Finance and Warrant Committee Meeting Minutes

November 25, 2019

John Heffernan, Beth Pierce, Susan Fay, Kevin Preston, Michael Leahy, Michelle Persson Reilly, and Marty Lindemann present.

 Mr. Preston called the meeting to order at 6:37. He gave the opportunity for public comment. There was none.

Mr. Preston told the committee that he would be speaking on the subject of the retirement fund. He asked if any members of the committee would like to take the opportunity to speak at town meeting. He then asked Mr. Goodwin to speak on his talking points for the night.

Mr. Goodwin explained that the seemingly sudden appearance of the $32 million owed for pension funding has raised some eyebrows. The previous town strategy has been to “pay off” the pension fund so that we only have to pay the yearly requirements. Due to a “perfect storm” of actuarial events, what we expected to be a mostly tame liability turned into $32 million dollars. A new actuary from the retirement board has switched actuarial tables, changed ROI assumptions, and altered mortality tables. Also, because of poor stock market performance the month before the 1/1/2019 assumptions were generated, even more money was added on. Finally, “actuarial experience” data from only a single year being fed into the assumption generated a further $15,000,000. The retirement board has agreed to re-do the actuarial assessment on 1/1/2020 instead of following protocol and waiting for 1/1/2021. The retirement board has requested/suggested $4.1 million in the next fiscal year.

Mr. Goodwin explained the resultant cost of this is about $200,000 higher payment next year and a full million the year after.

Michael Leahy asked about the $15 million sum from the unexpected algorithm. Mr. Goodwin confirmed it.

Mr. Preston emphasized the importance of paying the $700,000 warrant article owed to the retirement fund. He further pointed out that this massive shift in predicted liability represents an immense cost.

Ms. Fay explained that she feels the way this cost increase is presented the public will significantly change the way they interpret it. She cautioned against using stigmatized phrasing when discussing the topic, particularly in a way that suggests there has been financial mismanagement when there has not been. Ms. Baker agreed that choice of words is important.

Mr. Preston asked the committee for input on his wording on the topic.

Mr. Heffernan moved to the topic of confused fund sourcing for debt and tax. Ms. Baker explained that there will be a slide on the topic.

The committee moved to discussion of Article 2, pertaining to unpaid bills, a previously postponed article.

Mr. Heffernan motioned to recommend that the sum of $380.00 be appropriated from Free Cash for the purpose of paying AFC Urgent Care-Dedham for services provided in a prior fiscal year. Mr. Leahy seconded. It was approved 7-0.

The committee moved to discussion of Article 14.

Mr. Heffernan motioned to recommend that it be so voted to amend the General Bylaws by inserting a new section entitled Public Service Recognition Committee, as follows:

1.Establishment, terms

 There is hereby established a Public Service Recognition Committee consisting of seven residents of the Town of Dedham to be appointed by the Moderator, provided that no more than one resident from each precinct may be appointed to said Committee. Members shall be appointed for terms of three years, arranged in such a manner that as near an equal number as possible will expire each year.

2. Duties

 At the outset of one of the Annual Town Meetings, the Committee shall recognize with an appropriate gesture of gratitude for one or more residents who have performed outstanding acts of service to the community.

Mr. Lindemann seconded. It was approved 7-0.

The committee returned to open discussion.

Ms. Fay emphasized the importance of the $700,000 owed to the unfunded liability. Mr. Preston agreed.

Mr. Preston emphasized that he feels a responsibility to help the public understand the significance of the change in the assessment to the unfunded liability.

Ms. Persson Reilly asked if anyone would be speaking from both sides of the 5-4 Striar field vote. Mr. Heffernan indicated that he would like to speak for the majority. Mr. Lindemann indicated that he would like to speak for the minority.

The committee discussed the progression of the Ames project.

Mr. Lindemann motioned to adjourn. Ms. Fay seconded. It was voted 7-0. The meeting concluded at 7:02.