A regular meeting of the Board of Selectmen was held on Thursday February 25, 2016, at 6:30p.m., in the Francis O’Brien Meeting Room, 26 Bryant Street, Dedham, Massachusetts. Present were:

Michael L. Butler

Dennis J. Guilfoyle

James A. MacDonald

Dr. Dennis J. Teehan, Jr.

Brendan G. Keogh

Mr. Butler called the meeting to order at 6:35 p.m.

Mr. MacDonald will be arriving late.

**PLEDGE OF ALLEGIANCE**

Led by Mr. Butler

**DEDHAM CITIZENS - OPEN DISCUSSION**

Dan O’Neil stated that he would like to hold another Fun Run in East Dedham that will start and finish at Mother Brook. It will be the same route as the Christmas run which Chief D’Entremont has already approved. Mr. O’Neil will monitor the number of people that register and if it gets close to 100 he will most likely have a Police detail. Mr. Butler asked Mr. O’Neil to explain the course. Mr. O’Neil stated the route goes down to Chauncey Street, left on Bussey, right down to Colburn Street, left on Whitehall until the end, then back to the other end of Whitehall, then over to Garfield, Greenhood, Colburn and then back again.

Dr. Teehan asked how many runners Mr. O’Neil had in the last race. Mr. O’Neil responded about 50 or 60 people. Mr. O’Neil explained that he put the last race together in about 3 weeks. Mr. O’Neil stated that the run will take place on March 26, 2016 starting at 9:30am. Mr. Butler asked if this race will be raising money for charity. Mr. O’Neil informed all that this run will be raising money for the Perkins School for the Blind. Mr. O’Neil added that he will be running the Boston Marathon as part of their team this year.

Dr. Teehan moved to take an item not on the agenda; seconded by Mr. Guilfoyle. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes.

Mr. Guilfoyle moved to approve the request by Dan O’Neill to hold the East Dedham Fun Run on March 26, 2016 at 9:30am; seconded by Mr. Keogh. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes.

**DISCUSSION & VOTE RE: REQUEST BY TEAVAVA FOR A COMMON VICTUALLER LICENSE AT 740 LEGACY PLACE**

Rachael Schofield, Teavana’s Area Manager for Southern Massachusetts, was present in front of the Board. Ms. Schofield informed the Board that Teavana is a premier loose leaf tea company, located in Legacy Place and are a subsidiary of Starbucks. Ms. Schofield added that there are over 300 Teavana stores around the country and internationally.

Mr. Keogh stated that Teavana has been open for a while. Ms. Schofield stated that this location has been open for over a year and added that there was some miscommunication with the original license and they want to make sure everything is in order so they can have tables and chairs outside.

Mr. Keogh asked how business had been since the opening. Ms. Schofield answered great and stated that it is one of the highest performing stores right now.

Dr. Teehan moved to approve Teavana’s request for a Common Victualler License at 740 Legacy Place; seconded by Mr. Guilfoyle. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes.

**DRAINLAYER APPLICATIONS**

Ms. Baker stated that the Engineering Department has recommended the renewal of 3 Drain-layer applications; C.J. Tibbets, Joseph DeFilippo and Susi & DiMascio.

Mr. Guilfoyle moved approving the applications as recommended by the Engineering Department; seconded by Mr. Keogh. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes.

**MEETING MINUTES APPROVAL**

Dr. Teehan moved to approve the minutes from the 12/16/15 meeting and the 12/23/15 meeting; seconded by Mr. Keogh. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes.

Mr. MacDonald arrived to the meeting.

**DISCUSSION AND VOTE RE: REQUEST FOR CHANGE OF MANAGER FROM RUSSELL FAIRBAIRN TO LAUREN M. COUGHLIN, LEGAL SEA FOODS, LLC D/B/S LEGAL C BAR, 736 LEGACY PLACE**

Donna Cruz, Paralegal in the corporate offices of Legal Sea Foods, and Lauren Coughlin, Manager at Legal Sea Foods 736 Legacy Place, were present before the Board.

Mr. MacDonald recused himself from this discussion and vote as the matter will require approval by the ABCC.

Dr. Teehan asked what the standard operating policy will be when people order alcohol at Legal Sea Foods. Ms. Coughlin informed the Board that they require ID from anybody that looks under the age of 40. All the servers know this and have gone through training, including role play. The managers and staff are constantly talking about the rules and policies.

Dr. Teehan stated that he believes that everyone should be carded no matter what as this removes the decision from the server.

Mr. Keogh asked what Ms. Coughlin’s previous role with Legal Sea Food was. Ms. Coughlin answered that she has been with Legal a little over a year and is currently Assistant General Manager with the Dedham location. She worked for another restaurant company for 13 years and was Assistant General Manager and Event Planner.

Mr. Butler asked if they have any experience with fake IDs. Ms. Coughlin answered not really but if they suspect anything they will not accept the ID. She added that people have come in with an expired ID with back-up documentation and they will not accept it. Legal requires a legitimate ID.

Mr. Butler asked how they would handle a customer who may have been overserved. Ms. Coughlin stated that, in the past, she has called a cab for the customer so they do not get behind the wheel. If the situation requires, she will call the Police to handle it.

Mr. Butler stated that he does not remember any incidents at Legal in the 6 or 7 years at Legacy Place. Mr. Butler asked Ms. Coughlin if she had read Dedham’s rules and regulations. Ms. Coughlin responded, yes.

Mr. Guilfoyle moved to approve the change of manager from Russell Fairbairn to Lauren M. Coughlin at Legal Sea Foods, LLC, d/b/a Legal C Bar, 736 Legacy Place; seconded by Dr. Teehan. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes; Mr. MacDonald, abstained.

Mr. Butler suggested that Ms. Coughlin meet with Dedham’s alcohol control officer, Sargent Michael Buckley.

**DISCUSSION AND VOTE RE: APPOINTMENT TO MOTHER BROOK 375TH ANNIVERSARY COMMITTEE**

Ms. Baker informed all that last fall, Town Meeting created a committee to celebrate the 375th anniversary of Mother Brook and the Board was charged with appointing three at-large members. One position was filled at the last BOS meeting leaving 2 available positions. One of the three candidates for consideration, Peter Springer, has withdrawn his name but would make himself available to assist in the efforts of the committee. We have two candidates to fill the remaining positions, Gerri Roberts and Nicole Keane, both of whom are East Dedham residents and have been actively involved in the community. This will round out the committee and give them an opportunity to get started.

Mr. MacDonald moved to approve the appointments of Gerri Roberts and Nicole Keane to the Mother Brook 375th Anniversary Committee; seconded by Mr. Guilfoyle. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes; Mr. MacDonald, yes.

**DISCUSSION AND VOTE RE: REQUEST BY MADEWELL FOR A 1 DAY LIQUOR LICENSE, 524 LEGACY PLACE**

Kaitlin Gately from Madewell was present before the Board. Ms. Gately stated that Madewell is a J. Crew company and is doing very well. Ms. Gately informed the Board that the store was having a local artist come in to draw and the store would like to serve champagne for a few hours. Mr. Keogh asked if Madewell has done this in the past. Ms. Gately responded, yes, the Board approved a license a few months ago for the store’s anniversary. Ms. Gately added that the event was a success and that they had a lot of business.

Dr. Teehan moved to approve the request by Madewell for a 1 day liquor license on March 5, 2016, at 524 Legacy Place; seconded by Mr. Guilfoyle. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes; Mr. MacDonald, yes.

**TOWN MANAGER’S REPORT**

1. Miriam Johnson, Human Resources Director and Mr. Kern attended the West Suburban Health Group meeting and received positive news regarding rates, although the health insurance issue will continue to be a serious one in the coming years.  At least they’ve stopped the bleeding – in terms of the rates and the membership.  The town of Sherborn has decided to leave the West Suburban Health Group.  Mr. Kern was voted on to the steering committee contingent upon being appointed as the alternate representative by the Board.  We’ll put that on a future agenda. Overall it was an encouraging meeting.
2. The Planning Board held a special meeting last Thursday and heard the application from the design team on the Ames renovation.  This meeting also went very well.  Rich McCarthy had a big part in bringing the two sides together and helping the applicant, who is the Town, and our representatives understand how to properly present to a planning Board. There has been a lot of work by a number of people to get to that point.  The demo is going well and we may have identified some areas where we can save money. The plan is to meet again in 2 weeks with an eye toward wrapping up.  The project can then go out to bid.
3. The MWRA meeting regarding the Sawmill Lane Bridge occurred this week.  A number of options were reviewed. The leading option appears to be platforms that extend over the frame holding the pipe line.  The representatives from MWRA took the input from the Dedham folks and said they would consider it and continue to communicate.
4. The 25% design meeting on the Rustcraft project meeting, hosted by Mass DOT, went well. It was a technical review by the engineers, allowing for technical comment on the design.

Dr. Teehan stated that the gist of this is that the Town is looking to get some help from the State to put in a sidewalk in a real area of need, which is the Rustcraft Road area. Dr. Teehan added that if we go through this process we will be able to get some help from the State, correct? Mr. Kern answered, that is correct. The Town would pay for the design and if chosen for a TIP funded project, it’s a State project. Dr. Teehan asked what the timeframe is and what the probability of being chosen is. Mr. Kern stated that he is careful regarding predictions on timelines. He added that this is a smaller project so we could be slotted in with 1 or 2 other small projects.

1. Mr. Kern attended a Manor Neighborhood Association meeting to discuss the Abandoned Housing Initiative and the Sprague Street Intersection.  He stated that the house at 66 Lancaster seems like a candidate for this initiative. Mr. Kern added that at some point a committee should be formed to decide what houses should be on the list and in what order. Mr. Kern stated that he will send a separate email on the AHI.

Dr. Teehan stated that last week there was a lot of talk about technology initiative and asked Mr. Kern for an update. Mr. Kern replied that they are down to 2 firms and once the selection is made and we have the right setup we can evaluate if we have the correct personnel to manage the web-site.

1. Mr. Kern informed the Board that he will send an email regarding the Combined Safety Building.

Mr. Guilfoyle stated that the Lancaster property will be at the top of the list for the ABI Initiative as he had promised the residents that something would be done. Mr. Guilfoyle added that they have been waiting a long time. Mr. Kern responded that 66 Lancaster is definitely in the top 3, number 1 in his opinion.

Mr. Butler reminded all that the MWRA is planning to put in a new water line that will come in through the Parkway in East Dedham and make its way down Walnut St., Mount Vernon Street, Jefferson Street to Rustcraft road. That construction starts next year and we have a public meeting scheduled on March 23 with the MWRA at 7 PM in the middle school auditorium.

Dr. Teehan asked when they would be back in front of the Board. Mr. Butler stated that they would look into that after the March 23 meeting.

**PUBLIC HEARING RE: REQUEST FOR NEW OFFICER/DIRECTOR AND STOCKHOLDER AND TRANSFER OF STOCK FROM A.C.B.E., INC., D/B/A AULD SOD PUB, 274 WASHINGTON STREET**

Mr. MacDonald recused himself from all discussions and voting regarding the next matter as it will go in front of the ABCC.

Stephen Rahavy, attorney, and Hugh Varden from the Auld Sod Pub were present before the Board. Mr. Rahavy stated that Mr. Varden has been the longtime manager at the Auld Sod Pub. The management has been very stable and they have been in Dedham since 1993. Unfortunately the sole stock holder and officer passed away last year but they consummated a business transaction whereby all the stock was transferred to Mr. Varden and he’s already on record with the Secretary of State as the sole Officer and Director. That paperwork is on file in the Selectmen’s Office.

Mr. Guilfoyle moved to approve the request for new officer/director and stockholder and transfer of stock from A.B.C.E, Inc., d/b/a Auld Sod Pub, 724 Washington Street; seconded by Mr. Keogh. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes; Mr. MacDonald, abstained.

**FY15 EXIT INTERVIEW WITH TOWN AUDITORS POWERS & SULLIVAN TO INCLUDE MANAGEMENT LETTER, COMPREHENSIVE ANNUAL FINANCIAL REPORT & REPORT ON FEDERAL AWARD PROGRAMS**

Mr. Keren stated that this is the annual exit interview with our external auditors and this is our second year with Powers and Sullivan P&S.

Andrea Terkelsen, Director of Finance, stated they were before the Board much earlier than they were last year. We are here to discuss the results of the FY 15 audit. Ms. Terkelsen added that the town has had a strong year and she is very pleased with how things came together with the Finance Department. She stated her appreciation for everybody in the Finance Department for another great year.

René Davis, Powers & Sullivan, the partner on the audit engagement and Romina Memeli, Powers & Sullivan, the supervisor on the engagement were present before the Board. Ms. Davis stated that she was going to walk through the PowerPoint presentation to give you some of the highlights of what the audit is, what they found and they will be happy to answer any questions the Board may have. Ms. Davis added that the Board should have three reports to review; a final CAFR (comprehensive annual financial report), a management letter and report on federal award programs.

Ms. Davis informed all that the principal purpose of the audit, or Powers & Sullivan’s objective, is to be able to opine or give an opinion on your financial statements. Ms. Davis added that in accordance with the Town's federal grant requirements, they have to issue a separate report and do specific compliance testing for the Town’s major federal award programs. This has to be in accordance with the Office of Management and Budget Circular A133. One of the big changes that we need to tell you about that's coming up for next year is that A133 has been superseded and there has some uniform guidance coming out related to how we audit and test your federal grants. Ms. Davis informed the Board that their audit is performed in accordance with Government Auditing Standards and they follow the standards to be able to test the assertions and numbers presented in your financial statements. Ms. Davis continued, saying that their responsibility is to follow those guidelines and those auditing standards. Management is responsible for the preparation and all the other information that is in that report. Powers & Sullivan does their testing in two different parts. In the spring they do the audit planning and look at the Town’s internal controls, check the reconciliations process, look at the School Department records, do some testing of the Town’s revenues and expenditures, make sure things are coming into Town Hall and being deposited timely, reconciliations are happening timely and the information is recorded appropriately. We then come out after yearend and do the final piece of the audit, helping to put together the reports and the footnotes and check the cut-off to make sure all the expenditures are recorded. Confirming the Town’s debt balances with third party providers, confirming with the Town’s lawyers to make sure there are no liabilities missing. The majority of that work for this year was done in August. By the time that Powers & Sullivan came in last August, cash was reconciled, all bank statements were reconciled, receivable balances were reconciled. The only real things that happened that August field work was a lot of cleanup of old balances.

Ms. Davis continued, saying that there were some late adjustments that happened, most of which was related to cleanup and reconciling old balances. What Powers & Sullivan owns in the Town’s CAFR and your financial statements is the audit opinion. An unmodified or unqualified audit opinion, clean opinion. Same thing with the Town’s report on Federal Award programs. P&S has to assess each of the Federal awards. These apply mostly to the School Department. This resulted in a clean opinion with no findings related to the Federal Awards.

Ms. Davis stated that the CAFR, Comprehensive Annual Financial Report, for 2014 did receive an award from the GFOA, Government Finance Officers Association, and the FY15 CAFR was submitted before the deadline. The previous 2 years required extensions, so the Town has made progress with that. The GFOA certificate shows that the Town had all the information in order and is a much more comprehensive report. It includes not only the Town’s financial statements it also contains a transmittal for management that tells a little bit about the Town with more statistical information. The 2015 CAFR is with the GFOA now and the Town should find out in the next few months if it gets the award again and Ms. Davis expects the Town to receive it.

Ms. Davis stated that the CAFR itself has management’s transmittal and the financial statements have P&S’s clean opinion. They also have management’s discussion and analysis that is management’s description of the financial operations of the Town and how/why things went up and down. In addition to the financial statements and notes, you also have a budget to actual that will show the budgetary results of operation, some new retirement schedules and OPEB (other post-employment benefits).

Ms. Davis stated that as long as P&S has been working with Dedham, it has been always been in a really good financial position. The Town’s general fund budget is about $98 million. The Town used about $4.6 million of planned monies to balance the budget for 2015. The revenues came in over budget by $6.2 million and expenditures were under budget by just under $2 million. Because of cleanup, some transfers came in over budget by about $3.6 million. Ms. Davis added that overall the results of operations were really exceptional and the Town is in a really strong financial position. Ms. Davis continues, saying the Town’s fund balance for the General Fund is about $37 million, which includes a stabilization. This is a pretty strong budget number.

Dr. Teehan asked if the $4.6 million in free cash included the money from the Assessor overlay account. Ms. Davis answered yes. Overlay and cash were used to balance the budget.

Ms. Terkelsen informed all that the Town ended up spending about $2 million to close the gap for snow and ice, which would otherwise have been a deficit.

Ms. Davis continued, saying that part of the General Fund balance there are some monies reserved for articles and encumbrances going forward. The undesignated General Fund Balance was $29.7 million. That includes your stabilization money and as you know you have a few different funds and the Robin Reyes Fund is included. Ms. Davis added that the Town is doing very well with OPEB (other post-employment benefits). The Town has an OPEB trust. Municipalities do not have to establish an OPEB trust, legally you could have acted on a pay as you go basis but you have been ahead of the curve. You have $9.4 million as of the end of 2015. The initial GASBY accounting standards related to OPEB, required that you have a valuation and you start recording that liability but they allowed you to record the liability to amortize it and record a piece of it every year. Because you have been funding it, the amount you have been recording as your liability has actually gone down a little bit over the past few years. The Town still has an unfunded liability on your financial statements of about $10 million. The new GASBY standards that are coming in and will require you to put the full unfunded OPEB liability on your financial statements. As of June 2014, unfunded liability was $50 million. Depending on how your new valuation comes in, how your investment return comes out and how much you are funding, that number could go up or down with the next valuation.

Dr. Teehan asked how much the Town was putting toward the unfunded liability in the budget every year. Ms. Terkelsen answered a little over $1.5 million for FY17.

Ms. Davis stated that FY15 was the big year for pensions as it was the first year you had to record your net pension liability on your financial statements. $16.9 million was Dedham’s share of the unfunded net pension liability for its system. Going forward the change in your unfunded pension liability will be recorded each year as it occurs. Because this is the first year it shows on the financial statements, it is subject to audit. So, for the first time P&S had to go in and look at not only the information that the actuary uses for your unfunded liability, the census data, the ages of the people who work for the Town, the classes that they are in, making sure of proper recording, making sure the Town is withholding the right amount of money for them, that the actuary is getting the correct information. Another part of it is allocating that unfunded liability between the Town and its other unit which is the Housing Authority. Ms. Davis added that they have to go in and see how that is split out. The unfunded liability pension, just like OPEB, can be very sensitive to assumptions. The footnotes in the CAFR are much larger than they were in the past. In FY 15, there is only one year of information but it is starting to build a 10 year trend. This will allow you to see how your returns are affected.

Mr. MacDonald stated that pension unfunded liability is for municipal employees excluding teachers. Ms. Davis answered that is correct. Teachers have a separate fund and when they retired they retire from the State.

Dr. Teehan asked how much the Town is putting towards the pension liability in a given year. Mr. Kern answered $4.5 million a year, is the employer’s contribution this year. Dr. Teehan added that this is money from the Town/tax payer to fund it. Ms. Terkelsen informed all that we pay into the retirement system and that takes care of our current obligation as well as paying toward our unfunded liability.

Mr. MacDonald asked if the term ARC (actuarial required contribution) is going away. Ms. Davis answered that it is going away and continued to speak on ARC as it relates to OPEB. Because you are going to amortize the whole liability, the term ARC goes away. Ms. Davis added that the Town has to record a revenue and expense (a gross up) of what the State paid to the teachers for the retirement. P&S receives that information and it is recorded in the financial statements.

Mr. MacDonald asked, why the Town can’t do the same thing with the DWWD, who has a separate CAFR. Ms. Davis answered that the only place that you could put that information is in the footnotes but there is no requirement to do that. Mr. MacDonald stated that as part of the FY16 CAFR, he would like to see that information included, so someone can see what debt DWWD has.

Ms. Davis informed all that for the OPEB liability the term ARC goes away because there is no more of that actuarial required contribution because you are not amortizing it anymore. It’s a difference of recording versus funding.

Ms. Davis spoke about the Town’s Management Letter Status, stating that there were no material weaknesses in the Town’s internal control. She then spoke about five prior year comments that have been fully resolved this year:

* Cash reconciliation process
* Receivable reconciliation process
* Use of capital project funds to account for bond proceeds
* Reconciliation of trust fund balances
* Police detail receivables

This shows that management is working towards taking these things seriously.

Three prior year comments remain unresolved:

* Budget transactions
* Purchase order system
* Custodian details

Ms. Davis stated that overall there is a plan to resolve them but a lot of them are tied into the implementation of a new general ledger system and part of that implementation will address most of these issues.

Mr. MacDonald stated that this is all good news and complimented Ms. Terkelsen and her team, as it is no small feat that they accomplished what they did in the period of time in which they did it. As we go forward these issues will go away. Great job to you and your team.

One prior year comment is partially resolved

* Facilities and maintenance

The new system will be designed to resolve that.

One current year comment

* Compensated absences

One informational comment relates to significant upcoming accounting pronouncements related to OPEB liabilities.

Single Audit

The Town is required to have a single audit which includes specific testing of federal expenditures.

Total Federal Expenditures = $1.9 million

Department of Education = $1.3 million (68%) Focus efforts on testing this.

Major grants = Special Education cluster of grants

Audit findings = none

Significant single audit changes will be implemented in fiscal year 2016 under “Uniform Grant Guidance” (Replaces OMB Circular A-133)

Ms. Terkelsen added that once approved the CAFR will be available on the Town’s website.

Management Responsibilities

As part of the audit process, management is responsible for the following:

* The fair presentation of the Town's financial statements in accordance with generally accepted accounting principles;
* Establishing and maintaining effective internal controls over financial reporting to ensure all significant transactions are properly reflected within the financial statements;
* Identifying and ensuring that the Town complies with the laws and regulations applicable to its activities;
* Making all financial records and related information available to P&S;
* Perform procedures to ensure the appropriate valuation of the Town's assets and liabilities;
* Identify contingent liabilities of the Town and ensure that they are assessed and appropriately reflected in the financial statements; and
* Adjusting the financial statements to correct material misstatements and affirming to the auditor in the representation letter that the effects of any uncorrected misstatements aggregated by the auditor, if any, during the current engagement pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Ms. Davis stated that the Town has done a very good job assuring the auditors that there is little risk of any material issues in the financial statements.

P&S Responsibilities

* Our responsibility is to express an opinion on the Town's financial statements and compliance over federal programs;
* Conduct our audits in accordance with generally accepted auditing

standards and Governmental Auditing Standards (Yellow Book). Those standards require that we obtain reasonable (rather than absolute) assurance about whether the financial statements are free of material misstatement, whether caused by error of fraud. An audit is not designed to detect error or fraud that is immaterial to the financial statements;

* An audit includes obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions;
* We are responsible for ensuring that management is aware of any significant deficiencies and/or material weaknesses;
* Our responsibility is to communicate to management those matters that have come to our attention as a result of the performance of our audit;
* Our responsibility with respect to other information in documents containing audited financial statements is to read such information and consider whether the information or the manner of its presentation is materially consistent with information appearing in the basic financial statements.

Areas of Audit Emphasis

* Ensuring that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America.
* Updating our understanding of internal control structure surrounding significant accounting cycles, including treasury, investments, fixed asset purchases and construction in progress, purchasing and payables, revenues and receivables, and payroll.
* Understanding any changes in key information technology systems and control areas, including the computer environment.
* Ensuring that the cash and investments are maintained in accordance with the Town's investment policy and that they are presented in accordance with GAAP.
* Ensuring that the receivables from taxpayers and other governments exist, are collectible and are presented at their net realizable value.
* Identification of Component Units to be included in the financial statements.
* Determining whether capital assets are properly capitalized and impairment of capital assets is considered and appropriately disclosed.
* Ensuring that certain significant accruals are calculated in accordance with the

Town's policies and GAAP.

* Assisting the Town in implementing new financial reporting requirements

issued by the Governmental Accounting Standards Board.

* Ensuring that the Town's OPEB Trust is appropriately calculated, valued and

fairly stated in accordance with GASB 43 and 45.

* Ensuring that the Town's Net Pension Liability is appropriately calculated,

valued and fairly stated in accordance with GASBs 67, 68, and 71.

* Testing the Town's compliance with requirements applicable to each major

program and internal control over compliance in accordance with OMB

Circular A-133.

* Following up on the status of prior audit comments.
* Gathering the necessary information, charts, pictures, and schedules to be

included in the CAFR.

Future Changes

FISCAL YEAR 2016 — Uniform Guidance replaces

OMB Circular A-133 related to the audit requirements of federal grants.

FISCAL YEAR 2017 - GASB # 74 and #75 will substantially change the reporting for the OPEB liability and expense in a manner very similar to the

recent changes to reporting pension liabilities.

Ms. Davis concluded by saying it was really a pleasure doing the audit this year. She thanked everyone in the Finance Department for helping her through this. Ms. Davis added that they kind of pushed the Finance Department to get most of the work done in August, which is a really aggressive schedule and most of the work ticket on August. Ms. Davis added that they look forward to coming out for 2016.

Ms. Davis asked the Board if they had any questions. Mr. MacDonald stated that they usually pick a couple of departments to review. Mr. Kern stated that he does not believe any departments were chosen to focus on. Ms. Davis informed all that Facilities was chosen the previous year. Mr. Butler stated that the Board does want to give Powers & Sullivan, through the Town Manager and Director of Finance, and entity to audit. We can decide this sometime in March.

Mr. Kern stated that Ms. Terkelsen has been with the town for 10 months there's been a lot going on with the Finance Department. There have been significant personnel changes and technology deficiencies to overcome. Finance is not the most exciting subject to talk about but it is the basis

upon which municipal operations have to sit and you need to have it right, consistently right. Mr. Kern thanked Andrea an her team and stated keep up the good work.

**DISCUSSION WITH PARKS AND RECREATION DIRECTOR RE: EASTER EGG DROP – 3/26/16**

Bob Stanley, director of Parks and Recreation, and Chris **Causey**, the lead pastor at **Encounter** **Church, were present before the Board. Mr. Stanley stated the Mr. Causey came to the Parks & Rec department a number of months ago asking to put on an event at Memorial Park. Mr. Stanley added that this would be an Easter egg hunt and the eggs will be dropped from a helicopter. Mr. Stanley started investigating whether they could do it, whether it was legal, what are the safety factors.**

Mr. Stanley asked Mr. Causey to explain a little more about the event. Mr. Causey thanked the Board for their time and for all they do to make Dedham a great place to raise a family. Mr. Causey continued, saying one of the values of the church is community service to families in Dedham and is something we do quite regularly. As we were looking at the calendar for 2016, specifically the time around Easter, we looked into scheduling an Easter egg hunt, specifically where the eggs are dropped from a helicopter hovering about 75 feet above the ground. Mr. Causey encouraged the Board to watch YouTube videos to get an idea of what similar events are like. The eggs fall to the ground gently but we do recognize there is a perception. On March 26, 2016 we are organizing a community event for families and we are clear that there is never any religious presentation or content or some kind of trick get people to a setting. We love this community and love the families and so we do this regularly. Following are the three objectives laid out for this event:

1. Safety and security - working in conjunction with the Police Chief, the Fire Chief and Mr. Stanley, we are reaching out to organizations around the country who have done this before to learn order some really good practices, procedures and policies. This is to ensure the families who have a great time within a controlled safe environment. We feel this event will be an Easter egg hunt the kids will never forget for all the right reasons.
2. Fun family event - we will make sure to communicate all details to the families that attend the event and our volunteers will be diligent to make sure nobody's parking along the streets in front of homes blocking people in. This is not an event where people can just show up expecting to have a spot, we are doing an RSVP system. Under the advisement of the Fire Chief we have reduced our numbers slightly have spread attendance across two separate hours of the event, so we can better manage and have better control.
3. Field maintenance - we are working with Mr. Stanley to block off the infields and minimize the harm to the grass with the inflatables. We're doing everything we can to make sure that when families leave this event that it was a positive experience and is something the kids will never forget.

Mr. Stanley stated that over the past few weeks have met with Chief Spillane and Chief D’Entremont, the Church and Parks and Rec staffs to go over every possible issue that could come up and concern they may have. The helicopter pilot was also in attendance to give us a good description of what they do how high they fly, where they fly in from and how many safety zones are need. Mr. Stanley added that he and the police chief spoke about a month ago with the FAA. The FAA does not give permission for events like this but they give guidance. Mr. Stanley asked the FFA if it was legal and found out that it was. Mr. Stanley stated that the regulation reads: dropping things from a plane is prohibited unless you take the proper safety precautions to protect people on the ground. Chief Spillane's main concerns were with crowd control so Mr. Stanley and his staff modified some of the set up they are going to use to handle the crowd. He was concerned that the crowd would surge on to the field as the helicopter arrived. Mr. Stanley added that they would block off certain areas of the field so no one could park there. Gonzalez field will be shut down. The helicopter pilot does not want to fly over people. So he will come in to Dedham Square and over Gonzalez field, lower down and then fly into the field. The pilot always wants to keep the tail rotor facing away from people so he will commend face first, going to a circular motion and drop the eggs. Once the helicopter is clear of the area, they will let the kids go in to the drop zone. Mr. Stanley stated that he believes they have everything covered.

Mr. Causey spoke regarding the insurance stating they would do a special event rider, added to their current insurance, for Barnes Memorial Park. The helicopter company has its own insurance as well. Mr. Causey added that they have put their helicopter pilot in touch with the leading helicopter pilot, for these types of events, in the nation, so they could share knowledge back-and-forth. Mr. Causey stated that the helicopter pilot will pull back if he feels any children leave the secure safe zone.

Dr. Teehan stated at no point will people be under the helicopter while it's in the air dropping the eggs. Dr. Teehan asked how big the secure safety zones will be. Mr. Causey answered it is about 150 yards x 150 yards. There is also a holding zone for children age 4 and up. Children under the age of four will not participate in the egg drop. They will have their own Easter egg hunting zone further back on the field. The many volunteers and physical barricades make sure people cannot get into that area while the eggs are being dropped. Mr. Stanley stated that there will be six reloads, flying back to Norwood to pick up more eggs after the initial drop. Mr. Stanley added that the helicopter will not even take off Norwood until the drop area is completely clear and children are back in the safe secure zones.

Mr. Butler asked Mr. Stanley if he was in touch with Town Council. Mr. Stanley stated that he contacted Ms. Baker yesterday about speaking with Town Council. Ms. Baker stated that she and Mr. Stanley will call them tomorrow.

Mr. Butler stated that he liked the idea of bringing people together in a big event like this but he has doubts about the wisdom of bringing a helicopter to Barnes Memorial Field which will have several thousand people in it. He believes it's a mistake and is safe as you try to make it is not risk-free. Mr. Butler stated that the whole event makes him very concerned and there is a slim chance that something will happen and then what are we going to do. Mr. Butler continued, saying the fact that Town Council hasn’t even been brought in yet is a real concern. He believes it is unprecedented that the Board is taking on something like this. Mr. Butler applauded the efforts of the church and putting on an event like this but he feels the risk associated with the idea is something we should not be getting involved in. This is only the opinion of one person on a five-member Board.

Mr. MacDonald stated the number reloading trips is a little high. Can you reduce it? Mr. MacDonald added that he wants the kids to have a great time. He commended the Church on their community service efforts all around the world. Mr. MacDonald concluded by saying just think of the number of trips back and forth. The children should have a good time no matter what but the Chairman does raise some good points.

Mr. Guilfoyle stated that obviously safety is first and that's our biggest concern. He added that he's actually seen this done on a golf course and it's typically done from a height of about 75 feet. Mr. Causey stated the FFA used the term tree line, about 75 feet. So it's basically the same height as the golf ball drop. Mr. Causey added that to further encourage safety Easter baskets will not be allowed. Children will be given an Easter bag which limits the amount of eggs each child can grab. Mr. Guilfoyle stated these eggs are specially made to be able to handle the drop. Mr. Causey answered that there is company that actually designs these eggs to handle the drop from 75 feet and up.

Mr. Keogh stated that he has some hesitation regarding the safety of this event. Mr. Keogh asked Mr. Causey if he has been involved in an event like this before. Mr. Causey answered that he and his team are going to an event like this in Texas the week before their scheduled event to experience how they're done. Mr. Causey added that he was in student ministry for 10 years before he became senior pastor and they did larger events all the time. Mr. Keogh added that once a helicopter comes in you really don't know what a child is going to do or if a driver will be distracted from the helicopter flying overhead.

Dr. Teehan stated that the crowd control stands out to him. Having that amount of people involved, especially when a huge portion of the field will be off-limits and a ton of people in small spaces is a major issue of concern. Dr. Teehan added that he wants to be supportive of everything that Mr. Stanley wants to do and this would be great for the community, but he has mixed feelings.

Mr. Butler stated his appreciation to Mr. Causey for coming in front of the Board as they actually have no jurisdiction over it but it's always good to share information. Mr. Butler asked Mr. Causey if he knew who would be in the helicopter besides the pilot. Mr. Causey answered that they would have a photographer, a person distributing the eggs and there would be a free seat.

Mr. MacDonald stated that he just looked for videos of helicopter drops and they are all different. Mr. Butler added that the Board would like something in writing regarding the FFA regulation. Mr. Butler asked what the Town Employees’ role is in a private event. Since this is not a town sponsored event so where is the boundary. You can understand a Police detail.

Mr. Causey stated that he would like to address a few concerns. We agree that crowd control is the biggest concern. The holding zone would have no more than 400-500 children at one time and we will have more than 100 volunteers who will be trained. Any kid who comes to the event will get a colored bracelet that will have their parent’s phone number on it. Volunteers will be stationed around the perimeter as well as in the drop zones to control the crowd. These volunteers are the difference makers.

Mr. Butler stated his concern over who the decision maker will be at the event and in the drop zone. Mr. Guilfoyle stated that he assumes that the detail Police Officer would take that roll and asked Mr. Stanley if the number of details had been settled. Mr. Stanley stated that they mostly talked about traffic details and a fire detail. Mr. Stanley added that they will possibly use the Middle School parking lot, so they would need a detail up there and possibly the Legion parking lot, so another detail would be needed. There would also be another detail at the event itself.

Mr. MacDonald stated that at an event like this there needs to be an incident command officer and that is usually the senior Fire Officer.

**CONTINUATION OF PUBLICE HEARING RE: REQUEST FROM PANCHO’S TAQUERIA, 549-551 HIGH STREET; FOR AN ALL ALCOHOLIC RESTAURANT LICENSE AND APPROVAL OF NOHELY CHAVIRA-WILLIAMS AS MANAGER**

Mr. MacDonald recused himself as the matter will go in front of the ABCC.

Nohely Chavira Williams, Jessica Deratzian and Carlos Chavira, President Pancho’s Taqueria, Inc. were present before the Board.

Mr. Chavira stated that they are before the Board to request an All Alcoholic Restaurant License. Mr. Butler asked Mr. Chavaria to tell the Board about its business and how it's going. Mr. Chavira answered that things are going well and they hope to be done in a couple of weeks. He added that they are just finishing up the last details and hopefully be selling tacos to the Board soon.

Mr. Chavira continued, saying that they will mostly focus on takeout but they do have some tables and chairs and a small bar area. Mr. Chavira added that having the alcohol license will help them compete with other restaurants in town

Ms. Deratzian stated that they're looking for the alcohol to be an accent to the food. People like to have a margarita over beer with Mexican food and our customers appreciate having those options. Mr. Chavira added that there are a few Mexican wines they would like to have on-site as well.

Mr. Keogh asked Mr. Chavira how many tables and chairs will be in the restaurant. Mr. Chavira answered 4 tables with two chairs each and six high-tops. Mr. Keogh asked if there would be a bar. Mr. Chavira answered yes at the end of the food line.

Mr. Teehan stated that he remembers the night the site specific licenses were approved by Town Meeting. It was not easy. He asked Mr. Chavira if he feels like this is a worthwhile use of a liquor license. Will it bring the vibrancy to the square that it needs. Mr. Chavira answered that he spoke to assistant town manager Nancy Baker about adding more seating to their restaurant to grow their business and be able to have more people in to enjoy a game on the TV and have an energetic atmosphere set of just being a Taco place.

Ms. Chavira Williams stated that their goal is to grow. To start, we were only allotted so many tables.

Dr. Teehan asked Amy Haelson, Executive Director Dedham Square Circle, what her thoughts were. Ms. Haelson stated that Pancho’s business model is similar to Kouzina. While they do a fair amount of takeout people do come in and sit down to enjoy a glass of wine or a beer. Ms. Haelson stated that she does believe this is a good use of the license. She added that they are looking to make Dedham Square a dining destination and having the option to go someplace in order beer or wine will make a difference. Ms. Haelson continued, saying that they have orders for tacos already and people are very excited for this restaurant to open. They have worked very hard and invested so much in the square and they are also residents of Dedham. Ms. Haelson stated that she wholeheartedly supports their application and she hopes that the Board will as well.

Dr. Teehan stated that believes that this is the first application for one of those three site specific licenses that the Board has seen. Ms. Baker answered that is correct. Another entity proposed for the square has had a Planning Board meeting and their next step is a zoning Board of Appeals.

Mr. Guilfoyle asked if they had the square footage in the restaurant for more seating. They answered yes. Ms. Baker informed all that their ZBA permit lists a specific number of seats as part of the approval. So they would need to go back in front of the ZBA to amend that permit, and come back before the Board for an alteration of premises, as they will be increasing the capacity for serving.

Ms. Deratzian stated that if they had the opportunity to begin with they would've had more seating.

Ms. Baker informed all that there would be three votes; one to close the hearing, the second to rule on the liquor license approval and the third to vote on appointing Nohely as restaurant manager.

Mr. Butler asked Ms. Chavira Williams what her experience was with alcohol service. Mr. Chavira explained why Ms. Chavira Williams would be the one on the license. Mr. Chavira stated that he has been in the restaurant business for about 16 years. His name is on a liquor license for an Outback Steakhouse and he is the one with the most experience. Ms. Chavira Williams has been certified by Serv Safe. Ms. Daratzian stated that both parties will be on-site basically 24/7.

Mr. Chavira stated that he will finish up in a week and can make the switch at that time if it's a concern.

Mr. Guilfoyle stated and when you get up and running you will be leaving Outback. Mr. Chavira stated that he has 1 week left and then he will be off that liquor license. Mr. Guilfoyle added that the Board will be much more comfortable with Mr. Chavira on the license as he has the experience.

Dr. Teehan clarified that Mr. Chavira cannot be the manager of record at two locations. Ms. Baker answered that is correct. Dr. Teehan asked if there were anything preventing or delaying Mr. Chavira, after he leaves the Outback, from becoming the manager of record at Pancho’s. Mr. Chavira stated that as soon as the Outback updates their manager of record he will come back in front of the Board to become manager record at Pancho’s. Dr. Teehan asked if there were a concrete date as to when that could happen.

Ms. Deratzian stated that Outback is a large corporation and they will be required to change it almost immediately.

Ms. Baker informed all that there would have to be an application approved by the ABCC for a new manager at the Westborough Outback before we could file an application in here to name him the Manager of record at Poncho’s.

Dr. Teehan asked when they planned on opening. They answered, in two weeks.

Mr. Guilfoyle asked if the Board could grant the license with the understanding that Ms. Chavira

Will apply for the Manager of Record at Pancho’s as soon as Mr. Chavira is off the other license. Ms. Baker informed the Board that they could condition their approval with Carlos applying for the manager of record once he is released from the Outback's license.

Both parties were fine with this.

Mr. Guilfoyle moved to close a public hearing; seconded by Mr. Keogh. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes; Mr. MacDonald, abstained.

Mr. Guilfoyle moved to approve the request by Pancho’s Taqueria, 549 -551 Washington Street, for an all alcoholic restaurant license; seconded by Dr. Teehan. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes; Mr. MacDonald, abstained.

Mr. Guilfoyle moved to approve the request by Pancho’s Taqueria, 549-551 Washington Street, to appoint Nohely Chavira Williams as the Manager of Record, with the condition that as soon as Carlos Chavira is removed as the Manager of Record from the Westborough Outback Steakhouse, that he make an application to become the Manager of Record for Pancho’s Taqueria 549-551 Washington Street; seconded by Mr. Keogh. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes; Mr. MacDonald, Abstained.

Dr. Teehan strongly advised Mr. Chavira to card every single person that comes to Pancho’s to purchase alcohol because if something goes wrong, he will be held responsible.

Mr. Butler asked Mr. Chavira if they had met they had met Sargent Buckley, the alcohol control officer. Mr. Chavira answered, no. Mr. Butler suggested they get in touch with Mr. Buckley.

**FY’17 BUDGET MESSAGE PRESENTATION BY TOWN MANAGER JAMES KERN**

**Presentation Overview**

* **Revenue Estimates**

Mr. Kern stated that this is the basis of any budget conversation. He added that he will be talking about the Town’s Free Cash position and that the Town’s standing is a result of some good fortune but also some good planning.

* **Early Pension Funding**

Mr. Kern stated that he would present his proposal for an early pension funding scheme.

* **FY17 Changes/Issues**

Changes to operations.

* **Operating Expenditures Summary**

This is not real involved but it’s the way Mr. Kern looks at budgets. A look from year to year and what the major pieces are – Education, Health Care

* **Capital Expenditures**

A quick highlight of the Capital plan.

* **Tax Levy/Rate Impact**

An estimate of how we see the tax levy and rate impact resulting from the budget as it is proposed.

**Revenue Estimates**

* + Property Taxes – identified later in presentation
	+ New Growth estimated at $1,050,000 – doesn’t mean that much in a budget calculation but it is a good representation of activity to gage the state of the economy
	+ State Aid - $7,820,440 – increase of $179,000 or 2.3% - not a large part of the Town’s budget
	+ Local Receipts - $7,541,000 – increase of 19%
	+ Local Option Taxes - $2,040,000 – increase of 0.7% - feeds into the Robin Reyes fund. As a result of auditors and DOR the Town is required to budget that for the upcoming year as opposed to letting that roll in and then transferring the money later, the Town is going to budget it and as the money comes in and make those transfers.
	+ Sewer Receipts - $7,800,000 – increase of 2.6%

**Free Cash Balances**

* + Free Cash Balance
		- June 30, 2015 - $16, 256,612
		- June 30, 2014 - $8,184,818
		- June 30, 2013 - $3,101,778
		- June 30, 2012 - $2,031,815
	+ Effective Free Cash Balance:
		- June 30, 2015 - $16, 256,612 (Revenues exceeded estimates by $6.2 million and expenditures came in short of budget by $1.9 million)
		- June 30, 2014 - $8,184,818
		- June 30, 2013 - $5,683,273 (Avery deficit reconciled)
		- June 30, 2012 - $2,031,815

**Free Cash Increases**

* As the economy recovered, revenues exceeded estimates.
	+ - MV Excise
		- Permit Fees
* Two year lag between final data and present estimates. (2 year lag so to not estimate too high. Better to be low and sure so to not get out ahead. Wait and then move estimates up.)

* Smart to be cautious – downturns aren’t always foreseeable and everything goes down together.
* Avery School Construction Account skewed numbers in 2014

**Free Cash Uses**

* Operational Capital
* One-time other Capital
* Snow Deficits

Mr. Kern stated that the Town has not used free cash for things they are not supposed to, like paying Policemen, Firemen, etc. Mr. Kern added that snow deficits added up to about $2 million last year, so the Town was fortunate to have Free Cash for this use.

**Early Pension Funding Proposal**

* Existing Unfunded Liability in Pension plan is $24 million.
* Use $7,500,000 of Free Cash in FY17.
* Anticipate additional vote of Free Cash in FY18.
* Concurrent votes each year of $1,500,000 to reduce property tax levy.
* Will accelerate the funding of the unfunded liability which will ultimately reduce the annual pension payment by approximately $3,000,000 when fully funded.

Mr. Kern’s proposal is to make one accelerated payment from Free Cash to the Pension Plan in FY’17 and consider making another in FY’18. Mr. Kern added that the Town may want to reassess and switch to debt excluded debt. Mr. Kern informed all that the Town does not have a choice regarding pension payments, it does regarding OPEB but not the pension. The schedule is put out by the Retirement Board and must be met by the Town.

Mr. Kern stated that this accelerated plan would speed up the timing through which we would fully fund our pension. This would ultimately provide budgetary relief for Dedham’s overall budget. The real objective would be to fully fund the pension so that relief is provided to the budget.

Mr. Kern continued, saying that there are other factors that will go into whether or not we can retire that obligation as quickly as it might be scheduled. One of those would be the investment performance of the pension plan. If there are a couple of bad years of returns, the Town will have to deal with that either way.

* Solicited input from residents over the previous 3-4 months.
* Desire to reduce property taxes in the short- and mid-term but use money wisely.
* Proposed approach would impact all taxpayers in Dedham.
* Unfunded Liability is an obligation that must be met. Not optional – set by independent retirement Board.
* Does not affect pension status of employees

Mr. Kern stated that the other part of this proposal is to vote a $1.5 million tax reduction in the next fiscal year.

**FY2017 Additions/Changes**

* Six New Positions in General Government:
* Four Firefighters to bring staffing on the ladder truck from 2 to 3 (called for by the National Fire Association)
* One new custodian in Facilities Budget
	+ Bringing a Senior Center online/50,000 sf building
	+ Not funded until April 2017
* Additional HVAC Technician in Facilities Budget ($65,000)
* Previously provided under contracted service
* Concerned about response times during high demand

**Recent Fire Department Overtime**

* FY13 Actual: $782,333
* FY14 Actual: $695,650
* FY15 Budget: $628,177
* FY15 Actual: $523,824
* FY16 Budget: $547,360
* FY17 Request: $363,471\*

\*Request adjusted because of timing.

Mr. Kern stated that Chief Spillane has been funding the third person on the ladder with overtime pay. Mr. Kern added that with good practices, this cost has gone down.

**FY2017 Additions/Changes**

* Additional p/t inspector in Board of Health (no benefits)
	+ Available on weekends and evenings
	+ Significant increase in eating establishments (Dedham’s FTE equivalence is low compared to other communities)
* Moved Administrative Assistant position from Veterans Service Office to Human Resources Office
	+ Position was previously shared between offices. Evaluated need for 5 months
* Completed Department Head Compensation Study.
	+ Adjusted Assistant Town Manager compensation and responsibilities (previously 17 direct reports to the Town Manager, not efficient.)
	+ Other positions adjusted to reflect comparables
* Proposed I/T civilian employee in police department from present funds

**Summary of Large Budget Segments**

* General Government: $974,492; 3.6% (non-education, non-benefits)
* Education: $1,354,295; 3.9%
* Facilities: $41,058; 0.8%
* Benefits(OPEB, Health Insurance, Pension): $581,724: 3.4%
* Debt Service not covered by RR Fund: $583,378; 7.2%

**Summary of Year over Year Growth**

* Total Operating Expenditures: $4,217,532; 4.42%
* Total without Debt Service: $3,255,759; 3.75%
* Total without Debt Service and Operating Capital: $2,968,371; 3.48% (represents every day operations)

Mr. Kern stated that when one looks at the gross presentation of this budget with a proposal of almost $13 million in free cash, it is not going to be easy to compare to other year’s bottom lines.

**Operating Expenditures: Dedham Schools**

* Increase of $1,354,295 from FY16 to FY17, not including Blue Hills or Norfolk Agricultural budgets.
	+ This Budget reduces the Department’s request by $315,777, resulting in a 3.9% increase not including school allocated facilities costs.
	+ Continues funding phase-in of full-day kindergarten.
	+ Supports Superintendent’s intent to increase special education in-house programming. (providing in-house Special Education is extremely cost effective both in tuition and transportation savings.)

**Operating Expenditures: Benefits**

* Insurance Advisory Committee has been meeting monthly researching options.
* Dedham represented on the steering committee of West Suburban Health Group.
* Health Insurance budgeted at an increase of $496,500 from FY16 to FY17, an increase of 5%
* Rate Increases ranged from 0.6% to 8.5% with slight enrollment decrease
* Total Benefits budget increases by 3.4%

Total benefits budget increased by 3.4%, which buys us some time to manage the issues the Town has.

**Operating Expenditures: Debt Service**

* FY16 Debt Service $9.42 million ($8.6 last year)
* Non-Robin Reyes Debt Service is $7.53 million, a decrease of $583,378
* Non-Robin Reyes Debt Service projected at 7.6% of operating budget (8.6% last year)
* Non-excluded debt service 4.8% of operating budget (5.3% last year)

**Capital Improvements Program**

* Includes replacement of Gonzalez Field with a turf surface and lights at 2.4 million dollars
	+ Natural field is nearly a million dollars with reduced use
	+ Central location benefits school teams, rec teams, individuals
* Free Cash Capital: $2,372,000
* Capital proposed for borrowing: $4,700,000
* Operating Capital: $1,893,222

**Tax Levy/Rate**

* The budget creates an unused levy of $5,747,691
* Actual Levy will not be known until the Fall
	+ FY16 Residential Tax Rate: $15.49
	+ FY17 Residential Tax Rate (Est): $15.76
	+ Average residential property value: $420,216
	+ Current Fiscal Year Property Tax: $6,509
	+ FY17 Taxes based on this budget: $6,622
	+ Increase of $113.00 or 1.73%

Mr. Kern stated this is all provided by the Town’s Free Cash position and if Town Meeting votes the $1.5 million reduction, this is how the budget would lay out.

**Robin Reyes Transfers**

* This budget proposal fully budgets the anticipated transfer to the Robin Reyes Special Stabilization Fund for FY17
* This budget proposal also budgets for 1.07 million dollars in transfers from revenues currently being received from the local options meals and hotel taxes
* Budgeted amounts for FY17 partially funded with Free Cash

Mr. Kern stated that it will be a little difficult following that because it did not exist in past years but going forward it should be equalized.

**Thank You**

Mr. Kern gave special thanks to Andrea Terkelsen, Director of Finance, all Department Heads and Nancy Baker, Assistant Town Manager. Mr. Kern also thanked the Capital Expenditure Committee.

* Special Thanks to the Finance Team, Department Heads, Dedham School Administration, and everyone else who contributed to this Budget. I’m looking forward to working with the Board of Selectmen, Finance Committee, and Town Meeting Members throughout the rest of the process.

Mr. MacDonald stated his appreciation for the presentation and that the budget book is set up in a terrific way, showing FY’16 and FY’17 makes it easy to follow. Mr. MacDonald added that he will not ask any questions as he has the utmost confidence that the finance committee will go through the budget line item by line item. Mr. MacDonald continued, saying their things in the budget report that he agrees with and some things he does not but will leave it up to the finance committee to deal with those.

Mr. MacDonald informed all that although this is not their budget and it is not their place, if the Board has heard enough and believes that the Town Manager's plan is something that can be supported, they have, in the past given a concurrence with the Town Manager’s plan. It would send a signal that the Board supports the Town Manager.

Dr. Teehan stated that he thinks it is a good idea, but he would like to take some time to digest the Town Manager's budget. Dr. Teehan agrees with Mr. Kern’s plan to take $3 million off the books by making a significant payment to the pension this year as well as next year and a third less significant payment in three years. Dr. Teehan added that you can't predict what return we will get next year to build and make that second payment. The other variable is the stock market over the next couple years. Even still with those two uncertainties, Dr. Teehan believes that the endpoint is potentially so significant that it is worth pursuing. Dr. Teehan reminded everyone that in 2020, we could have a situation where the market changes and we do not meet the goal of totally funding pension liability. This would result in a tax year that is not as desirable as we would want it to be. The possibilities of this plan would be of great benefit to the Town of Dedham and would be significant.

Mr. Keogh stated that Dedham's biggest assets are its residents. Mr. Keogh commended Mr. Kern, Ms. Terkelsen and the finance team for their hard work. Whatever is contiguous the most cash flow and build up the coffers that will relieve the tax burden on our residents, is the road we should go down.

Mr. Guilfoyle stated that the biggest challenge we will have is to be disciplined regarding the $3 million, not added back into the budget. It is a great idea as long as we stay true to it.

Mr. Butler stated if this budget is adopted, it will be the third year in a row where the average tax bill goes up less than 2%. The investments made 10 to 15 years ago are starting to pay off. Many good decisions have led to this over the years. Mr. Butler spoke about the public meeting that was held back in December regarding free cash. He expected people at that meeting to stand up and say just write a check and give it back to me but we did not get that. The message we got from residents was to use the money wisely. It makes sense to pay off debt spread out over a few years. It reflected good common sense and how you want to run a Town and Mr. Butler was very impressed by that.

Mr. Butler added that we heard from the Powers and Sullivan representative Rene Davis that Dedham has one of the strongest balance sheets in the State. This, again is due to many good decisions over the years. The town is in very good shape regarding roads, sewers, buildings, balance sheet, free cash and taxes. Mr. Butler continued, saying that it has really been remarkable seeing that come together. This is a reflection of a lot of work by a lot of people. Mr. Butler stated that he goes back to Town Meeting’s decision to go from an Executive Secretary to a Town Administrator. As soon as professional management was brought in you started seeing real changes.

Mr. Butler stated that the finance committee all-day meeting is on Saturday, March 5, beginning at 8:30 AM. Regarding concurrence with the Town Manager's budget proposal, Mr. Butler added that he would like to see what happens March 5 before concurring. Mr. Butler stated that he does support the Town Manager’s recommendation, but wants to see what comes from the Finance Committee Meeting.

John Heffernan, Chairman of the Finance Committee stated that, as they have a discussion regarding free cash and how to use it for paying down pension or some other debt, we have to focus on our operating budget as we do every year. So he will instruct Finance Committee members to look at the budget aside from the free cash and manage the budget, as they have every other year. Mr. Heffernan added that this will be very important to do. The numbers initially look good but there could potentially be some changes. Mr. Heffernan stressed that it is important to have people thinking about using our free cash for long-term debt and not for their operating budget.

**OLD/NEW BUSINESS**

Mr. Keogh reminded everyone that on Saturday night the Riverdale PTO will be having their annual fundraiser at Waterford's.

Dr. Teehan informed all that the Wetlands Bylaw Review Committee had their first meeting this past Monday, which was very productive. The goal is to protect the wetlands and make rules that are enforceable and reasonable for tax paying citizens. Dr. Teehan added that tomorrow evening the Dedham Youth Commission is having an 80s party at Victory Grill. The goal is to help fund a playground for Veteran’s road.

Mr. MacDonald stated that last week there was a building fire down on Bridge Street. A long time, Dedham family suffered some serious damage to their home. Members of the Dedham fire department did a tremendous job. There's a group called the Boston Sparks Group that goes to fires to provide relief. These men and women provide warm beverages and blankets to victims of fires. Their truck is partially funded by the Crosby - Kennedy Foundation. At this particular fire, they set up a tent and gave out 28 pairs of gloves, 12 hats, two dozen towels, 3 gallons of coffee, and 2 gallons of hot chocolate. Mr. MacDonald would like to have the group in to speak with the Board.

Mr. Butler stated that last week he, Mr. McDonald and Economic Director John Sisson, were at Newton City Hall for a signing of a community compact with the Lieut. Gov. The community compact is a program that the Governor has set up to encourage cities and towns around the state to adopt best practices in a variety of fields. Dedham’s focus will be on Citizen Engagement, which ties very closely into the Town's website and other ways of communicating better. The program makes the Town eligible to apply for technical assistance, and also connects us with some other communities in the area who adopt the same goal. We believe that over the next few years this will bear some fruit.

Mr. Guilfoyle stated that the East Dedham Revitalization Committee had a meeting with Mr. Delapa regarding zoning changes. Mr. Guilfoyle added that all the zoning has been approved and he is looking forward to seeing what their next step is regarding permitting. There will be $6-$7 million invested down there. Mr. Guilfoyle continued, saying the next step for the East Dedham Revitalization Committee is to look at a Streetscape plan of what they would like Bussey Street to look like.

Mr. Guilfoyle moved to adjourn the meeting; seconded by Mr. Keogh. **On the Vote:** Mr. Keogh, yes; Dr. Teehan, yes; Mr. Butler, yes; Mr. Guilfoyle, yes; Mr. MacDonald, yes.

The next meeting is scheduled for Thursday, March 10, 2016 at 7p.m.

This is to certify that the above is a true and accurate record of the Minutes of the Board of Selectmen’s Meeting held on February 25, 2016, which minutes were approved on April 28, 2016.

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Michael Butler – Chairman