



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 30, 2007 at 7:03 P.M. at the Town Hall Room 315.

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

MEMBERS ABSENT: Stewart Washburn

BEGINNING RESERVE FUND BALANCE: \$630,000

ENDING RESERVE FUND BALANCE: \$551,000

FINANCE COMMITTEE MEETING

AGENDA

Thursday, August 30, 2007 at 7:00 P.M.

Room 315

- 7:00 P.M. Approval of August 23, 2007 Minutes
Approval of Record of Votes Taken August 23, 2007
- 7:05 P.M. Meeting with the Select Board and Budget and Personnel Board
to discuss the following items:
- i) Negotiation of Contracts
 - ii) Hiring a labor negotiator
 - iii) Presentation of Financial Impact on Contracts to Town
Meeting/Process for Formal Approval by Town Meeting
- 8:05 P.M. Discuss with Ed Iacaponi and the Select Board the Potential
Deposit of Excess Cash into Stabilization Fund and Reserve Fund
- 8:25 P.M. Discussing Establishing a Fixed Percentage of Town Revenue for
Capital Improvement, Schools and General Government
- 8:45 P.M. Projection of FinCom Agenda for Fall 2007
- 9:00 P.M. Adjourn

Scheduled Meeting dates:
September 13, 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)
- 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).

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)
- Schedule a meeting with the Personnel Board

IDEAS FOR FURTHER CONSIDERATION

Called to order at 7:03

MOTION

Melissa Haskell moves that the minutes from August 23, 2007 be accepted as presented. Leonard Gonsalves seconds.
(Vote 7-0-1)

MOTION

Melissa Haskell moves and George Jacobs seconds that the August 23, 2007 Record of Votes Taken be accepted.
(Vote 7-0-1)

Larry Fox asked how the school transportation fees collected would be used. Kathleen Horan-McLean indicated that the funds would go back to the schools. Peter Friedman reaffirmed that that was the sense of the meeting vote taken at our last meeting. Larry Fox said that he had contacted the State Assessor's Office about the legality of the schools imposing the fees. Kathleen Horan-McLean said that she thought the Select Board was in general agreement that they would vote to support the levying of the fees so it would be properly promulgated and would go back to the schools. There was no comment from the Select Board as to how to use the funds. Ed Iacaponi said that he has contacted the Department of Revenue for legal advice about how the fees would be taken in legally. He thinks that it will be one of two ways: i) as a local receipt and appropriated at Town Meeting, ii) as a special revenue and the school could appropriate directly from that account. Greg Lynam asked if there would be a warrant article forthcoming. Larry Fox said that for parents, this is a 25% tax increase.

The Personnel Board, Select Board and Finance Committee all introduced themselves.

Personnel Board Members: Scott Corin, Alison Nastanski, Jeffrey Stauffer, Brian Sylvia, and Audrey Quail (Clerk). Christopher Cassara, the Chair, was unable to attend as he was out of Town.

Peter Friedman suggested to the Personnel Board that the Finance Committee has concerns about the information that Town Meeting is getting with regard to contracts, specifically that the Finance Committee are not fully understanding the costs associated with each contract and the Finance Committee would like to formalize the process and include the Personnel Board to help with this process.

Jeff Stauffer indicated that the by-laws empowering the Personnel Board may need to be modified based on a review that was done by Attorney Savastano. Leonard Gonsalves reviewed some of the roles that the Personnel Board had historically played and discussed the possibility of reinvigorating and re-empowering the Personnel Board. Alison M said that the Personnel Board would like a more definitive clarification of the Personnel Board's powers and agreed that the Personnel Board's power has eroded over time.

Kathleen Horan-McLean said that she would like to change the current procedure and empower the Personnel Board to review contracts and take a more active roll. Ed Iacaponi pointed out that the Personnel Board originally had seven members and was reduced in size. Michael Gagne said that he knew there are some ambiguities in the current wording of the responsibilities of the Personnel Board. However, those are not going to be worked out before Town Meeting. Mr. Gagne suggested that the Select Board and the Personnel Board put together a Memorandum of Understanding that could be done relatively quickly, enabling the Personnel Board to begin its work. There may need to be a by-law change, but it will take some time to get done. Joseph Michaud suggested that they be re-empowered as a recommending body, that they should do the research and make recommendations. He indicated that he thinks there are a lot of responsibilities that are the Select Board's and cannot be delegated away.

Peter Friedman said that the Memorandum of Understanding should be signed off on by Steve Sharek since the Moderator appoints the Personnel Board members. He further articulated that there are concerns that there are a lot of financial impacts that are not being approved by Town Meeting because they are unaware of them. It would be helpful for them to layout some of the details and financial impacts of these contracts.

There was consensus on the part of the Finance Committee and the Select Board that all the contracts be reviewed and a hope was expressed that the School Committee and School Department would voluntarily participate in this process, as well.

Larry Fox queried the Select Board and Personnel Board about their thoughts on the Department of Revenue recommendations that any town contract be only a one year contract. Jeff Stauffer said that they had independently come to the conclusion that most contracts be for one year, except for a certain positions. Larry Fox asked if the Select Board planned to reopen multi-year contracts for negotiation, particularly the individual contracts. Kathleen Horan-McLean indicated that they would review all contracts with an eye toward fiscal austerity and would look forward to Personnel Board reviews of contracts and recommendations before making a move to go back and impact bargain.

Greg Lynam pointed out that the only function of the Finance Committee is to issue an opinion to Town Meeting with regard to approving contracts. The negotiation role belongs to the Select Board. Mr. Lynam indicated that he would like the Personal Board to provide a fixed format that provides key information about each contract and what the long-term costs will be. What will it cost us this year, next and the following? This would help us to budget. It would also be nice to know how the contract compares with similar positions in municipal and private business? That would help to make a judgment as to the affordability and fairness of the contract. Mr. Lynam hoped these items could be part of the Personnel Board's charge.

George Jacobs wondered if the Personnel Board could put together a mechanism for making contracts coterminous? He expressed the view that planning cannot be done effectively without coterminous

contracts and that it would be within the purview of the Personnel Board to make this recommendation even if they cannot implement such a system.

Michael Gagne said that he will endeavor to put together an outline for the Memorandum of Understanding. He would like to see all groups participate, not only general government, but schools as well. Mr. Gagne said that speaking as a resident and one in touch with the workforce in Town, it is important that there is a consistency in the way all contracts are handled. He would ask the School Committee to submit to the Memorandum of Understanding. Peter Friedman expressed agreement and pointed out that while school contracts are public information, this would be better if it were done on a cooperative basis. Perhaps the Personnel Board chair could call Dr. Russell and have an open dialogue.

Jeff Stauffer asked how receptive the unions would be to this process. Leonard Gonsalves said that collective bargaining contracts have not historically been the purview of the Personnel Board. There has been a history of arbitration which have limited the Personnel Boards participation in the collective bargaining process. Mr. Gonsalves said that certainly management, unions, the brotherhood and the DTE would need to weigh in and work with the M of U. Contracts that were specifically the purview of the Personnel Board were the personal services contracts.

Peter Friedman asked that there be a formal approval process for contracts to be presented to Town Meeting. Michael Gagne said that this issue was discussed in May and he thought it worked well this past June. He felt there was good discussion at Town Meeting and realized the merits of the process. Greg Lynam agreed that he liked having a warrant article. Larry Fox wanted to know if this process would apply to schools as well. Michael Gagne said he would discuss it with the School Department. Joseph Michaud suggested that negotiations in a vacuum should be eliminated.

Melissa Haskell asked how contracts were currently negotiated and where the Select Board stood in hiring a labor negotiator. Kathleen Horan-McLean said that the Board is still discussing the issue. Ed Iacaponi said that the last time they hired an outside law firm to negotiate the police contract. The cost was \$25,000 and he had some concern as to whether the Town got its moneys worth. He said that other times the Town had Arthur Caron as a part-time labor negotiator and he thought that worked well.

There was considerable discussion about a single labor negotiator versus several negotiators and that perhaps part of the Personnel Board's function could be to make recommendations along these lines and to advise as to how other communities handle some of these issues.

Melissa Haskell asked for clarification as to the existing negotiating process. Michael Gagne explained the process as one in which the department head and Michael discuss managements proposal, the proposal is discussed with the Select Board and a negotiation is set. Attorney Strauss has participated in these negotiations. There are a few sessions in which proposals are exchanged and there is usually some negotiating back and forth and sometimes agreement is reach. Ms. Haskell pointed out the difficulty of the department head negotiating against parties that they typically should be advocating for and suggested there might be benefit to having a third involved in the negotiations.

Alison Nastanski indicated that the members of the Personnel Board would need to go back and discuss the ideas and how the Personnel Board might fit into this process. She pointed out that a lot of this information was being heard for the first time. Joseph Michaud requested that the Board might be enlarged by two members to its original size to be able to help with all the work. Michael Gagne pointed out that Doris Copley attends all the Personnel Board meetings and that another intern might be able to provide some help.

Discussion about the deposit of Excess Cash into the Stabilization Fund and Reserve Fund with Ed Iacaponi and the Select Board

Ed Iacaponi said that the Town had received a letter from DOR acknowledging the submission of our Balance Sheet. Mr. Iacaponi is expecting our surplus revenue to be between \$1.7 and \$1.9 million. The

Town also received an award notice for \$371,000 in “pothole money”, a one time revenue. These funds can be appropriated for any purpose.

Mr. Iacaponi referenced a letter for DOR dealing with health insurance. There is currently a balance of \$150,000 in that account and incurred, but not paid claims are in the range of \$350,000. He further indicated an issue with the overlay account and with a decline in motor vehicle revenues. References were made to capital needs including two snow plow truck, as well as the Council on Aging funding shortfall from April to June.

All parties agreed that one time revenues should not be used for operating expenses. There were varying viewpoints expressed about the division of the excess funds. Patrick Roth recommended that we discuss these figures in terms of percentages rather than dollar amount and that 2/3rds should go in the Stabilization Fund and the rest should be put in the Operating Reserve Fund. It was noted that the use of the Operating Reserve Fund was supplementation of the budget. Ed Iacaponi made the point that surplus revenues did not need to be appropriated. Peter Friedman pointed out that the funds would be available in the spring and a “food fight” would ensue at that time. Greg Lynam opined that the revenues should be used for capital needs or savings. Capital needs of two to four police cruisers, and school computers were discussed. Michael Gagne pointed out that, in the event there was a name storm and resulting damage, the Stabilization Fund would be looked to for payment of the insurance deductible. One proposal was to put 75% of the surplus funds into the Stabilization Fund, purchase four police cruisers for a total of approximately \$160,000 and put the rest in the Reserve Fund. Larry Fox reiterated the point of schools needed to replace computers. Agreement was reached to meet with the CIP Committee to review their ranking of priorities for capital needs.

Ed Iacaponi discussed the unemployment payments being made, including eight full-time teachers collecting unemployment. Both Leonard Gonsalves and Greg Lynam raised questions about this as the number of teachers that were laid off was substantially lower than eight.

Discussion of Establishing a Fixed Percentage of Town Revenue for Capital Improvement, Schools and General Government

Peter Friedman suggested and all agreed that this idea would need to be scheduled for another meeting and would require a lot more discussion.

Projection of FinCom Agenda for Fall 2007

It was agreed that the Finance Committee would finish reviewing the warrant for Town Meeting by September 27th and finish their recommendations by October 2nd.

As a separate item, Ed Iacaponi said that he received a letter from Eleanor White, the Town Clerk, that the cost of running the special election was \$15,000 and that would need to be paid for before the next election in April 2008.

MOTION

Melissa Haskell moved and George Jacobs seconded a motion to adjourn.

(Vote 8-0-0)

Meeting adjourned at 9:14 P.M.

Respectfully submitted,

Melissa Haskell

CORRESPONDENCE

Ruminations on Last night's Fin Com meeting with Select Board and Personnel Board

Fellow participants,

Last night's meeting was a positive step toward re-establishing the responsibility and authority of the Personnel Board as an independent reviewing agent of personal service contracts while clarifying its role, through appropriate Town Meeting action, in future collective bargaining considerations.

I seriously agree with Selectperson Michaud's observation that those "deliberations" might well benefit from such "light" to be shed by such an independent group.

And, though there may well be further need for legal assistance to clarify the Personnel Board's role in collective bargaining assistance, I do believe that the by-laws as they presently exist do clearly specify an area of "personal service contract" bargaining and its implications that is clearly within the purview of the Personnel Board's authority that presently exists but, unfortunately, has been bypassed in recent times.

Discussions at Finance Committee sessions in recent years have raised questions about the contract bargaining process employed by the town and the implications of what appeared to be a gradual omission of the perceived need for Personnel Board review. A specific case in point being the early renegotiation of top administrative contracts a year prior to their expiration with protective clauses clearly implying the awareness of the imminent financial crises.

I cannot help but believe that oversight by an independent group, such as the Personnel Board might well have relieved the concerns expressed by many in the recent debates on fiscal management and the need for override appropriations.

In light of these concerns, I would suggest that the Personnel Board consider the following:

- a) Review all negotiated contracts, and, as they deem appropriate, request amendments of those individual contracts involved.*
- b) Frame, with the assistance of Town Counsel, a by-law amendment for the next appropriate Town Meeting that would require review, advice, and perhaps approval by the Personnel Board as well as approval, as to form, by Town Counsel before such contracts are effective.*

Concerns over the current bargaining process and the need to interject the "review" of an independent group to comment and make recommendations on contracts and the implications of changes being made in those contracts before they are adopted have been loud and clear.

*Further, in my opinion, the management of bargaining for and adopting "personal service" contracts without the benefit of **independent** review by an **independent** authority reporting to Town Meeting creates the appearance of conflict and raises the concerns expressed by many in the recent controversy that has faced our community.*

*I believe, that the long term **best** interests of our town will be **best** served by re-empowering our personnel board with that responsibility and I endorse any actions that may further that service...*

Len Gonsalves