Finance and Warrant Committee Minutes

December 6, 2018

Dave Roberts, Cecilia Emery Butler, Kevin Hughes, Beth Pierce, Kevin Preston, John Heffernan, and Michelle Persson Reilly present.

Kevin Preston called the meeting to order at 6:37. He provided an opportunity for public comment, and there was none.

Mr. Heffernan motioned to approve the minutes from October 18, 2018. Ms. Emery Butler seconded with the note that Russ Poole should be attributed as Chairman of the Bylaw Review Committee. It was voted 7-0.

Mr. Heffernan motioned to approve the minutes from October 30, 2018 with changes to a numerical error on Article 15 and an attribution error on Article 11. Ms. Emery Butler seconded. It was voted 7-0.

Mr. Heffernan reported on the results of the Benchmarking subcommittee. He summarized their approach to data in 3 categories: trending information, readily accessible information, and benchmarking data. He suggested the idea of splitting departments up across different years. Furthermore, to split Police, Fire, and Public Works to ensure they do not fall in the same year.

Mr. Kern agreed that the process can be refined to improve its use to the committee while also making it easier on the departments.

Mr. Preston asked Ms. Emery Butler for any input she had from the subcommittee meeting.

Ms. Emery Butler explained she was happy with the plan but has some concerns she would share later in the planning process.

Ms. Persson Reilly said that she had suggested only really zooming in on a particular department if there was alarming macro data. She also suggested there may be a few key datapoints that should be collected every year.

Mr. Preston asked about the absence of salary data from the benchmarking plan. Mr. Kern explained that it could be difficult to categorize groups of employees for comparison. Mr. Preston agreed that similar job titles could be different functional departments between two towns.

Mr. Preston asked how they planned to categorize healthcare costs. Mr. Kern pointed to the benefits section, which is planned for the first benchmarking cycle.

Mr. Heffernan pointed to rubbish as an important category to benchmark. Mr. Kern answered that the situation is complex, but the town decided to stay with their current vendor instead of going out to bid. Changes to Chinese recycling laws have made the cost associated with contaminated recycling grow immensely while the market develops. There is going to be a cost associated with decontaminating recycling. To meet the Chinese contamination requirements you need to reach 0.5% contamination levels. Dedham currently averages around 20-30% contamination. Mr. Kern explained that some towns have reached below 10% by implementing enforcement and fines for submitting contaminated recycling.

Ms. Persson Reilly raised the concern that when someone is punished for recycling they could move to just throwing things out.

Mr. Roberts asked about the financial impact of this problem. Mr. Kern answered that it is over a 15% increase to the cost of our rubbish disposal bill.

Ms. Terkelsen explained that there is at least room for improvement in these rubbish disposal costs. Mr. Kern explained that the change with the incinerator road transfer station has not had a meaningful effect on this.

Ms. Emery Butler mentioned that Milton uses a “Pay-as-you-throw” model where you have to pay for trash bags.

Mr. Kern explained that in a previous town where he worked, the change to pay-as-you-throw shrank the cost of the rubbish enterprise by nearly half. Part of this is the reduction in non-taxpayers taking advantage of the trash disposal.

Mr. Heffernan agreed that he sees an opportunity to change our policy on bulk item pickup and bin policy. He asked about the cost of enforcement for violating recycling rules. Mr. Kern answered that it pays for itself.

Mr. Preston asked when the committee could expect to see proposed changes to the rubbish disposal program. Mr. Kern answered that it will be going before the Selectboard in January.

Ms. Emery Butler said that she expects to see opposition to any changes in the trash policy that are seen as limiting.

Mr. Preston moved the conversation back to the benchmarking process. He asked if anyone on the committee had comments on the every 3 year structure for departments.

Ms. Emery Butler raised the concern that changes in department staffing could lead to the new staff not knowing how to replicate the benchmarking done by previous employees, making it harder to cross-compare the data.

Ms. Terkelsen suggested meetings need to be held at the department head level to get everyone on the same page. This should help build consistency. She also suggested a change in what we consider budget documents. She feels there should be more information provided in the budget document by department. In particular, the school department will need to be informed what format their data should be presented in. She suggested a baseline change to the format of budget documents.

Mr. Heffernan asked if there were instances where the committee was given information that the department leadership did not have or were not aware the committee would have. Mr. Kern suggested that different department heads have different approaches to their budget presentations. Some are more data driven.

Mr. Heffernan asked if Mr. Kern saw benefit to a benchmarking subcommittee to address each year’s departments. Mr. Kern agreed that it could be valuable to increase communication.

Ms. Terkelsen emphasized the value of creating and sticking to a schedule for the benchmarking process.

Ms. Persson Reilly agreed with the need to create a schedule. Mr. Kern suggested the benchmarking be done between budget seasons. Mr. Preston agreed it would be valuable to have benchmarking data when reviewing budgets.

Mr. Kern explained the preparation of his proposed benchmarking schedule.

Mr. Roberts asked that the Town Clerk be included. Mr. Kern agreed.

Mr. Preston asked if it would be possible to update the benchmarking data that was provided the previous year. Ms. Terkelsen explained that that is not feasible. She suggested that requests from the committee could be passed on to the departments.

Mr. Preston requested that they request data from select departments whose benchmarking felt incomplete last year. He suggested that the information they are looking for is data that can be compared to peers of similar departments.

Mr. Hughes asked if the Finance and Warrant committee was asking town employees for too much. Mr. Kern answered no, the issues with the benchmarking were largely just requests that were lost in translation. Issues they may have with data are not because they didn’t take the request seriously, but rather because they were not certain what to provide.

Mr. Roberts suggested outreach could help. Mr. Kern replied that a subcommittee would be valuable for this.

Ms. Persson Reilly agreed with the plan to do a “year 0” followed by a “year 1.” However, she strongly feels that there are certain datapoints that need to be collected every year to get a macroview of the operation of the town. She suggested that the departments should be maintaining their own data on a yearly basis but only collect data from other towns for benchmarking on the 3-year schedule.

Ms. Pierce asked if the departments were expected to provide self-comparative trending data. Mr. Kern answered that prior to the benchmarking initiative, no, but some trending data was collected and can be used going forward.

Ms. Terkelsen pointed out that not every department head considers the same elements of their budgets in the same way the finance and warrant committee does. This is why clear communication on the expectations of the Finance and Warrant committee is so important.

Mr. Preston emphasized that he feels the Department heads are in the best position to determine their most important datapoints.

Mr. Kern agreed on the value of the benchmarked data in better understanding individual departments responsibilities.

Mr. Hughes expressed frustration at not being able to see reimbursements for certain departments, like the veteran’s services department.

Mr. Preston asked if new permitting software was going to be upcoming. Mr. Kern answered that it’s a complex issue with different departments involved.

Ms. Emery Butler asked which departments Mr. Preston considered to require reports for year 0. Mr. Preston suggested it should be discussed with the subcommittee.

Mr. Preston requested that departments be able to provide unduplicated use counts, like membership in after school programs and other public program usage data. Ms. Terkelsen explained that it can be difficult to gather, particularly with current software.

The committee discussed scheduling their upcoming budget hearings. Mr. Kern suggested the committee could allocate a set amount of time for each department.

Mr. Heffernan asked if the committee could provide any response on the proposed financial policies of the financial policy committee. The committee agreed to send them by e-mail.

Mr. Roberts asked that the Finance committee be informed of the dates of the capital expenditures committee meetings.

Mr. Roberts asked how they would determine the departments providing year 0 benchmarking data. Mr. Preston answered it would be done by the benchmarking subcommittee. Afterwards, the Finance and Warrant committee can meet with them to discuss benchmarking.

Mr. Roberts invited those gathered to attend the school committee and school building rehabilitation committee co-meeting in the next week

Mr. Heffernan motioned to adjourn. Ms. Emery Butler seconded. It was voted 7-0.

Meeting adjourned at 8:14pm.