Finance Committee

6/19/2017

David Roberts, Susan Fay, and Ms. Emery Butler not present at beginning of meeting. Susan Fay arrived at 6:49.

Meeting began at 6:40.

The committee began by reviewing line item transfer requests.

Mr. Heffernan read the first transfer request. For the Council of Aging, a transfer from direct salaries to the program expenses budget. He opened the floor for any questions.

Ms. Baker explained that when the new director began working on the Council of Aging, they did a total budget review and found that they lacked sufficient funds to get to the end of the year.

Mr. Preston moved to transfer $1,000, Ms. Carney seconded. It was voted 6-0.

Mr. Heffernan read the next line item transfer request. Transferring $5000 from Custodial:Salary to Town Manager: Overtime.

Ms. Carney asked what the overtime was necessary for. Ms. Baker explained that there are increased meetings for committee secretaries and additional meetings necessary for the Flag Day celebration.

Mr. Preston moved to transfer $5000 from the Custodial: Salaries item to Overtime, Ms. Carney seconded. It was voted 6-0.

Mr. Heffernan read the third line item transfer request. Moving $1600 from Veterans: Ticket and Meter to Veterans: Town Celebrations and moving $8000 from Police Salary to Veteran’s Benefit account.

Mr. Preston moved to transfer $1600 from the Veteran’s department account to the town celebrations account and $8000 from Patrolman’s salary to Veteran’s benefits. Ms. Carney seconded. It was voted 6-0.

Mr. Lindemann asked why this second transfer was necessary. Ms. Baker explained that there was an increase in veteran’s seeking benefits through Dedham. Mr. Kern explained that ¾ of this is eventually reimbursable by the state.

Mr. Heffernan read the next line item transfer request. Transferring from Environmental: Temp payroll to Environmental: Programs. Ms. Baker explained that this is to pay an intern and the money needs to be moved to the programs budget due to university requirements.

Ms. Terkelsen explained that this transfer will come up again in the future for the remainder of this internship.

Mr. Preston moved to transfer $15,000 from temp payroll to programs in the environmental budget, Ms. Carney seconded. It was voted 6-0.

Mr. Heffernan read the next line item transfer request. The transfer of $250 from Town Clerk: Public Records to Town Clerk: Dues and Memberships. Mr. Preston moved to transfer $250 from Public Records to Dues and Memberships, Ms. Carney seconded. It was voted 6-0.

Mr. Heffernan read the next line item transfer request. $5000 from Town Facilities: Other to Maintenance Supplies. Mr. Preston moved to transfer $5000 from Facilities: Other to the Maintenance Supplies line item. Ms. Carney seconded, it was voted 6-0.

The committee moved to the Reserve Fund Transfer Requests placed before them.

6:49 Susan Fay arrived.

Mr. Heffernan read the first Reserve Fund transfer request. Request to transfer $67,000 for sodding, renovation, and irrigation for Davis field. The field has suffered a great deal of weather-related damage as of late, mandating these repairs. Ms. Carney asked why Davis Field was treated as such a low priority after so many items related to the Rustcraft and Gonzalez field have come before them in the past years.

Mr. Stanley explained that the parking changes to the Gonzalez soccer field were mandated by community input, not decisions on the part of the parks & rec department. Redoing the parking lot at the same time as undertaking the field renovations is a convenience and money-saving move.

Ms. Carney asked how Rustcraft field and Davis field compare in terms of maintenance needs. Mr. Stanley explained that at the time, there was only funding available for one field, and the decision was made in conjunction with the town baseball clubs and teams who requested that Capone field be dealt with first, despite the fact that Davis is in worse condition.

Mr. Hughes explained that because Capone field is used in the Cal Ripken tournament, the Baseball teams gave it priority. The Baseball teams’ inputs were weighted very heavily in deciding which field to repair. Mr. Stanley noted that in response to these problems, Parks and Rec has begun their long-term maintenance/financial masterplan to ensure they don’t reach this point in the future.

Ms. Carney explained that she feels the Parks & Rec department has received a great deal of money under emergency circumstances the past 2 years. Mr. Stanley explained that he agrees there has been a lack of anticipatory planning and rectifying that is one of the driving forces behind the Masterplan.

Mr. Hughes asked how far along the bidding process was for the field renovations. Mr. Stanley explained that they are quite a ways along the process but have not yet met with the conservation committee.

Mr. Hughes extended his thanks to Mr. Kern, Ms. Terkelsen, and Mr. Stanley for working so hard to find the money and make plans for these renovations. Mr. Stanley noted that a local Dedham engineering firm donated their engineering work at no cost.

Ms. Fay asked how this money was being moved around in terms of the capital projects funds. Ms. Terkelsen explained that because this was not undertaken through normal channels, it is being done as a reserve fund transfer. Because the reserve fund had money available and the project is being funded before the end of the year, the funding can be carried forward through the Parks & Rec operating budget which will cover until the completion of the project.

Ms. Terkelsen explained that using the reserve fund in this way helps to ensure the money returns to free availability after it isn’t used instead of remaining tied up in budgets. This helps keep track of this money instead of letting it disappear into a budget.

Ms. Fay asked if the masterplan’s maintenance schedule would result in a large capital expenditure being reduced to a smaller yearly budget item in the Parks & Rec. She commended the development of the maintenance schedule.

Mr. Preston asked when they expected these renovations to be complete. Mr. Stanley explained that the contract would be signed by June 30th and work could begin right away, but it is likely to be underway within a week or so and completed by mid-August.

Mr. Lindemann asked Mr. Stanley about specific wording in the contract related to the surveys being performed by the contractor. In particular, who would be overseeing their surveys and grading. Mr. Stanley answered that Activitas, the Dedham Engineering firm, would be overseeing these surveys.

Mr. Lindemann raised concerns that much of the maintenance of these fields is done through volunteer work. He expressed hope that the Masterplan will introduce more oversight.

Mr. Preston moved to transfer $67,000 from the reserve fund to purchase of services: Ground Maintenance, Ms. Carney seconded. It was voted 7-0. Mr. Roberts and Ms. Emery Butler not present.

The committee moved to a review of prior meeting minutes. There were 7 sets of minutes to review from 2017. March 4, March 7, March 15, March 16, March 21, March 23, April 6, and April 11.

Mr. Preston moved to approve the minutes from March 4, 2017, Mr. Hughes seconded. It was voted 7-0.

Mr. Preston moved to approve the minutes from March 7, 2017, Mr. Hughes seconded. It was voted 7-0.

Mr. Preston moved to approve the minutes from March 15, 2017 Mr. Hughes seconded. It was voted 7-0.

Mr. Preston moved to approve the minutes from March 16, 2017 Mr. Hughes seconded. It was voted 7-0.

Mr. Preston moved to approve the minutes from March 21, 2017 Ms. Carney seconded. It was voted 6-0. Kevin Hughes abstaining

Mr. Preston moved to approve the minutes from March 23, 2017 Mr. Hughes seconded. It was voted 7-0.

Mr. Preston moved to approve the minutes from April 6, 2017 Mr. Hughes seconded. It was voted 7-0.

Mr. Preston moved to approve the minutes from April 11, 2017 Mr. Hughes seconded. It was voted 7-0.

Mr. Heffernan explained that he hopes to schedule a meeting in July. A new chairperson will need to be nominated and approved at that time. Ms. Carney explained that she would rather discuss this subject when they had a full committee.

Mr. Heffernan agreed, and decided they should first attempt to schedule their July meeting. Mr. Lindemann explained that he would be unavailable most of July after the 9th. Ms. Fay and Mr. Hughes explained that they would be unavailable in the week surrounding the fourth of July. Mr. Preston suggested they attempt to discover the earliest possible date they could have a full 9-member meeting on, then decide whether that is early enough.

Ms. Fay asked if there was a set timetable for when changes in the budgeting processes could happen, like implementing benchmarking. Mr. Heffernan explained that sooner is better, but it varies by department. Ms. Terkselsen noted that the department heads who act as liaisons to the committee need as much advance warning as possible. It takes a lot of time for them to prepare the sets of data and advance information that is request by the committee.

Mr. Lindemann asked what time periods are useful for gathering data if the finance committee hopes to get involved in discussions for certain town expenditures such as healthcare.

Ms. Baker explained that healthcare changes are extremely tricky because the town has to negotiate with collective bargaining. They had hoped to be finished quickly this year, but unfortunately need to go into full negotiations.

Mr. Preston pointed out that they received a lot of the benchmarking data that they requested and hope to continue investigating the details of employee healthcare. He hopes that the town can use this data in future negotiations. Rather than planning to change on a micro-scale such as within this year, he hopes to establish a dynamic of informed input from the town’s committees on these major expenditures.

Ms. Terkelsen noted that the sooner the committee can create a unified list of their interests the sooner she can begin data collection for them.

Ms. Carney explained that the FinCom has been interested in health insurance costs for a long time. She noted that in the past they have made pushes to moving from a 20% employee contribution to a 25% employee contribution but have never been able to make solid permanent progress. Ms. Baker explained that they did successfully make it from 90-10 split to 80-20, and that the attempt to move to 25% went to a protracted 18 month negotiation.

Ms. Carney noted that she does not feel the town’s management has shown a meaningful effort towards decreasing the employee-employer split for health insurance costs. She believes the FinCom needs to be more vocal about their desires, and express themselves strongly enough to get the messages across to the administration about what their major sticking points are. She encouraged the committee to speak up more often about their end-goals instead of getting bogged down in the specifics of a situation. She raised concerns that the committee sometimes votes without doing their due diligence. She used the specific example of voting for the Energov approval without checking with Cambridge, the nearest town that had adopted Energov.

Mr. Heffernan took a moment to point out that he and other members of the committee had their own reasons for approving the Energov changeover independent of communications with Cambridge.

Mr. Preston explained that he does not subscribe to the notion that the committee is going to make progress by second-guessing minutiae when the committee has significantly less information than the individual’s making the budget request. He gave the example of criticizing departments for van rentals or conference attendance. What he sees as the greatest victory for the Finance Committee this year was the role they played in shaping the tax increase to a lower value. He pointed out that this serves to constrict the spending going forward across the years. He believes that reducing the money available to the government forces the best-educated people to prioritize what they need the most.

Ms. Carney explained that she doesn’t feel the town understands why their tax bill is lower this year than it could be going forward. She also pointed out that we did not completely pay down our unfunded pension liability. She noted that she is proud of the decreased tax rate, but that the town-at-large may not understand.

Mr. Heffernan explained that he feels the Finance Committee has been at its most effective when the town has very little money to work with but still make educated decisions about infrastructure and pensions. He feels that level of discipline during lean times has placed the town in a good economic standing.

Mr. Preston praised the fact that our town’s levy increase has been beneath the rate of inflation.

Ms. Carney said that she feels the town is still spending pretty freely.

Ms. Fay asked if the Finance Committee has any ability to interact with union bargaining processes. If the committee has no role in the process, she wonders if they have much productive input to make on the subject.

Mr. Preston noted that he feels they have a responsibility to influence the negotiators, and make them understand what the expectations are. He also explained that the town meetings, technically, can choose not to fund the agreement made with the unions. This is legally possible, but is a sort of “nuclear option” that creates a great deal of problems in refusing the agreement outright.

Mr. Heffernan noted that the committee has had significant input on what would be an appropriate tax levy increase, and they played a large role in choosing what value to target the tax levy at.

Mr. Lindemann raised concerns that the committee may not be constructed appropriately to have the power to operate in a meaningful oversight capacity. He explained that he feels the structure (appointed rather than elected) may be to blame. He raised concerns about how even when the Finance Committee strongly disagrees with spending they can be steamrolled by the town meeting.

Mr. Preston explained that he feels the stand they took on changing school funding to address issues the committee had with class size in the school budgets. He noted that there was a significant improvement on class size issues after that year.

Ms. Carney said that this isn’t reflective of significant improvement. She feels that there are still serious staffing issues with the schools, particularly the high school.

Mr. Lindemann expressed his concern that the committee does not have much ability to actually influence budgeting policy.

Mr. Heffernan explained that the capital committee does spend a lot of time working on these issues outside of their meetings, and he believes there is a great deal of change being made that Mr. Lindemann does not see.

Ms. O’Donnell explained that she feels the conversation has ceased to be productive, and suggested that the committee move to speaking about their current priorities to see what they want to address moving forward. She explained that for example she hopes to unify numbers and narrative to both understand the ‘what’ and the ‘why’ of budget increases.

Ms. Carney said that they need specific data points and that she hopes that data be readily available to understand. She gave the specific example of the local tax counter, asking for specific values for how many of those transactions are performed. She clarified that she is interested in specific usage statistics to help make their evaluations on altering staffing levels.

Mr. Heffernan suggested all members of the committee e-mail him a list of their major concerns so that he could create a master list that the committee could review. He suggested that the committee could attempt to meet in July and reach at least 8 members present.

Ms. Fay asked the committee if they debriefed the ECEC vote after the town meeting vote. She suggested that it could have proven a great opportunity for learning how the town meeting makes their decisions. This was a vote where the committee voted 8-1 against recommending the expenditure and it was approved by town meeting nevertheless. She suggested that they could learn to better communicate with the town meeting the breadth of information that they study.

Mr. Lindemann suggested that the structure of the meeting made it impossible for them to get their point across. Ms. Fay agreed that the committee should look at more opportunities to get their information out ahead of the meeting. Mr. Lindemann suggested that because the finance committee cannot form an advocacy group in favor of or against an article passing, which makes it harder for them to present a unified front at the town meeting. If the finance committee is better informed than the average person at the town meetings, they should be able to get that information across more easily.

Ms. Fay suggested that they could look at nearby towns and how they utilize inter-committee communication. She asked if Ms. Baker had access to that information. Ms. Baker explained that there are different structures across different towns. Some are appointed, some elected, some have open town meetings, and some don’t. It makes it difficult to compare.

Ms. Carney stated that she believes the Finance Committee should be meeting with the board of selectmen more often.

Mr. Lindemann asked if Mr. Heffernan would no longer be the chair of the finance committee. Mr. Heffernan confirmed that he would still be remaining on the committee.

Ms. Baker explained that the committee should get all their requests for information from town employees as soon as possible, because the town hall will be moving mid-to late September.

Mr. Hughes explained that when he spoke with Denise from facilities about his concerns with the agreement between the Parks & Recreation department and Schools for field maintenance, he learned that she had made an increased request that was decreased through the capital budget review process.

Ms. Fay explained that she believes the committee should have the complete list of capital requests, not the list after Mr. Kern makes cuts to the list.

Ms. O’Donnell explained that the finance committee is allowed to sit in on department budget hearings. She finds that the information available at those meetings is extremely valuable.

Ms. Carney explained that these meetings are not always accessible to everybody due to scheduling conflicts. She expressed her interest in pushing the town towards 0-base budgeting.

Mr. Preston explained that the re-organization of the school is the closest we’ve come to zero-base budgeting. Ms. Carney expressed dissatisfaction with our per-student spending in the school department.

Mr. Lindemann explained that making financial decisions about the school is extremely difficult because the school does not seem to approach budgeting from a financially concerned standpoint. He re-iterated concerns with the structure of the Finance Committee.

Mr. Preston moved to adjourn. Mr. Lindemann seconded. It was voted 7-0, Ms. Emery Butler and Mr. Roberts not present.

Committee adjourned