October 15, 2019

Finance & Warrant Committee Meeting Minutes

Chairman Kevin Preston, Vice Chair David Roberts, John Heffernan, Michael Leahy, Kevin Hughes, Beth Pierce, Susan Fay, Marty Lindemann, and Michelle Persson Reilly present.

Mr. Preston called the meeting to order at 6:35. He opened the meeting with the opportunity for public comment unrelated to items on the agenda. There was no general public comment.

Mr. Preston noted that while Article 2 is on the agenda, there are no prior bills to discuss.

Mr. Preston moved the discussion to Article 5, pertaining to the Dedham Village Cemetery. Ms. Kehoe took the floor along Ms. Terkelsen to speak on behalf of the article. She stated that the complete restoration of the Village Avenue Cemetery will take approximately $600,000. She feels that the cemetery has seen a vast improvement in recent years, but knows there is more work to be done.

Ms. Terkelsen pointed out that evaluating this expense to capital projects has been difficult in recent years. However, she noted that there is a special revenue fund for the sale of cemetery lots in town. Portions of that fee get put towards perpetual care and other purposes, but a sizeable portion goes to this special revenue fund, known as a receipts reserve for appropriation. Taking money out of that fund requires the permission of Town Meeting. Ms. Terkelsen feels the restoration of the Village Cemetery would be a valuable use of this fund which currently has a balance of $101,000.

Mr. Preston asked what the sources of revenue were for this fund. Ms. Terkelsen answered that it comes from the sale of any cemetery lots in Dedham. Mr. Preston asked how much of this fund Article 5 requests appropriating. Ms. Terkelsen answered $100,000. She does not feel there are any other appropriate uses for this money right now.

Mr. Roberts asked if this special revenue fund has been used in the past. Ms. Terkelsen answered no, as far as she can find. It has been accumulating funds essentially since its creation.

Mr. Preston asked the annual income on the fund. Ms. Terkelsen answered that information on our Cemetery rates is the domain of its respective commission. She also noted that income on the perpetual care fund can also be used for maintenance.

Mr. Heffernan asked about the language used around the creation of the fund. He raised the concern that without that information, we could accidentally violate the statute of this fund.

Ms. Persson Reilly asked how the division of funds from the sale of cemetery lots is calculated. Ms. Terkelsen answered that that is the providence of the cemetery commission. Ms. Persson Reilly asked if this money was sufficient to cover the perpetual care of our cemeteries. Ms. Terkelsen answered no; it has never been enough to maintain the cemeteries to the degree they require. Typically the perpetual care fund functions as a trust fund, spending from the interest profits and not touching the principal.

Mr. Hughes asked how much money entered this fund in the last year. Ms. Terkelsen stated that she does not have that exact number. She explained that this is only a piece of the cost paid when somebody buys a cemetery lot, representing a small amount of each sale. Mr. Flanagan agreed to provide that information at a future date. Most of the money from the sale of plots goes into the general fund, with only a small piece going into the fund in question.

Ms. Fay noted that these funds aren’t used to care for the cemetery. Ms. Terkelsen pointed out that this particular fund has not been, no. Ms. Fay asked the last time any money was spent out of this specific fund. Ms. Terkelsen answered that she has been unable to find any expense history from this fund.

Mr. Lindemann asked what Ms. Kehoe expected to be accomplished with $100,000. Ms. Kehoe replied that she believes the project will represent $600,000 all told. Mr. Flanagan answered that there has been $400,000 raised by the Friends of the Village Cemetery, which has not been used by his department yet. Work has begun, including restoring the gate and some historic plots.

Mr. Lindemann asked for clarification on the distinction between ongoing maintenance and the restoration project. He asked how much just the restoration is expected to cost. Ms. Kehoe stated that is what she believes the $600,000 will cover. She hopes to eventually create a care account to maintain the cemetery going forward after the restoration.

Mr. Heffernan asked when the restoration project would begin if $400,000 has been fundraised thus far. Ms. Kehoe deferred to Joe Flanagan of the Department of Public Works. Ms. Terkelsen reminded the committee that because this is a government action, it has to go out to bid. Mr. Flanagan stated that a recent estimate bid effort returned immensely high numbers, as the city of Boston had given out major grants for cemetery restoration recently which drove the prices extremely high. Mr. Heffernan asked if this money was appropriated for Article 5, Joe Flanagan would move forward with a bid next year. Mr. Flanagan answered yes.

Mr. Preston asked about the split between publicly generated and town generated funds. Ms. Kehoe noted that of the $400,000, $50,000 was contributed by the town.

Ms. Fay asked if it was appropriate for the town to contribute money to a 5013C fundraising organization. She asked how Mr. Flanagan would be managing the bid process. He explained that the money is expected to be gifted to the town of Dedham and then appropriated by the boards. Ms. Fay noted that she finds the distinction between public and private money to be somewhat blurred in this matter. However, she feels the Cemetery fund to be an appropriate source.

Mr. O’Neil took the floor on behalf of Article 7. He explained that he brought this article forward to create a residential exemption for residents that occupy and own their home, creating a sliding scale from 2%-10%. Rising home values in Dedham are having a serious impact on residents.

Mr. Preston summarized the residential exemption statute. He noted that the reduction in taxes paid by the people benefitting from it would increase the taxes paid on other residents.

Mr. Preston reminded the committee to review the impact per parcel of this article.

Mr. Henderson explained that the percentage based sliding scale is why this article requires special passage, because a statute exists to allow something similar.

Mr. Lindemann asked for clarification on who would be paying the freight on this change. Mr. Henderson explained that this would functionally increase the residential tax rate. The current allowable law subsidizes lower and moderate income homeowners. He suggested that the plan of Article 7 would benefit those of higher-income.

Mr. Heffernan explained that this is different from the existing MA legislation that appears similar.

Ms. Terkelsen noted that she has worked in a town that created a similar legislation allowing a shift for seniors. This is a shift in tax burden, not a reduction in taxes. If done incorrectly, this can be deemed unconstitutional. Towns that have adopted the state residential exemption and then stopped using it see a “rebound” in the taxes for those affected. Ms. Terkelsen suggested that the wording of this exemption may not be optimal; there are other Residential Exemptions that have been done in other communities that may better accomplish the goal.

Mr. Preston synopsized the concept of regressive taxes, which property taxes generally are. Mr. Lindemann cautioned against pinning property value to income, which is not always true. Mr. Henderson pointed out that because of the wording of this article, if the owner of an apartment building lived in it, they could apply for a residential tax exemption on the property. Mr. Henderson stated that he feels something should be done about rising property taxes in Dedham, but he does not believe this is the solution.

Mr. Roberts asked if the Board of Assessors has put forward any similar articles recently. Mr. Henderson answered no.

Ms. Fay asked if the wording of this Article was standard for articles with similar goals. Mr. O’Neil answered yes.

Ms. Terkelsen explained that Hamilton and Sudbury who put forward similar legislation both contained means testing in their special legislation. Hamilton’s goal was shifting tax burden off seniors. The state level committees that looked at Sudbury put a sort of moratorium on the development of similar legislation in other communities.

Ms. Terkelsen stated that she feels you need a more specific, narrow method of shifting tax burden, or you can wind up shifting truly huge amounts of tax burden that is unsustainable.

Mr. Preston asked what would happen if town meeting approved this article. Ms. Terkelsen explained that would represent approving the language for the appeal for special legislation at state level. Mr. Preston noted that the selectmen currently have the power to put the existing state Residential Tax Exemption statute into place. Ms. Terkelsen noted special legislation would require a town vote.

Mr. Henderson explained that the current residential exemption program requires applications from each individual seeking exemption. Mr. Leahy noted this would likely create a considerable processing expense.

Mr. Lindemann raised issue with the lack of specific groups benefiting from Article 7, such as Hamilton specifying seniors.

Ms. Terkelsen reminded the committee of a senior-targeted exemption that was indefinitely postponed in recent history in order to see where the state came down on the matter. However, a lack of interest from the MA Department of Revenue seems to have stymied development of alternative Residential Exemption programs.

The committee moved to discussion of Article 8. Article 8 has been put forward by Marie-Louise Kehoe on behalf of the 375th Anniversary Committee. This article pertains to appropriating leftover funds from a commemoration of the town’s 375th anniversary to the construction of a granite fountain at the Endicott estate. Ms. Kehoe explained that there were leftover funds from a previous fundraising effort. Ms. Terkelsen clarified that because this money is in a celebration fund, the remaining balance legally needs to be closed out to the general fund. This helps to prevent money getting stuck in funds that cannot be legally used for any purpose. Ms. Terkelsen explained that the excess funds in question from 2011 were closed out into free cash in roughly the amount of $70,000. There has already been an appropriation made from free cash for $25,000 for a similar purpose. Ms. Kehoe explained that this request is to provide the majority of the funds for the construction of this fountain in the amount of $45,000.

Mr. Roberts asked if this would have to go through a bid process. Ms. Terkelsen answered yes.

Ms. Persson Reilly asked if any cost of this $45,000 would come from private funds. Ms. Kehoe answered yes.

Mr. Preston noted that there is no legal obligation for this money to be used at the behest of the 375th Anniversary Committee. However, because they raised it, there seems to be a moral obligation to use those donated funds according to their wishes.

Mr. Lindemann raised the concern that our loose grasp on the total cost could result in surprise costs in the project. Ms. Terkelsen noted that this is not a typical project and she is not as concerned about the estimate being more complete. Mr. Lindemann asked what influenced their choice of placing this at the Endicott estate, when there is new public space being created at the new town hall and new public safety building. Ms. Kehoe answered that they gave great consideration to this project, but the fountain adds a notable new facet to the Endicott estate. The Endicott estate was also the host of the 375th anniversary celebration.

Ms. Kehoe acknowledged the unusual nature of the request and thanked the committee for their time.

Ken Cimeno, Jeremy Rosenberger, and John Sisson took the floor to speak on behalf of Article 10, which they put forward as the Building Commissioner, Planning Director, and Community Development Director. Mr. Rosenberger explained that this Article is to request funds to redo the town’s infamous Sign Code. There are several boards regulating zoning and signage. He wishes to ensure that our sign code is not open to lawsuits pertaining to first amendment rights. He has already received advice from neighboring towns that have recently updated their sign code.

Mr. Rosenberger distributed a letter from Peter Zahka, a Dedham lawyer who has often provided assistance to businesses in navigating our sign code.

Mr. Cimeno explained that the initial adoption of our sign code was borrowed and is unusually worded and strangely formatted. They plan to take the confusing, arbitrary, and wordy document and create a more useful and legible form. Because of the complexity of the current sign code, many proposals go to the board of appeals. Many of these appeals are routine, and they hope to add wording covering them to the base sign code. This can send business owners to multiple meetings, boards, and appeals that place an undue strain on the applicant.

Mr. Roberts asked what the financial ask of this Article is. Mr. Rosenberger answered $35,000. He expects to do outreach and consultation on the generation of the sign code.

Mr. Preston asked when they expected the revised sign code to be finished. Mr. Sisson estimated that it would be submitted at fall town meeting.

Mr. Sisson noted that this sign code is particularly burdensome on “mom-&-pop” businesses, which have to handle things themselves and cannot contract out the work

Mr. Lindemann asked how many sign requests are made in a year. Mr. Cimeno estimated between 100 and 150. Signs under a sign program are exempted from our typical process. Mr. Lindemann asked if this was a matter of modern sign technology outpacing sign code language. Mr. Cimeno replied that they have made small changes to respond to changes in technology, but particularly in-depth electronic signs are not part of our current sign code because no applicant has attempted to install such a sign in Dedham.

Mr. Lindemann stated an expectation that the appeals based around certain problematic wording should be collated to make a necessary change obvious. He asked why these aren’t updated in real-time as a response to the appeals.

Mr. Rosenberger noted that our 30+ page Sign Code is the result of an amalgamation of these piecemeal changes but no longer serves a greater whole.

Mr. Lindemann asked the length of the Braintree Sign Code. Mr. Rosenberger answered roughly 8 pages.

Mr. Leahy asked about the four examples from Mr. Zahka’s email, which seem to him to be issues with somewhat archaic topics. He asked if the goal is to simply make a laxer sign code to reduce appeals or do a true modernization. Mr. Rosenberger explained that there will always be issues that require appeals but the goal is to make a modernized sign code.

Mr. Cimeno explained that his goal is to fix things that are wrong, bring the language into the 21st century, and fit our needs for the current business of signage.

Ms. Persson Reilly, who personally went through the sign code application process, emphasized the difficulty going through the process and expressed support for revising it. She asked about the price point and plan for the update. Mr. Rosenberger replied that both estimates he received were at $35,000.

Mr. Lindemann asked about studies that have been done recently and if this estimate is based on a pretest from the consultant communities. Mr. Rosenberger answered that it is based on comparable municipalities.

District 5 Town meeting Member Keith Hampe took the floor on behalf of Miracle of Coffee, LLC, doing business as Big Bear Coffee and Espresso Bar, to present Article 16. Big Bear Café is located at the heart of Dedham Square, and there have been frequent requests from patrons for the service of wine or craft beverages. This article is a request for one additional license for the sale of Beer & Wine to be drunk on the premises.

Currently, there are 10 similar liquor licenses in Dedham Square alone, including full licenses. There are 11 similar licenses in Legacy Place. In fact, a coffee business across the street has one such license. This license will not reflect a change in the operating hours of the business.

Mr. Preston asked if this business has outdoor seating. Mr. Hampe answered yes, but he does not believe this license would allow liquor at those outdoor seats.

Mr. Lindemann raised the concern that this could be difficult to police. Mr. Hampe answered that other businesses have the same challenges. The business owner would be subject to any laws or restrictions coming with this license.

Mr. Roberts asked the seating capacity of Big Bear Café. Ms. Persson Reilly estimated 20.

Mr. Leahy asked if this was purely motivated by the need to stay competitive. Mr. Hampe replied that the business owner feels she is losing business for want of this license. He also clarified that this is site-specific and non-transferable.

Mr. Preston asked about similar requests that have happened recently. Mr. Hampe explained that the goal of these non-transferable licenses is often to stay competitive. Mr. Preston raised the concern that this special licensing process seems closed and may come as a surprise to nearby businesses. Mr. Hampe stated that he has seen sizeable community response to this request, and he in particular believes the Dedham Square Circle tends to spread news of this sort fairly quickly.

Ms. Fay asked for the big Bear café’s hours of operation. Mr. Hampe listed them, closing at the latest at 8pm on Saturday. Mr. Hampe explained that they would definitely accept a restriction allowing liquor sales only after noon. Ms. Fay asked if those restrictions existed on businesses. Mr. Hampe replied that serving hours are restricted by state law.

Ms. Fay asked if Dedham Diner had received a liquor license. Mr. Hampe explained that they have been approved but have not received the license yet.

Mr. Preston raised the issue of the Spring meeting minutes. The committee agreed to discuss them at a later date.

Mr. Lindemann motioned to adjourn, Mr. Heffernan seconded. The meeting was adjourned 9-0 at 8:44.