

Town of Fairhaven

Finance Committee

Minutes of the meeting for <April 7, 2016> at the Jeffery W. Osuch BPW Administration Building, 5 Arsene St., Fairhaven, MA

Members in attendance:

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

Members absent:

Ann Ponichtera DesNardis
Thomas Alden

Town of Fairhaven:

Mark Rees- Town Administrator
Wendy Graves- Collector/Treasurer/Finance Director

Meeting was covered by government access television.

Chairman called the meeting to order at 7:03 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 Pat to accept the minutes from March 31, 2016. Seconded by Kathi. Vote: Unanimous

- Chairman distributes copies of a draft letter for the Finance Committee book and FY17 General Budget spreadsheet.
- Chairman states now all recommendations from the Fin Com, for both the Annual Town Meeting and the Special Town Meeting, as well as the Treasurer's letter, will be consolidated into 1 booklet mailed to Town Meeting members.
- The committee reviews the Chairman's draft of the Fin Com letter.
Chairman makes several amendments to the letter, as suggested by members.

- Pat motions to accept the amendments to the letter. Seconded by Kathi. Vote: Unanimous
 - Pat motions to accept the entire letter with the amendments. Seconded by Tracey. Vote: Unanimous
- Mr. Rees states the script, with all the motions that will be read at TM, will be distributed to all TM members,
 - Mr. Rees distributes a spreadsheet highlighting his changes to the FY17 General Fund Budget.
 - Mr. Rees states the Salary Other line includes \$15,000 for a raise he is negotiating with the Selectmen. He states the position was advertised with a salary range, and he was looking towards the higher end of the range. The Selectmen told him there wasn't money in last year's budget for that amount, therefore he settled on a wage reopener in order to obtain that salary for FY17.
 - Discussion of Mr. Rees' salary range.
 - Mr. Rees moves on to the Floater Position at town hall.
Mr. Rees distributes a sheet explaining the position.
Position would be non-union level 7-1 or \$15.34 per hour (approximately 650 hours or 19 weeks).
The position could help out the Assessor's office when needed, cover the Building Dept/Board of Health when the staff is on vacation, and help other depts. as needed.
Position would be controlled by Mr. Rees.
 - Discussion of Assessor's Office staffing.
 - John asks if there would be benefits involved.
Mr. Rees states no.
 - Discussion of how these absences were covered in the past. They were not.
 - Mr. Rees is seeking \$6,000 for a salary survey.
He states last year's Article for the personnel study did not go far enough, and did not compare the jobs to other towns or businesses.
The study only did job descriptions and classifications.
 - Chairman asks if not doing the survey will prevent Mr. Rees from doing his job.
Mr. Rees states some workers are looking to other towns for higher pay.
 - Lisa states her desire to let workers seeking more money, take the higher paying job.
She feels the Town can't afford it, and would rather see an increase go to the Police, Fire, or Schools.
 - Mr. Rees states there is a need to integrate the salaries into the classifications.
 - Pat suggests just running through the changes in the budget first, and moving on, to allow more time for votes.

- Mr. Rees has included \$450 per month for a car allowance.
He states when he was hired the use of a Town car was included in his contract. Once he started the job, it became apparent that the car was unsafe to use.
- He has also included \$4,000 for Due and Professional Development that was included in his contract.
- Mr. Rees has included \$2,000 for office furniture, stating the existing furniture is 30 years old and not adequate.
- Town Accountant: Professional Development has been increased \$365
Audit Expense is down because the OPEB audit doesn't have to be done this year.
- IT Dept.: Mr. Rees has included \$7,700 for Time Leave tracking software.
Discussion of the Tracking software.
- Mr. Rees states IT Minor Equipment includes \$4,800 for printers, \$4,500 to replace battery back-ups, and \$5,400 for Tablets for the Selectmen.
- Bob questions the tablets being in last year's budget.
Mr. Rees states the money amount was not enough to purchase all of them.
- John questions the cost of the tablets.
Mr. Rees states they are purchasing Surface Pros.
- Finance Director: Bank fees are up \$2,500.
- Tax Title: is increased \$10,000 to allow Ms. Graves to pursue more tax delinquent property.
- Chairman asks Ms. Graves about the Treasurer's bond.
- Town Clerk: has a \$3,359 increase to cover the census that the School Dept. used to take care of.
- Salaries & Wages/Elections: is increased \$2,591 to cover the extra election in FY17.
- Assessors: sees a \$535 increase in Professional Development.
- Town Hall: includes \$7,500 for repairs to Town Hall, as well as \$2,250 for curtains for the Town Hall auditorium that would previous had been separate Articles.
- Lisa states her displeasure with Articles, that would have previously been voted on separately, being rolled into the budget.
- Discussion of streamlining the budget.
- Planning & Economic Development: has \$5,000 for the newly formed Economic Study Committee.
Chairman states he would like to see this moved to its own Article.
- Legal Expense: is increased \$35,000 to pay for Labor Counsel services
- Buzzard's Bay Action Comm.: is increased \$380.
- Harbormaster: is increased \$7,125 to pay for Mooring Tracking software.
- Animal Control: shows a \$5,000 increase in Salary to pay for part time help, \$16,535 increase for Vet. expenses, and \$725 increase in Gasoline.

- Board of Health: includes a \$10,000 increase to cover the bi-annual hazardous waste collection.
 - Office of Tourism: shows a \$1,400 increase because of the increase in advertising costs.
 - Ms. Graves distributes a back-up letter for the Cultural Council.
- Discussion and voting of the budget.
 - Chairman states Snow & Ice Removal has been separated back out of the Highway Operations.
 - Moderator: Salary & Wages
 - Pat motions for \$800. Seconded by Kathi. Vote: Unanimous
 - Selectmen/Town Administrator: Salary & Wages
 - Lisa states she is not comfortable with the additional \$15,000.
 - Pat states any money not used will be turned back.
 - Lisa is not happy having the extra available.
 - Chairman asks if the part time position is a need or a want.
 - Pat states there have been no new hires in Town Hall in quite a while, and he is cautiously supportive of the position.
 - Mr. Rees states the only new full time position added is the IT Director.
 - Bob asks if the part time position would be subject to unemployment insurance.
 - Mr. Rees states he does not think so.
 - Pat suggests skipping the controversial votes for now, and move on to the easy votes.
 - Kathi asks Mr. Rees if we will be having a joint meeting with the Selectmen?
Mr. Rees states he hasn't yet spoken to the new Board Chairman.

- Pat motions for the following amounts:

Town Accountant:

Salary & Wages	\$103,101
Operating Expenses	\$43,631

Information Technology:

Salary & Wages	\$42,500
Operating Expenses	\$155,200

Finance Director (Treasurer/Collector)

Salary & Wages	\$307,089
Operating Expenses	\$53,202

Tax Title	\$40,000
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Town Clerk/Elections	
Salary & Wages	\$113,260
Operating Expenses	\$32,394
Assessors	
Salary & Wages	\$145,508
Operating Expenses	\$31,493
Town Hall	
Salary & Wages	\$45,191
Operating Expenses	\$64,467
Town Meeting/Finance Committee	
Salary & Wages	\$1,067
Operating Expenses	\$7,715
Planning Board	
Salary & Wages	\$1,900
Operating Expenses	\$3,905
Planning and Economic Development	
Salary & Wages	\$101,671
Board of Appeals	
Salary & Wages	\$1,560
Operating Expenses	\$3,600
Conservation Commission	
Salary & Wages	\$12,027
Operating Expenses	\$6,120
Buzzard's Bay Action Comm.	\$1,140
Police Department	
Salary & Wages	\$2,933,874
Operating Expenses	\$276,266

Fire Department	
Salary & Wages	\$1,941,863
Operating Expenses	\$203,792
Building Department	
Salary & Wages	\$137,361
Operating Expenses	\$6,349
Harbormaster/Shellfish Inspector	
Salary & Wages	\$85,335
Operating Expenses	\$24,865
Emergency Management Agency	
Salary & Wages	\$1,683
Operating Expenses	\$7,175
Sealer of Weights and Measures	
Salary & Wages	\$6,468
Operating Expenses	\$998
Street Lighting	\$51,000
Fairhaven Public Schools	\$19,385,788
GNBRVT High School	\$2,141,171
Bristol County Aggie HS	\$30,000
Highway Division	
Salary & Wages	\$931,704
Operating Expenses	\$1,149,596
Snow and Ice Removal	\$50,000
Tree Warden Department	
Salary & Wages	\$38,180

Operating Expenses	\$16,635
Board of Health	
Salary & Wages	\$121,714
Operating Expenses	\$574,757
Council on Aging	
Salary & Wages	\$139,093
Operating Expenses	\$32,922
Veterans Services	
Salary & Wages	\$44,805
Operating Expenses	\$892,100
Commission on Disability	\$1,300
Rape Crisis Project	\$2,000
Millicent Library	\$635,351
Recreation enterprise Fund G.F. Contribution	\$67,200
Parks Division	
Operating Expenses	\$23,419
Office of Tourism	
Salary & Wages	\$53,451
Operating Expenses	\$23,800
Fine Arts	\$1,200
Historical Commission	\$10,000
Memorial Day	\$2,550
MA Employment Security	\$120,000
Town Insurance	\$672,785

Medicare	\$331,000
Reserve Fund	\$100,000
Debt	\$2,503,294
Interest on Debt	\$367,193
Interest on Temp Loans	\$60,000

And further to transfer to the General Fund

Waterway Funds	\$54,125
Ambulance Funds	\$956,359
Title 5 Receipts	\$20,700
Wetland Protection Fund	\$4,000
Council on Aging-Social Day Program	\$36,000
Animal Control Gift Account	\$6,000
Storm Water Subdivision Fees	\$9,847
Overlay Surplus	\$80,000
Sewer Enterprise Fund Indirect Costs	\$546,724
Water Enterprise Fund Indirect Costs	\$394,443

Art. 6: FY17 Sewer Enterprise Fund Operating Budget

Salary & Wages	\$927,654
Operating Expenses	\$1,180,630
Indirect Costs from General Fund	\$546,724
Debt	\$291,990
Interest on Debt	\$82,416
Interest on Temp Loans	\$152,200

And further to transfer to the Sewer Enterprise Fund

Sewer Enterprise Retained Earnings	\$218,000
Sewer Betterment-West Island	\$13,297
Sewer Betterment-Boulder Park	\$6,843
Sewer Betterment- Nancy Street	\$3,643
Sewer Betterment- SN Road	\$15,854

Art. 7: FY17 Water Enterprise Fund Operating Budget

Salary & Wages	\$539,034
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Operating Expenses	\$374,377
Water District	\$1,183,203
Indirect Costs from General Fund	\$394,443
Debt	\$47,644
Interest on Debt	\$18,008

Art. 8: FY17 Recreation Enterprise Fund Operating Budget

Salary & Wages	\$153,340
Operating Expenses	\$171,770
And Further to Transfer to the Recreation Enterprise Fund	
General Fund Contribution	\$67,200
Recreation Enterprise- Retained Earnings	\$12,910

- Lisa seconds all the above amounts. Vote: Unanimous

8:21 PM. Scott abstains and leaves meeting. Pat takes over as Chairman.

- Contributory Retirement
 - Kathi motions for \$2,799,586. Seconded by John. Vote: Unanimous
- Group Insurance
 - Kathi motions for \$3,771,000. Seconded by John. Vote: Unanimous

8:23 PM. Scott rejoins meeting as Chairman.

- Selectmen/Town Administrator
 - Salaries & Wages
 - Pat motions for \$322,072. Seconded by Chairman.
 - Lisa motions for \$307,072. Seconded by Kathi.
 - Discussion of the extra \$15,000 and the floater position.
 - Pat's motion for \$322,072 passes 5 to 2, with Lisa and Kathi opposed.
- Mr. Rees states if less than \$15,000 is approved in his contract, he will turn back the balance at the fall Town Meeting.

Operating Expenses

- Discussion of the Salary Survey.
- Pat states he was in favor of having a strong TA position and thinks we should give Mr. Rees the tools he needs to do the job
 - Pat motions for \$43,701. Seconded by Tracey.

- Chairman motions for \$37,701. Seconded by Kathi.
- Lisa asks if we are increasing the percentage of spending, from previous years?
Chairman states this year we are up to 87% of Local Receipts from the 80% of the previous years.
States Mr. Rees is using Free Cash only for 1 time purchases, as opposed to using it to balance the budget as in previous years.
- Lisa asks if this is sustainable?
Chairman states Mr. Rees is using more realistic Revenue numbers than in previous years. This is a different philosophy in budgeting.
- Lisa asks about going after properties for nonpayment of taxes.
Ms. Graves states that is the reason for the increase in Tax Title.
- Bob states he is in support of Pat's motion and funding the survey, but if it finds that workers are underpaid, we can't always afford to pay more.
- Mr. Rees states the survey may find that some workers are overpaid.
- Lisa asks if this includes Police & Fire.
- Mr. Rees states the unions will do their own surveys as part of their negotiations.
 - Vote on Pat's motions for \$43,701: motion fails Bob, Pat, and Tracey in favor, Kathi, Lisa, John, & Scott opposed.
 - Vote on Scott's motion for \$37,701: motion passes Scott, Kathi, Lisa, John in favor, Bob, Pat & Tracey opposed.
- Planning & Economic Development
 - Operating Expenses
 - Removal of the \$5,000 for the Economic Development Committee from the budget.
 - Pat motions for \$15,325. Seconded by Lisa. Vote: Unanimous
- Economic Development Committee
 - Mr. Rees states he is looking at different models of committees so they can decide on a direction.
 - Mr. Rees states the committee has not met yet.
 - The main focus is to expand the tax base.
 - Mr. Rees states the committee will need money to get started.
 - Chairman states he would like to see a plan before funding it.
 - Pat motions for \$5,000. Seconded by Bob.
 - Further discussion of the committee.
 - Pat asks if we will have a plan by Town Meeting.
Mr. Rees states no.
 - Mr. Rees suggests waiting for a joint meeting with the Selectmen.

- Pat rescinds his motion. Bob rescinds his second.
- Legal Expense
 - Pat motions for \$170,000. Seconded by Bob.
 - Lisa asks if this includes the Labor Counsel.
Mr. Rees states yes.
 - Lisa asks if this will be used for any litigation?
Mr. Rees states he knows of no cases filed against the Town.
 - John asks if this includes tax title.
Ms. Graves states that is separate.
 - Mr. Rees states the labor counsel would be used to advise him about negotiation items and personnel items as they come up. The labor counsel would not necessarily be at the bargaining table.
 - Vote on Pat's motion for \$170,000: Unanimous
- Animal Control
 - Discussion of the \$9,000 part time position.
 - Lisa states the adoptions will never cover the expenses.
 - Pat states it would be helpful to have an updated revenue sheet to see what the ACO is bringing in.
 - Mr. Rees states he will provide.
 - We will wait to vote.
- Public Works Administration
 - Discussion of Mr. Furtado's increase included in salary.
 - Discussion of the Minor Equipment items.
 - Operating Expenses
 - John motions for \$21,066. Seconded by Pat. Vote: passes 6-0, with Kathi absent
 - Salary & Wages
 - John motions for \$168,340. Seconded by Pat. Vote: passes 6-0, with Kathi absent
- Parks Division
 - Chairman references the email with grass cutting acreage.
 - Part time position would be a summer hire.
 - Chairman states the Parks Dept. does not cut Hoppy's Landing.
Salary & Wages
 - Lisa motions for \$96,610. Seconded by Pat. Vote: Unanimous
- Stabilization Fund
 - Chairman states we added nothing last year and he would like to see something added this year, and see less added to OPEB.
 - Bob asks Mr. Rees if we are at a good percentage in the Stabilization Fund now.

- Mr. Rees states, with the Capital Stabilization Fund now, he is comfortable with where we are with the Stabilization Fund.
- Chairman states we presently have \$2,877,000 in the Stabilization Fund. 6.3% of budget.
 - Pat asks about future plans for OPEB.
Mr. Rees states his intention would be to build the amount incrementally each year.
 - Pat asks what other communities are doing.
Mr. Rees states it depends on the wealth of the community.
 - Pat motions for Stabilization Fund \$0. Seconded by Tracey. Vote: Unanimous
 - OPEB
 - Pat motions for \$100,000. Seconded by Tracey. Vote: Unanimous
 - Wage & Salary Reserve
 - Chairman suggests \$150,000. Contracts are not negotiated yet.
 - Lisa clarifies it can only be used for Salary.
 - Mr. Rees states negotiations will not take place until after TM.
 - Pat asks how Mr. Rees has handled this in the other communities he has worked?
Mr. Rees states some communities use the Reserve, some put it in the individual line items.
 - Mr. Rees feels this way offers full disclosure.
 - Discussion of Town Hall workers being included in this.
 - Lisa states she thought this was just for Police & Fire.
 - Discussion of the amount.
 - Pat motions for \$300,000. Seconded by Tracey.
 - Kathi motions for \$150,000. Seconded by John.
 - Vote on Pat's motion for \$300,000: motion passes Pat, Bob, Lisa, Tracey in favor. Scott, Kathi, John opposed.
 - Art. 6 Sewer Reserve Fund
 - Pat motions to Hold. Seconded by Lisa. Vote: Unanimous
 - Art. 7 Water Reserve
 - Pat motions to Hold. Seconded by Lisa. Vote: Unanimous
 - Article 34- Legislative Article Amendments- BPW and Town Administrator
 - Pat motions to Recommend Adoption as Written. Seconded by Lisa. Vote: Unanimous
 - Article 27- Transfer from Surplus Revenue

- Pat motions to Recommend Indefinite Postponement. Seconded by John. Vote: Unanimous
- Article 13- State Aid to Highway
 - Pat motions to accept and appropriate \$530,000 of State Aid. Seconded by Lisa. Vote: Unanimous
- Cultural Council
 - Discussion of some of the expenditures being out of town.
 - John motions for \$2,500. Seconded by Tracey. Vote: Unanimous
- Chairman states the Selectmen have approved the STM Warrant, and we will vote on it next week.
- Draft contract for the Oxford School sale is on the Town website.
- Talk again of joint meeting with the Selectmen.

9:57 PM. Pat motions to adjourn. Seconded by John. Vote: Unanimous

Respectfully submitted by:

Robert A. Furtado
Finance Committee Secretary
(accepted 4-14-2016)