

Town of Fairhaven

Finance Committee

Minutes of the meeting for <February 5, 2015>at the BPW Administration Building,
5 Arsene St., Fairhaven, MA

Members in attendance:

Chairman-John Roderiques, Robert A. Furtado, Scott Fernandes, Padraic Elliott, Kathi Carter,
Lisa Plante, John Mota

Town of Fairhaven:

Jeffery Osuch- Executive secretary

Meeting was covered by government access television. Member of the press was not present.

Chairman called the meeting to order at 7:00 PM. Announced that the meeting was being recorded by government access TV. Chairman has to be notified if anyone else present is recording the meeting by video or audio.

Motion made by Scott to accept the minutes from January 29, 2015. Seconded by John M..
Vote: Unanimous

- Chairman passes out the latest copy, on disc, of the ATFC Finance Committee Handbook. Chairman advises that the handbook is a useful guide, but there are no hard and fast guidelines for Finance Committees.
- Mr. Osuch distributes copies of the updated Warrant of the Annual Town Meeting, the School Department budget, updated Article 4 spreadsheet, and an updated Article spreadsheet
- Chairman presents a Request for Deficit Spending from Vincent D. Furtado- BPW Superintendent, for the Highway Department- Snow & Ice.
 - The back-up information provided by Mr. Furtado already shows the line item at a \$4,064.42 deficit.
 - Chairman states they are asking for authorization to spend up to \$20,000.
 - Scott asks about splitting the repairs out of the information provided by Mr. Furtado.
 - Chairman states they are directly related to Snow & Ice.

- Chairman states it is not the Committee's job to micromanage the operation of the Highway Dept.
We are just being asked to authorize deficit spending.
 - Chairman states he is not surprised this has come up, but he wasn't expecting it so soon.
 - Chairman states we raised the appropriation some last year, but with major snow events it wasn't expected to cover everything.
 - Pat states, it appears that they have already deficit spent.
 - Chairman states if the number was much higher he would be upset.
 - Scott motions to approve Deficit Spending for Highway Department- Snow & Ice not to exceed \$20,000. Seconded by Pat. Vote: Unanimous
 - Chairman states that any shortfall will be eventually made up from the Reserve Fund.
 - Chairman states that you can only deficit spend if your present year appropriation is at least equal to the previous year's appropriation.
- Mr. Osuch states that the present total of all Articles on the ATM, less Article 4, is \$1,191,618.
Mr. Osuch states that number excludes the \$930,000 for the turbines, because that is simply a pass-thru.
 - Mr. Osuch's recommended spending figure is \$46,750,000.
 - Chairman advises members he has emailed them the electronic version of the Article 4 spreadsheet.
 - Chairman and Mr. Osuch discuss money being set aside for the Special Town Meeting within the ATM.
 - Discussion of why the Article for the consultant for the Town Administrator search is in the STM instead of the ATM.
 - Chairman states he does not intend to hold money back for items in the STM.
 - Mr. Osuch states that Police & Fire are meeting with the Selectmen at their meeting on Monday night.
 - Chairman asks Mr. Osuch if he has information on the CPR Article the Fire Chief has petitioned.
 - Mr. Osuch states he is still waiting for the clarification.

- Mr. Osuch states that there are 2 petitioned street lights on the Warrant now.
 - He states they did come in before the deadline, but were not listed on last week's sheet.
 - He states that the Town Clerk has not certified the signatures on the Wayne Street petition yet.

- Committee reviews Selectmen's information submitted in preparation for next week's joint meeting, starting with the draft of the Selectmen's Financial Management Policies and Guidelines.
 - Chairman states that the guidelines put forth by the Selectmen, in regards to the Reserve Fund, contradict those of the DOR.
 - Chairman states that the information related to the Procurement Process is also incorrect.
 - Chairman states that with the Finance Committee in flux, before the Town Meeting Article is presented, he is not in favor of creating "lame duck" policies.
 - Someone needs to make cuts to the operating budget in order for all the percentages set aside in the Policies to work.
 - These policies should be coming from the Town Administrator.
 - Scott states he thinks there should be guidelines with dates for the budget process.
 - Discussion of the Reserve Fund guidance language.
 - Chairman tells Mr. Osuch there should be a section advising the assessors to determine the Overlay Reserve each year.

 - Discussion of the DOR Report.
 - Chairman advises members to look at the recommendations for the budget process, starting on page 12.
Also look over the Reserve Fund Request Procedures starting on page 23.
 - Chairman advises members to look over the Moody's Bond Rating report.

 - Discussion of cutting expenditures.
People are being taxed out of Fairhaven.
 - Chairman advises members to look over the General Fund Projection report.
Chairman states the comparable towns are interesting.
 - Chairman states he has compiled a breakdown of departments and the percentages of the growth of their budgets over the years.
The order of the highest percentage of increase in the budget, starting with the highest, is Sewer, Water, Fire, Police, & Schools.

- Mr. Osuch states that any raises recommended by the Personnel Board are not in the presented budgets.
 - Chairman states that anything added will have to add something to the cut list.
- Chairman advises members to review the Selectmen's budget and Articles.
- John M. asks about the TA being approved but not being put in place by the Selectmen.
- Mr. Osuch states that for revenue he is using 80% on local receipts and 85% of free cash.
- Chairman advises members to review the Selectmen's paperwork before the February 12th meeting.
- Kathi notes that the projections show Property Taxes are projected to increase 2 1/2% each year.
 - Chairman states that taxes don't have to be raised each year, but if you don't, someone has to be able to make the cuts to make the budget work.
 - Kathi states we are not here to make everyone happy.
- Chairman advises members to review budgets and look for cuts.
 - Look for things that are being added.
 - Chairman states he has always thought that just going 2 or 3 years without adding any new services can have go a long way towards helping.
 - Chairman states he cannot see raising the legal budget.
The provider shouldn't be raising the rates, the 2nd year into a contract.
 - The \$19,999 truck for the EMA is an easy cut.
 - The new Park Dept. employee is another.
- Lisa states the Selectmen should have just followed the DOR Report instead of having the TGSC.
- Discussion of Term Limits.
- Next meeting February 12th, with the Selectmen.

8:11 PM. Pat motions to adjourn. Seconded by Lisa. Vote: Unanimous

Respectfully submitted by:

Robert A. Furtado
Finance Committee Secretary
(accepted 2-12-2015)