

Town of Fairhaven

Finance Committee

Minutes of the meeting for <February 12, 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

Wendy Graves- Collector/Treasurer/Finance Director

Robert Espindola- Chairman Board of Selectmen, in @ 7:03 PM.

Charles Murphy- Selectman, in @ 7:05 PM.

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 February 5, 2015. Seconded by John M..

Vote: Unanimous

- Chairman starts meeting by reading a letter of resignation from Therese Szala.
Terry is forced to resign from the committee for medical reasons.
Terry is doing better, but has a slow recovery ahead.
Terry will be missed on the committee. She served the Town well through her years of service on the Finance Committee.
The committee wishes her all the best and a full recovery.
- Mr. Osuch distributes updated copies of the ATM warrant, updated Article 4 spreadsheet, updated Article spreadsheet, updated information from Moody's Investors Service, and an updated salary sheet for the new ACO budget.

- Chairman states he has emailed an updated Excel spreadsheet of Article 4. However, that will now have to be adjusted because of the ACO salary.
- Committee starts to review and vote on Articles in order to see if Selectman Haworth will attend meeting.
 - Article 3- Setting Salaries of Town Officers
 - Scott motions for the following amounts:

A. Board of Selectmen	\$15,600
B. Town Clerk	\$ 52,981
C. Moderator	\$ 800
D. Tree Warden	\$ 6,631
E. Board of Health	\$ 4,000
 - All amounts seconded by Pat. Vote: Unanimous
 - Article 12- Hazardous Material Revolving Fund
 - Scott motions to Recommend Adoption. Seconded by Pat. Vote: Unanimous
 - Article 14- Sustainability Revolving Account
 - Scott motions to Recommend Adoption. Seconded by Pat. Vote: Unanimous
 - Article 15- Town Hall Repairs
 - Scott motions for \$7,500. Seconded by Pat. Vote: Unanimous
 - Article 16- Zoning Bylaw Petition- Wireless Comm. Fac.
 - Scott motions to Yield To Petitioner. Seconded by Pat. Vote: Unanimous
 - Article 18- Hoppy's Landing Revolving Account
 - Scott motions to Recommend Adoption. Seconded by Pat. Vote: Unanimous
 - Chairman states this fund should be used to cut the grass at Hoppy's Landing.
 - Article 19- Social Day Care Center
 - Scott motions to Recommend Adoption. Seconded by Pat. Vote: Unanimous
 - Article 22- Wind Turbine Electricity Purchase FY16
 - Chairman and Mr. Osuch state this is simply a bookkeeping pass-thru for the wind turbine money.
 - Scott motions for \$930,000. Seconded by Pat. Vote: Unanimous
 - Article 26- Zoning Bylaw Petition- Solar Photov. Fac.
 - Scott motions to Yield To Petitioner. Seconded by Pat. Vote: Unanimous

7:17 PM. the joint meeting with the 2 Selectmen begins:

- Selectman Espindola starts discussion of the draft Financial Management Policies & Guidelines.

- Selectman Espindola discusses the new 5 year Capital Plan, OPEB funding, and long range Capital Planning.
- Selectman Espindola states that the latest report from Moody's is the first one to state a negative outlook- using tax title money for operating expenses.
- Selectman Espindola states the Selectmen are looking to come to an agreement, with Fin Com., for long range Capital Planning.
- Chairman states that he considers this "lame duck" action. States that the old form of town government is making new guidelines for the new management. Chairman states that a Special Act now exists.
- Selectman Espindola states that now they have the Capital Planning Committee in place. Discusses Moody rating. States they are trying to provide future TA with information to proceed.
- Selectman Espindola states they need to know if the Fin Com is on board with maintaining money, each year, for Capital Planning and OPEB.
- Chairman states that historically the Fin Com has always supported Capital projects. States that programs and salaries cannot continue to be added to the budget. Fin Com is left "holding the bag" until late March because Selectmen haven't taken votes on budgets.
- Selectman Murphy states they have put a lot of work into the guidelines.
- Chairman states that the Reserve Fund guidelines go directly against the DOR policies. Committee needs to know what the priorities are, where will the cuts be made. Last year the Revenue numbers kept changing.
- Pat asks about having 2 Stabilization Funds.
- Chairman states you need the emergency Stabilization Fund no matter what. There may be little or nothing added to that from now on, although it is still a good idea to put \$25,000 - \$50,000 in it each year. Capital Stabilization would be for specific purposes. You could take from the emergency Stabilization if it got above the minimum recommended percentage.
- Mr. Osuch starts discussion of borrowing with the Stabilization Fund. Chairman states it is not recommended.
- Selectman Espindola recommends increasing the money being put aside each year. Discussion of cutting positions thru attrition .
- Chairman states that Fin Com has always pushed for Capital Improvements.
- Mr. Osuch starts discussion about the increase in tax revenue each year and putting more free cash into Capital Expenses.
- Chairman states that someone needs to explain where the cuts will eventually be made.

- Decision needs to be made about what size police dept., fire dept., highway dept. this town must live with.
- Mr. Osuch states the departments have to be told that it can be done, and make the cuts.
- Selectman Espindola starts discussion of Revenue Sharing with the School Dept., as spoken about in the DOR report.
- Chairman states that this was agreed to 2 years ago when the report came out. Chairman states this just takes the School Dept. and the Selectmen coming together. Chairman states that, as a percentage of the entire budget, the schools have been getting less and less.
- Chairman starts discussion of Personnel Board, asks Selectman Murphy what he thinks will happen when the unions find out about giving nonunion people raises.
 - Selectman Murphy asks why Fin Com didn't support the \$7,000 for the job description study.
 - Chairman tells Selectman Murphy the Personnel Board should have been doing their job through the years.
 - Chairman Murphy again blames the Fin Com and thanks members for leaving Personnel Board with the problem.
 - Chairman states that some of the people requesting reclassification have been asking for years. Asks why is it being handled now before the TA comes on board.
 - Chairman states Fin Com is just a recommending body. Town Meeting could have made the choice to fund the study.
- Selectman Murphy states he wants everyone to work as a team.
- Chairman states the Reserve Fund recommendations in their policies is wrong. Also the Procurement Procedures are incorrect.
- Pat starts a discussion of the Turnback Policy.
 - Chairman states Turnbacks become part of Certified Free Cash.
- Pat states he thinks it is a good idea to work together. States that in the private sector the manager would write the job description. States, that if the Selectmen had explained their Article better, maybe it would have made a difference.
 - Selectman Murphy states that people have been writing their job descriptions, and their responsibilities have increased since they were hired, so they want more money.
 - Discussion of it being the TA's responsibility to handle this.
 - Selectman Espindola states that the TA won't be in place for a while, and a plan needs to be put in place.
- Scott states he doesn't want to constrain the TA with new policies.

- Chairman states the policies could be changed again when the TA comes in.
 - Chairman states that this meeting should happen right after the Certified Free Cash number comes in.
 - Suggests using the same State Aid number each year. Any additional money coming in would be considered extra.
 - It would improve process to have the Selectmen's votes earlier.
 - Selectmen should vote on the Police & Fire budgets before we meet with those departments.
 - Discussion of OPEB
 - Chairman states there is no plan.
 - There will have to be a change in retirement health benefits, at some point.
 - Selectman Murphy states he didn't mean any disrespect when he blamed the Fin Com for the job description problem.
 - Discussion of understanding each committee's perspective.
 - Discussion of the ramifications of adding employees to departments.
 - Selectman Murphy states that the Fin Com had recommended using a labor negotiator at contract time, and the Selectmen are working towards that.
 - Bob asks if the plan is to have money go towards Capital Improvements and also the Capital Stabilization Fund each year.
 - Chairman states yes, but we can't guarantee the amounts.
 - Chairman states when people are taxed to the max amount, they deserve a certain level of services.
 - Discussion of one time money being put away for Capital projects.
 - Discussion of road work.
 - This year the BPW is recommending 2 dirt roads instead of the usual one.
 - Discussion of the state of paved roads.
 - Discussion of State Aid to Highways spending and Chapter 90 money
- Committee returns to Article discussion and voting:
 - Article 11- FEMA Grant for Ladder 1
This would transfer money from last year's Article.
 - Scott motions to Recommend the Transfer of \$40,476. Seconded by John M.
Vote: Unanimous
 - Article 13- Ambulance Stabilization
 - Chairman states that the Capital needs of a department should be paid from their receipts.
 - Pat asks where the money is now.

- Chairman states the money is set aside from the Ambulance Fund accounts reserved for appropriation.
 - Chairman states we will wait on this vote until the Fire Chief comes in.
 - Article 23- FEMA Grant Match-PPE-Fire Dept.
 - Another transfer from last year, for a 5% match.
 - Scott motions to Recommend Transfer of \$1,830. Seconded by John M.. Vote: Unanimous
 - Article 24- Cultural Council Funding
 - Scott motions for \$1,000. Seconded by Pat. Vote: Unanimous
 - Article 25- Town Employee Wellness Program
 - Chairman asks Selectman Espindola if he would like to discuss this tonight or come back.
 - Selectman Espindola states he would prefer to come back.
 - Chairman states he can come back on February 26.
 - Article 28- Union Wharf LED Fixtures
To be paid from the Waterways Account
 - Scott motions for \$7,995. Seconded by Pat. Vote: Unanimous
 - Selectman Espindola starts discussion about whether or not money is being held aside for the Special Town Meeting within the Annual Town Meeting.
 - Chairman states the STM should be only for very special needs, not because people cannot make the Annual deadline.
 - Article 34- Propagation of Shellfish
 - Discussion again of a balance being carried year to year.
- Lisa starts discussion with Selectmen about Articles being accepted after the deadline, and incomplete Articles being allowed.
 - Selectman Espindola states that perhaps they need to define what qualifies as an Article.
 - Chairman asks about the IT Article, and who is responsible for it.
 - Selectman Espindola states the TGSC is responsible for it.
 - Chairman states that with Ms. Graves in charge of Data Processing, this could be done under Purchase of Services.
 - Chairman states that this is beyond the authority on the TGSC..
 - Chairman advises Mr. Graves to do what is good, not just what the employees want.
 - Selectman Murphy asks the Chairman if all the Selectmen should come back or just Selectman Espindola.
 - Chairman states they are all welcome.

- Chairman will schedule Selectmen for March 5th (instead of the previously stated February 26th), and we should be able to start on the Wellness Article at 7:05 PM.

9:05 PM. Selectmen leave meeting

- Chairman passes out Conflict of Interest packets, from the Town Clerk. Advises members to read through them, fill out the last sheet, and return it to him or the Town Clerk.
- John M. questions the Melanson & Heath report. Asks what additional services the Town didn't get, as referred to in the cover page.
 - Chairman states that they are referring to doing an actual audit.
- Bob questions the wording in the section referring to the schools, and offsetting the tuition of Acushnet students.
 - Chairman states that the company did not talk to the School Dept., and this is just the way they worded it. Acushnet does fully cover the tuition of their attending students.
- Discussion of the Governor trying to balance the State budget and cuts to the school funding.

9:15 PM. Pat motions to adjourn. Seconded by Lisa. Vote: Unanimous

Respectfully submitted by:

Robert A. Furtado
Finance Committee Secretary
(accepted 2-19-2015)