are running 11 months behind in their reimbursement. Veterans' Agents throughout the state have been lobbying for decreased reimbursement times. Shannon Jenkins expressed frustration that this be a local function and while she stated she was not opposed to paying veterans' benefits, she felt local governments were paying a disproportionate share of the cost of national defense. She pointed out that while we are not likely to make any progress on this issue, we should protest these payment to the State and Federal governments.

MOTION

Larry Fox moved that \$60,000 be transferred from the Reserve Fund to the Veterans' Benefits account. Greg Lynam seconded this motion.

(Vote 8-0-0)

Conservation Commission Vehicle Repair

A Reserve Fund transfer request was made by the Conservation Commission in the amount of \$857.51. Mr. Iacaponi pointed out that the budget for the Conservation Commission is very lean and items like this were not programmed into the budget. Greg Lynam pointed out that the year-over-year expense line item had increased and there had been significant turn backs last year. Ed Iacaponi said that the bill had already been paid and the request could be held until the next meeting so that Mr. Iacaponi could find out about the \$2800 Conservation Commission turn back.

Energy Report – Larry Fox

Through his investigation, Larry Fox found that there is typically one buyer for each type of energy that the Town buys and the negotiation periods for each type of energy are different. The prices are either market indexed or fixed. There may be an opportunity to improve the payment terms that the Town receives. It was unclear to Mr. Fox if unleaded fuel prices float. He said he would get some clarification on that from the DPW.

Suez and NStar are the main electricity providers for the Town. Town uses approximately 11 million kWh of electricity per year. Ed Iacaponi, Manny Cordeiro and Michael Gagne make up the three person negotiating team. There was some discussion about participation in a consortium and what the administrative charge would be for doing so. Dave Ferreira and Larry Fox agreed that administrative costs would not significantly increase the Town's rates for participation. Dave Ferreira asked if the group purchasing that the Town has done could translate into savings on other types of fuels. Ed Iacaponi said that the rate is better on fuel purchases if the municipality has holding tanks. Larry Fox asked Joe Michaud his opinion about the format for the presentation of the comparative data. Mr. Michaud said that he liked the format as well as the idea of a South Coast consortium. The suggestion of adding a line for actual usage was made by Peter Friedman. Melissa Haskell asked about the possibility of an energy auditor to make recommendations about power usage.

Gregory Lynam pointed out that the Suez contract had been extended and the Town was paying what residential rate payors pay for electric costs. If the Town had had the ability to join a consortium, he believed the savings would have been about \$250,000. The administrative charge for the participating in the consortium is expected to be between \$1,000 and \$5,000. Other major costs besides generation are transmission and demand costs. Demand costs are higher based on the draw from the system. As you pull more current you pay higher demand costs. There is a proposal before the Capital Improvement Committee to change equipment which should bring energy costs down.

Budget Strategy

Peter Friedman noted that there was a suggestion that the budgeting process be changed and done as a top down approach; giving department heads the dollar amount with which to work within in setting their budgets. Greg Lynam's projections show the decisions the Town must make to get to a balanced budget and that we may need to cut some budgets further depending on the priorities of the community.

Ed Iacaponi pointed out that the Town needs a revenue correction, but we need to document that. We need to show what the Town needs versus just a deficit.

Peter Friedman pointed out that people on both sides of the override issue agreed that a plan was needed. Is there a consensus position from the Select Board?

Joseph Michaud, one of the Select Board Members, said there was consensus about using the inverted budgeting process.

Melissa Haskell asked for clarification as to the usefulness of the methodology. She asked if it was to show a balanced budget and the consequences of these cuts and was told that that was the point of this methodology. Shannon Jenkins said that she had seen a case study from the Kennedy School that used a process of showing the cuts necessary to balance a budget.

Peter Friedman pointed out that this budgeting process shows the needs that can be covered based on the money the Town has. Some costs are controllable years in advance, like contracts that can be based on projected revenues. Mr. Friedman asked for a sense of the Committee on recommending this to the Select Board that this budgeting process be adopted.

Gregory Lynam stated his concern and that the Town is up against the wall. He pointed out that there is going to need to be an override in some areas, but wants to be assured that this process is in place before we go the ballot box. The community needs to understand the impact of its decisions.

Peter Friedman stated that a timeline was needed and an overall template, further indicating that the initial cut at the budget was really for Mr. Iacaponi to do. Mr. Iacaponi said that by next Thursday there needs to be something for the Select Board and he would call Mr. Lynam on Monday. Mr. Friedman stated that the sense he was getting from the Committee was that there was agreement to this approach. No one voiced disagreement.

Pay As You Throw

Ed Iacaponi stated that \$60,000 in liens were placed on various properties. He said that the Town was not going to lose money on Pay-As-You-Throw, but it is like starting a business. There are some uncertainties.

It was agreed that a review of the Park Departments year-over-year expenses would be on the agenda for the next meeting.

Mr. Iacaponi said that a Crown Victoria police cruiser had been totaled. Four cruisers had been purchased at the last Town Meeting and he had not had an opportunity to discuss this incident with the Chief.

MOTION

Stewart Washburn moved that the meeting be adjourned. Larry Fox seconded the motion.

(Vote 8-0-0)

Meeting Adjourned 9:03 PM.

New To-Do List Items

*decide to hold ConCom vehicle repair to until next meeting

* GL asked for Ed to find out about \$2800 turn back from ConCom

Respectfully submitted,

Melissa Haskell
Clerk