

Town of Fairhaven

Finance Committee

Minutes of the meeting for <January 18, 2018> at the Jeffery W. Osuch BPW Administration Building, 5 Arsene St., Fairhaven, MA

Members in attendance:

Padraic Elliott, Robert A. Furtado, Kathi Carter, Lisa Plante, Bernard F. Roderick, Tracey Diggins, Thomas Alden, Jessica Dwelly

Town of Fairhaven:

Mark Rees- Town Administrator

Wendy Graves- Collector/Treasurer/Finance Director

Vincent Furtado- BPW Superintendent

Meeting was covered by government access television.

Chairman Pat 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 Lisa to accept the minutes from June 8, 2017. Seconded by Tom. Vote: Unanimous

- Mr. Rees presents the committee with a packet of information that includes the Board of Selectmen FY18-19 Budget Policy Statement, Board of Selectmen FY19 Policy Goals & Objectives, information about possible budget shortfalls, and a Sewer Reserve Fund transfer request.
 - Mr. Rees runs thru the information in the packet. States the budget is structurally balanced.
 - Chairman asks about a percentage of increase in the budget.
Mr. Rees states that will be driven by the revenue numbers.
- Mr. Rees presents letters from departments anticipating budget shortfalls.
 - Mr. Rees reviews a letter from Chief of Police Michael Myers stating they have 2 Sergeants and 2 Officers out because of surgeries. This creates extra overtime.

One Officer has also left to join the Taunton Police Dept. and now his cash out must be paid.

There is also a Dispatcher that is out because of health issues that also creates overtime.

- Mr. Rees reviews a letter of Fire Chief Timothy Francis stating a budget shortfall because of unforeseen vacancies.

After shifting money between categories he still sees a shortfall of \$25,000 for the fiscal year.

- Mr. Rees reviews a letter from Health Agent Mary Freire-Kellogg. She states, that because of the current situation with disposing of recyclables, she anticipates a shortfall of \$73,000.

Mr. Rees states recycling prices have increased because of the China market.

Mr. Rees states we have a contract with ABC Disposal, but if we hold them to the contract and they go out of business, other haulers are more costly than ABC.

Mr. Rees states they are working with the DEP to educate people about cleaning recyclables.

- Mr. Furtado appears before the committee requesting a Sewer Reserve Fund transfer in the amount of \$50,000.
 - Mr. Furtado states last year's budget included \$50,000 related to the EPA Nitrogen Permit.

He states that the legal and engineering fees will be well over \$100,000. He has shifted some money from other categories, but still needs to request the transfer of \$50,000.
 - Mr. Furtado states it will take 7 to 8 years to upgrade the plant to meet the new level. The EPA wants to fast track compliance to 2-3 years.
 - Mr. Furtado states the Town needs legal and engineering assistance to negotiate bringing the plant into compliance.
 - Mr. Furtado states this compliance has nothing to do with the \$5,000,000 worth of improvements that have already been approved for the plant. Those are strictly maintenance for the plant that runs 24/7.
 - Mr. Furtado states that the study the EPA is using to set the nitrogen level was done 15 years ago.

He would like to see the numbers now that Acushnet has more homes on sewer and New Bedford has reduced the combined sewer overflow.
 - Mr. Rees states he feels this is short money to reduce costs that affect the rate payers.
 - Discussion of the permit and negotiating compliance.
 - Mr. Rees states if the Town does not agree with the requirements, the matter would go to Administrative Court in Washington, DC and their decision would be mandatory.

- Bernie motions to transfer \$50,000 from the Sewer Reserve Fund to Sewer-Purchase of Services- Contracted Services. Seconded by Lisa. Vote: Unanimous

- Mr. Rees runs down his spreadsheet of revenue projections.
Discussion of new growth.
- Discussion of the budget calendar.
- Chairman asks Mr. Rees about our meeting schedule.
 - Mr. Rees recommends starting on February 15, 2018 and meeting every Thursday after that. Meetings will remain at 7:00 PM.
- Chairman states this is the 3rd budget to be prepared with the Town Administrator system in place.
 - Mr. Rees discusses the Fin Com's responsibility in the budget process.
 - Chairman advises members to request additional information on any budget issues, if they feel they need it.
- Chairman states we will go around the table, and allow each member to address any suggestions or concerns they have with the budget process.
 - Bob states he is happy Mr. Rees stated earlier in the meeting that we would be receiving more of a detailed breakdown of budget categories.
He states he would like to receive the information earlier, to allow review before the meetings. Receiving an email the night before the meeting does not provide adequate time to review the information.
 - Lisa shares concerns she has with some budgets growing without knowing if they can be sustained.
She uses the Fire Dept., Animal Control, and School Dept. as examples of concern she has for depts. growing too large for the Town.
 - Kathi states she also likes the idea of receiving more information.
 - Bernie states he likes the streamlining of the system that has taking place.
 - Tom states he likes the idea of receiving more information and would like to take it further by being able to go to departments and research items of concern. He states he has had a problem with some depts. returning his phone calls.
Mr. Rees tells Tom to call him if this happens and he will take care of it.
 - Tracey states, being new to the committee, it has been a good experience so far. She would also like to receive the information earlier before meetings.
 - Jessica asks if an internal audit of the Town depts. is done regularly?
Mr. Rees states that the Town Accountant provides quarterly reports of expenditures in departments.

Jessica questions the injuries in the Police Dept. and asks if HR dept. will be reviewing that.

Mr. Rees states the HR dept. is new and will be reviewing these issues.

- Chairman asks Mr. Rees if all members could be copied on emails, so they could receive any information as soon as it is available.

Mr. Rees states he will see to it.

Chairman also asks if we could receive nonemergency Reserve Fund transfer requests early, so members could look into the issues before voting.

Chairman expresses concern for balancing needs versus wants with budget issues. He states he doesn't want to get to the point that we are having layoffs if the economy experiences a downturn.

- Discussion of not always having to raise taxes the maximum 2 1/2% each year.
- Tom asks Mr. Rees what Capital Projects he sees coming in the future.

Mr. Rees asks that we wait until he presents this year's Capital Plan before discussing it.

- Chairman thanks Mr. Rees for this discussion.
- Next meeting will be February 15, 2018 at 7:00 PM.

8:21 PM. Lisa motions to adjourn. Seconded by the Tom. Vote: Unanimous

Respectfully submitted by:

Robert A. Furtado
Finance Committee Secretary
(accepted February 15, 2018)