

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, April 17, 2008 at 7:00 P.M. at the Dartmouth Town Hall, Room 315.

MEMBERS PRESENT: Greg Lynam, Stewart Washburn, Larry Fox, Peter Friedman, Dave Ferriera, Francis Pettengill, George Jacobs, Shannon Jenkins, Melissa Haskell  
BEGINNING RESERVE FUND BALANCE: \$ 639,438.60  
ENDING RESERVE FUND BALANCE: \$639,438.60

## AGENDA

Dartmouth Finance Committee

April 17, 2008

Dartmouth Town Hall, Rm. 315, 7 PM

7:00 PM Meeting with the Personal Board Chairperson, Scott Corin

7:30 PM Appointment with Slocum Farms Homeowners Association

8:00 PM Meeting with the School Department about their FY 2009  
Budget

9:00 PM Discussion of one-time Revenues Policy

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## MOTION

Francis Pettengill moves to accept, Shannon Jenkins seconds the motion to approve the minutes dated April 10<sup>th</sup>, 2008 (Vote 6-0-2)

### 7:30 Agenda Item - Slocum Farm Owners Association

- represented by Mike Watson – would like to see unanimous approval of street acceptance for Slocum Farm
- 40+ homeowners in that subdivision, purchase with intent that this would be public road
- Peter questions why post office won't deliver to Slocum Farm when delivers to other private ways
- Mike says Post Office will not deliver unless public
- Larry asks who approves streets
- Mike: Slocum Farm was approved with a comprehensive permit through 40B, understood this would be public way
- Peter: should this go to town meeting first?
- Shannon: we need to make clear that there is no authority outside of town meeting to accept streets – no matter if streets are designed to meet public standards
- Greg: probably was assumed by someone in town government
- Mike Watson: homeowner's association pays for lawn maintenance, common grounds

Mike Watson, the Homeowner Association representative, pointed out that there is a homeowners association that takes care of the cul-de-sac. The Town should honor their commitment to the homeowners. George Jacobs asked if the owners on these streets were assess the same way that homeowners on Town streets were assessed. Michael Gagne said that they were assessed at the same tax rate. Mr. Jacobs expressed his

opinion that these residents should be treated the same as everyone else that pays the same rate. At a minimum he suggested that the beginning of the road, as one turns the corner, should be accepted and the mailboxes could then be moved. Gregory Lynam pointed out that Town roads need to be maintained and there is a cost to the Town associated with maintenance and snow plowing. Mr. Watson agreed with Mr. Lynam's point, but said Mr. Lynam was speaking as a matter of principle and that was not the point of their attempt to get the streets accepted. Mr. Lynam asked how the Town addresses this issue surrounding the new streets. Mr. Gagne suggested that the Finance Committee meet with the Planning Board and, perhaps, draw up a by-law change.

#### MEETING WITH PERSONNEL BOARD CHAIRPERSON

Peter Friedman introduced the Chairperson of the Personnel Board, Scott Corin to provide a brief update as to what the Personnel Board is working on and outline topics for the joint meeting on May 1<sup>st</sup>.

Scott Corin said that it is the sense of the Personnel Board that municipal employees historically did not get competitive salaries, but received benefits to make-up for the lack of salary. In recent years, municipalities have been pricing themselves out of the market because they are now providing market salaries and benefits that would exceed those received in private industry. Mr. Corin said that there are some personal contracts that are not well written and do not represent the Town well, but they do not represent a lot of money. Unionized workers represent 80% of the non-school payroll and 90% of the school payroll. Some of the recommendations that the Personnel Board is likely to make include a recommendation that step increases are based on merit and not automatically given, that there is a transition to paid time off ("PTO") from sick leave, that there be greater incentive for strong performance under the tuition reimbursement program.

Mr. Friedman asked if the Board was comparing salaries with other municipalities as well as the private sector. Mr. Corin indicated that the salaries that Dartmouth employees receive are in line with other communities, but he was not sure how the benefits compared. In terms of length of contract, Mr. Friedman asked if there was a recommendation and pointed out that once the first year of a contract had been funded, it was required to be funded in future years. Mr. Corin went on to say that the Personnel Board was against automatic Cost of Living Adjustments ("COLAs").

George Jacobs commended the Personnel Board for making comparisons with the private sector. He pointed out that the Town can be "whipsawed" when comparisons are made with other municipalities because there is always someone that is paid more. Mr. Jacobs pointed out that if the salaries of the Towns employees were comparable to the private sector, then the benefits received put public employees further ahead in the game because the public employees have far more generous benefits than those provided in the private sector. It was Mr. Jacobs opinion that contracts should be coterminous and, ideally, be one year contracts. He pointed out that there has been no labor action in recent memory and went on to say that the salaries of Town employees should follow the private sector not lead it.

Scott Corin pointed out that the public sector receives a defined benefit pension plan where as the private sector had a defined contribution plan. He also noted the huge costs associated with health insure and expressed a desire to provide a set dollar amount of benefit for health insurance. If an employee chose a more expensive plan, then they should bear the additional cost. Mr. Corin noted that while he is not negotiating contracts for the Town, the Town cannot afford to give significant pay increase.

Mr. Jacobs pointed out that municipal jobs were once very secure, but that is no longer the case. He further noted that pensions are dictated by law and the only elastic piece of the equation are salaries.

Mr. Corin provided an overview of the Paid Time Off system that the Personnel Board would like to see implemented. The question of the financial implications of a PTO system to the Town was raised and Mr. Corin was not prepared to talk on that issue at this meeting.

#### SCHOOL DEPARTMENT MEETING

Stephen Russell, the Superintendent of Schools, commented on a couple of non-school related agenda items that had been discussed earlier in the evening.

An overview of the fiscal year 2009 budget was given by the various members of the School Department. The discussion included information about the high costs associated with the Special Education provided and legally required. Linda Maniglia, the Special Education Program Director, pointed out that her department will be receiving an additional three children to its programs at an additional cost of approximately \$500,000. The percentage increase is less than the State average. If a resident moves to Dartmouth prior to April 1<sup>st</sup>, then the Town is responsible for the tuition wherever that child is attending school. Dartmouth has very strong special education programs and has been a victim of its success because people are attracted to the district. The School Department has no control over these increases. Costs of outside providers have increased between 10% and 40%, translating to a higher cost of \$2,000 to \$20,000 per student. The Kennedy-Donovan Center has increased its per pupil rate by \$20,000. An increase of \$15,000 per student has been implemented by the Schwartz Center. These rate increases are approved by the State and are designed to help these institutions recruit employees. They have been unable to attract workers because the pay at public schools has been much better. David Ferreira asked if there was “circuit breaker” money available to the Town. Ms. Maniglia explained that the Town can apply for extraordinary relief, but not until February. Stewart Washburn asked if a student could be moved if an institution raised fees. While it is possible, Ms. Maniglia said that there must be state approval for the move, there must be a facility available that meets the needs of the student and the parents must be in agreement.

There was discussion about grant funding. Marylou Clark, the Assistant Superintendent, said that a projection of grant funding would be available in May. Grant funding has gone down steadily. Gregory Lynam asked Mrs. Clark how much funding would be

needed to solve the outdated textbook issue if \$300,000 was being spent on textbooks in FY2009. Mrs. Clark explained that outdated text books are not always a function of their copyright dates. Sometimes purchasing additional textbooks of a series already owned is impossible because it is no longer published, so a staggered purchase plan over a period of six years would not work because of availability. Dartmouth has made some niche purchases. Sometimes a small amount of funding can solve a need in a big hurry. Also, the larger the purchase, the better deal the School Department is able to get on the cost per book. An assessment of need was put together with the various department chairpersons and the principals at each school. George Jacobs expressed his bewilderment about the School Department's inability to find more money for textbooks, if this is the problem that he consistently hears it to be. Mrs. Clark went on to explain that instructional materials other than books are becoming more important to the educational process. The educational experience that the students are expected to have goes far beyond computers and involves many levels of technology. For example, the University is involved in some tremendous international research and has invited Dartmouth to participate in the research opportunity at no cost. However, the School Department needs to purchase some hardware to do that. Mr. Lynam asked for the actual expenditures made in 2007 versus what was budgeted. Dr. Russell said that the budget had been frozen because of increased utilities costs and some expenditure could not be made. He pointed out that the School Department would like to purchase books and computers pursuant to a regular plan.

Dr. Russell discussed the projections for revenues from fees and was recommending an increase in activities fees. Larry Fox stated his opposition to the fee structure and characterized it as unfair, discussing the costs of these fees in his own personal situation. Dr. Russell pointed out that a cap in fees existed on a per family basis and offered to email Mr. Fox a spreadsheet to help him further understand.

There was a discussion about the Capital Improvement needs of the Schools and about the Quinn School window replacement. David Ferreira asked about the payback period that could be expected on the window project. There were discussions about the projections presented and Peter Friedman volunteered to meet with representatives from the School and the engineers that developed the projections because they appeared to be very conservative in nature.

#### ONE-TIME REVENUE POLICY IN LIGHT OF OVERRIDE

Peter Friedman expressed concern that the Finance Committee might be headed toward a violation of the One-Time Revenue Policy with the establishment of special accounts being set up. The One-Time Revenue policy had been jointly approved with the Select Board and was based on what Mr. Friedman views as a valuable recommendation from the Massachusetts Department of Revenue. Mr. Friedman believes that the Town is establishing a level of funding that is unsustainable and the Finance Committee needs to acknowledge its violation of this policy. Melissa Haskell asked to clarify where the funds in these special reserves would go at the end of the fiscal year because it was her understanding that they would all be turn backs. Mr. Gagne said that if they are established as part of Schedule A, then any remaining funds will be turned back into

Surplus Revenue at the end of the fiscal year. Mr. Lynam asked if stabilization funds were established by Town Meeting. Mr. Gagne said that Town Meeting must be the establishing authority that sets up these funds like those established for replacement and extraordinary repairs to the wastewater systems. Mr. Ferreira said that historically stabilizations funds were used to fund one time expenses and not salaries. Mr. Gagne agreed that that was true, but noted that a modification had been made that allowed the use of these funds for other than capital and one time expenses. Mr. Gagne said that the Select Board had been meeting about how to best manage these funds. Mr. Friedman expressed concern that the extra money brought in by the override will be set aside and add to the structural deficit and mask financial problems. Concern by various parties was expressed about having the free cash available for reappropriation. Mr. Gagne suggested not certifying free cash in the fall, but rather in the spring of the next fiscal year as a way to protect it. Mr. Lynam asked if the highest and best use of the funding was to pay for capital projects that would lower cost in the future. Mr. Gage said it is something that is being thought about.

**MOTION**

George Jacobs moved that Shannon Jenkins be appointed at the Finance Committee's liaison to the library. Melissa Haskell seconded the motion.  
*(Vote 9-0-0)*

**MOTION**

Stewart Washburn moved that the meeting be adjourned. Larry Fox seconded the motion.  
*(Vote 9-0-0)*

Meeting adjourned 9:30 PM

Respectfully submitted,

Melissa Haskell

\*Schedule meeting with the Planning Board