Finance and Warrant Committee Minutes

November 26, 2018

Cecilia Emery Butler, David Roberts, Kevin Preston, Kevin Hughes, Michelle Persson Reilly, Beth Pierce, Susan Fay, Marty Lindemann and Jon Heffernan present

Meeting called to order at 6.35.

The committee began with a discussion of the meeting minutes from October 18th and October 30th. They agreed to vote on them at a later meeting.

Mr. Preston asked the committee if they wished to reconsider Article 11. Mr. Roberts motioned to reconsider their recommendation for Article 11. Mr. Lindemann seconded. It was voted 9-0.

Mr. Heffernan motioned to recommend that the town vote to appropriate the sum of $3,766,605.27 from free cash for the Fiscal Year 2019 assessment from the Dedham retirement board.

Mr. Roberts seconded.

Mr. Roberts requested that they be given an opportunity to speak with a member of the retirement board to better understand the increased monetary ask as well as future dealings with the unfunded pension liability. He noted that last year the impression was that we were nearly 100% funded on our unfunded liability, but now the goal has been moved above 100%, and we are paying interest. Municipal bodies do not typical pay interest on this type of liability.

Mr. Kern explained that the “interest” actually represents the time value of the money owed to the liability.

Mr. Preston echoed Mr. Roberts request to speak with a member of the Dedham Retirement board.

Ms. Emery Butler asked why the exact Article 11 information took this long to reach the eyes of the Finance and Warrant committee. Mr. Kern acknowledged that this information was available earlier but had never been forwarded to the committee.

Mr. Heffernan stated that he takes umbrage with the decision to overfund the liability, particularly given other outstanding liabilities. Mr. Preston agreed, especially given the legal guarantee given to pensioners.

Mr. Roberts asked if the question of the town’s seat on the retirement board had been settled. Mr. Kern answered that it is not yet settled, but will be worked on.

The new motion regarding Article 11 was voted 9-0.

Mr. Preston referred to a memorandum on the new town offices building construction. Mr. Kern summarized the process of hiring the OPM. He stated that the town had to go out to bid, and had to take the lowest qualified bid. He explained that up until this point, the project had not gone over budget thanks to leeway built into the original financial ask.

Mr. Roberts asked for clarification on whether this money was reimbursable. Mr. Kern answered that they would be claiming these funds as expenses that would not have been necessary otherwise.

Mr. Lindemann asked Mr. Kern who he believed was responsible for these complications and problems, and if he expected it to cause issues with the new public safety building. Mr. Kern answered that they are currently involved in a lawsuit with the original contractors, with both sides blaming the other for the issues. Mr. Lindemann asked how we would make sure we don’t have such problems with the Public Safety building. Mr. Kern answered that the town is required to select the lowest qualified bid when they go out to bid.

The committee moved to discussion of Articles 10 and 24, both of which have had new substitute motions introduced since they were last discussed. Ms. Persson Reilly suggested the conversation on Article 10 could benefit from input from the conservation committee.

The committee planned their next meeting for December 6, 2018.

Ms. Emery Butler Motioned to adjourn, Mr. Roberts seconded, it was voted 9-0. Meeting adjourned at 6:51.