**FINANCE COMMITTEE**

**Meeting Minutes**

**Tuesday, June 23, 2015, 6:30 PM**

**Lower Conference Room, Dedham Town Hall**

**Members Present:** John Heffernan (Chair), Maureen Hanlon, Sue Carney, Steve Bilafer, Russell Stamm and Kevin Hughes.

**Members Absent:** Dave Roberts, Liz O’Donnell and William Podolski.

Mr. Heffernan called meeting to order at 6:33 PM.

**Reserve Fund Transfers**

Finance Department

Andrea Terkelsen, Director of Finance, explained the request for a reserve fund transfer in the amount of $50,000. This amount would be transferred to the Finance Department to cover a payroll settlement. She explained that this transfer is needed due to some changes in the Finance Department, and she felt it would be best to request a reserve fund transfer to cover this shortfall in personnel services.

Ms. Hanlon asked for an explanation of the shortfall. Ms. Terkelsen responded that they are very limited in the information they can provide regarding this request.

Nancy Baker, Assistant Town Manager, explained that this request relates to a personnel matter that the Town is not able to discuss publically in order to maintain confidentiality.

Mr. Heffernan commented that he does not intend to go into executive session to get any more details, unless other members of the Committee feel otherwise.

Mr. Stamm asked if this was related to a contractual obligation, or if it was a settlement of a different matter. Ms. Baker responded that there was money that was moved out of the “Finance Department Personnel Services” into “Purchase of Services” prior to the arrival of the Finance Director; they had overestimated what was needed in “Purchase of Services” and underestimated what was needed in “Finance Department Personnel Services”; this transfer would rectify that situation.

Ms. Hanlon confirmed with Ms. Baker that this request for additional funds is not related to the Town hiring any additional staff.

Ms. Hanlon made a motion to transfer $50,000 to “Finance Department Personnel Services” from the Reserve Fund, seconded by Mr. Bilafer.

The motion as discussed.

Mr. Stamm commented that he would feel more comfortable having more information in the future before voting. He would like to plan to go into executive session for these types of requests in the future to allow the Committee to feel more comfortable about what they are voting on.

Ms. Hanlon asked if there is a reason that they cannot go into executive session tonight. Ms. Baker asked if it was posted on the Committees agenda. Ms. Hanlon confirmed that an executive session was not posted for this meeting.

Mr. Heffernan commented that the Committee could consider having an executive session posted for a future meeting where they could go into a bit more detail.

A vote was taken on the motion. I**t was voted 2-3-1** (Ms. Hanlon, Mr. Stamm and Ms. Carney were opposed) Mr. Hughes abstained from voting. The motion failed.

Mr. Stamm asked what would happen if this reserve fund transfer is not approved tonight. Ms. Terkelsen responded that the Town would not make their next payroll.

Ms. Baker advised that if the Committee needed they could consider going into an emergency executive session tonight.

Ms. Carney made a motion that the Committee move into executive session, because of an emergency and timely situation, to discuss the two reserve fund transfers that are indicated as payroll settlement. This motion was seconded by Ms. Hanlon.

The motion was discussed.

Mr. Heffernan commented that he would be happy to approve these requests tonight with the understanding that they could plan an executive session at a future meeting with a posting.

Mr. Stamm asked under what circumstances they could receive more information if they were to approve this transfer in open session tonight. He explained that he feels confident that he is going to support the request, especially because he doesn’t want someone to go without a paycheck, but he isn’t sure if this is something they could have addressed earlier.

Mr. Heffernan informed the Committee that the meeting actually could have been scheduled sooner, but when given the option, he suggested waiting and having the Committee cover everything at one meeting.

A vote was taken on the motion. **It was voted 6-1** by roll call vote. (Mr. Heffernan was opposed.)

Mr. Heffernan suggested waiting until the end of the meeting to go into executive session.

Employee Benefits

Ms. Carney made a motion to transfer $12,000 from the Reserve Fund to Employee Benefits to cover expenses for June.

**Year End Transfers**

Ms. Baker explained that the Board of Selectmen met last week and approved the year end transfers that are in front of the Committee this evening.

A year end transfer in the amount of $100,000 was requested to be transferred from Police Personnel to Legal Town Counsel Services. The Town has and will continue to incur additional legal expenses relevant to the Algonquin Pipeline project.

Mr. Hughes commented he had thought the Finance Committee had decided not to spend any more money objecting the pipeline project. Ms. Baker responded that the Board of Selectmen is continuing to object the pipeline project, and she is not aware of any decisions by the Finance Committee not to spend additional money on this effort.

Ms. Hanlon commented that while she also would like to object the pipeline, she is concerned that the Town is fighting a losing battle.

6:50 PM: Mr. Stamm commented that it seems as though the pipeline project is continuing while this matter is being taken up legally. He asked what level of certainty the Town has that this won’t just get continued and brushed aside until the damage is already done.

Ms. Baker responded that the Town does not have certainty of this.

Mr. Stamm commented that it would be helpful to understand what has been spent so far by the Town to object the pipeline. He explained that he is having a hard time grasping the message he has been hearing that there is 100 percent certainty that the Town will lose if they fight it, yet the Town continues to spend money to fight it; he wonders if the Town is just throwing money away at this point.

6:58 PM: Mr. Bilafer asked if FERC can appeal the rehearing. Jim Kern responded that it is up to FERC. Mr. Kern explained that the Town would like FERC to act on the request for a rehearing.

Mr. Bilafer asked if the Town is requesting that the pipeline take alternative routes, and specifically, what will this $100,000 get the Town. Mr. Kern responded that this would cover the motion to compel comfortably. Mr. Bilafer commented that at some point there will be a need for a cost-benefit analysis on this; the Town needs to be wary of going too far into the process.

Mr. Stamm asked if Dedham police officers are providing detail service. Mr. Kern confirmed that they are, but the Town is not paying for them.

Ms. Carney commented that agrees with Mr. Bilafer. If the Board of Selectmen has had several executive sessions with Town Counsel and they feel there is reason to move forward, she trusts their judgment.

Mr. Bilafer asked how the Police Department ended up with an additional $100,000 that they could part with. Ms. Baker responded it is available due to vacant positions.

Mr. Stamm made a motion to transfer $100,000 from the Police Department Personnel Services to the Town Manager Legal costs, seconded by Ms. Carney. **It was voted 6-0.**

Human Resources

Ms. Baker explained the request to transfer $1,000 from “Human Resources Travel” to cover an intern that will be helping in the Town Manager’s office as well as Human Resources.

Ms. Hanlon asked how many hours per week this person is working. Ms. Baker responded the intern will be working three days per week for a period of two months.

Mr. Stamm made a motion to transfer $1,000 from “Human Resources Travel” to “Human Resources Wages Temporary”, seconded by Ms. Hanlon. **It was voted 6-0.**

Fire Department

Chief William Spillane was present and explained that they ran into some end of the year unexpected costs, with a shortfall in supplies. An additional $5,000 is needed to cover fuel and other incidentals for the Fire Department.

Chief Spillane was applauded by the Committee for having come a long way in resolving previous overtime issues.

Ms. Hanlon made a motion to approve a $5,000 transfer from the “Fire Department Overtime” to “Fire Department Vehicle Fuel”. **It was voted 6-0.**

7:15 PM: Parks and Recreation

Bob Stanley explained that an engineering study of Manor fields was done a number of years ago for $230,000. The Town stayed well within their budget for this study, and in July the contract with the engineering firm ended. Mr. Stanley explained that they kept the engineer on to consult with the Town past July, and incurred an additional $12,600 outside of the contract. In the end this brings them about five percent over budget.

Jim Maher explained that due to three abutters and their concerns, the plans needed multiple adjustments. He explained that the Town Planner has been the one negotiating with abutters recently.

Ms. Hanlon expressed concern that this request for additional funding is coming in after the money has already spent.

Mr. Hughes commented that this has been going on for twelve years with this property and they are still having disagreements with the neighbors. He is hesitant to put more money in the Manor Fields project.

Ms. Hanlon asked if the $50,000 approved for this year is related to the Manor Fields project. Mr. Stanley explained it is not related as that money is for a new Master Plan for Parks and Recreation.

Mr. Bilafer asked if the Town presently has all of the deliverables from Activitas. Mr. Stanley confirmed that they do, and he is not expecting that any further engineering changes will be needed.

Mr. Stanley commented that they are not contractually obligated to pay Activitas for this work, but he believes they are ethically obligated because the Town invited Activitas to meetings after the contract had ended.

Jim Maher commented that the deliverables have gone to Jason Mammone, Director of Engineering. He explained that Mr. McCarthy has been working with these three abutters for a while now, and the goal is not to make enemies over trees and fences.

Mr. Heffernan commented that a conscious decision needs to be made at the end of the contract; it would have been nice to have been asked for the funds back at the end of the contract.

Ms. Carney made a motion to move $13,000 from the Fire Department to the Parks and Recreation Department, seconded by Ms. Hanlon. **It was voted 3-1-2** (Ms. Hanlon was opposed) Mr. Bilafer and Mr. Stamm abstained from voting.

7:30 PM: Parks and Recreation other line items:

Bob Stanley explained that in paying some Parks and Recreation salaries, the process that they currently follow is that when they run out of Town appropriated funding they begin to pay from the Parks and Recreation revolving accounts. An error was made when completing payroll, and they forgot to switch a portion of the Assistant Director and seasonal employees pay from Town funds to revolving funds at the correct time and as a result, overpaid from the incorrect account. Mr. Stanley explained that the other request is for longevity for one employee. One employee didn’t get paid longevity for two years because that employee forgot to remind the Administrative Assistant that the payment was due. Parks and Recreation has addressed this issue and fixed the process so that going forward they will not make the same mistakes.

Mr. Stamm made a motion transfer the sum of $1,099.97 from “Parks and Recreation Overtime” to “Parks and Recreation Seasonal”, the sum of $1,980.00 from “Parks and Recreation Overtime” to “Parks and Recreation Longevity”, and the sum of $814.73 from “Parks and Recreation Overtime”, to “Parks and Recreation Assistant Director”. This motion was seconded by Ms. Carney. **It was voted 6-0.**

7:35 PM: Finance

Ms. Terkelsen explained the request for a line item transfer from “Professional Technical Services” to “Debt Services”; they simply did not budget enough debt service for this year due to some borrowing that took place, particularly a ban that was done that resulted in more than expected short-term interest.

Mr. Stamm asked if the amount of money relating to the Ames School Building should have come from the new account that was created for that purpose. Ms. Terkelsen responded that the fund he is referring to is related to being a landlord and the relocation of tenants, not related to other debt service. Mr. Stamm explained that it was his understanding that expenses related to the acquisition of the Ames School Building would not be coming out of the general fund, but rather, the Robin Reyes fund. Ms. Baker responded that the debt service on the money that was approved is to come from the Robin Reyes fund. There is no debt service coming from the revolving fund. The revolving fund is for operational costs. Mr. Stamm responded that Town Meeting was told specifically that this acquisition was not going to cost a penny of taxpayer money, it was all coming out of the Robin Reyes fund, but now it seems that $5,000 is coming out of another source to cover a shortfall.

Mr. Heffernan confirmed with Ms. Terkelsen that this $5,000 is not relevant to the Ames School Building. Mr. Stamm was satisfied with this explanation as he wanted to be certain that no taxpayer money was being used for the Ames Building, as was promised to the taxpayers at Town Meeting.

Ms. Carney confirmed with Ms. Terkelsen that the interest has already been paid. Ms. Carney commented that this is the second time tonight that the Finance Committee is asked to vote approval of something that has already been transacted. Ms. Terkelsen responded that in most cases the requests would be in real time but unfortunately with the scheduling of all of this, the debt service was paid. Ms. Carney commented that this is not Ms. Terkelsen’s fault. They have seen it before, and she wants to make sure they do not continue to see it.

Mr. Heffernan explained that he has deferred some meetings so the delay could possibly be his fault. Ms. Terkelsen confirmed that it was not Mr. Heffernan’s fault due to the scheduling of the meetings; she only realized the request needed to be made after it was paid. If they had different systems in place, items would not even process without the appropriate approvals.

Mr. Heffernan asked if there is a system in place that before they go in and make the payment you would notice the shortfall. Ms. Terkelsen confirmed that there is.

7:45 PM: Ms. Carney commented that it is not Ms. Terkelsen’s fault. Mr. Stamm agreed that is it not Ms. Terkelsen’s fault, and it is also not Mr. Heffernan’s fault due to his coordination of meetings. Mr. Stamm added that when given the option, he would rather have an inconvenient meeting about something ahead of time, before the money is spent.

Mr. Bilafer made a motion to transfer $5,000 from “Professional Technical Services” to “Interest Long-term Debt”, seconded by Ms. Carney. **It was voted 6-0.**

**Reserve Fund Transfers (continued)**

Mr. Kern informed the Committee that they did not have the proper exception to go into an emergency executive session tonight.

Ms. Carney asked which part of the Charter allows the executive session. Ms. Baker responded that it is statutory, not within the Charter.

Mr. Kern explained that these rules have changed significantly in the last couple of years and they are applied strictly. Mr. Kern also explained that due to the nature of the topic, they can tell the Committee as much in open session as they could in a closed session.

Mr. Heffernan confirmed with Mr. Kern that even if they did go into executive session they would not be able to tell the Committee anything further.

Ms. Carney commented that it wouldn’t make any difference whether or not they go into executive session if they can’t get any additional details in an executive session anyway.

Mr. Heffernan asked how much could be explained to get a level of comfort to get a vote tonight.

Mr. Stamm confirmed with Mr. Kern that the $50,000 relates to a payment that has been negotiated and is due and payable and that negotiation was handled internally through labor counsel, and that it is related to a contractual obligation or a legal settlement. He also confirmed that the $125,000 was negotiated in a similar manner. Mr. Stamm confirmed with Mr. Kern that there was not any expectation of future needs. Mr. Kern responded that this is the end by definition within the agreements.

Mr. Stamm commented that no matter how we feel about the process of collective bargaining agreements, he understands the need to remain confidential and feels comfortable supporting the requests.

Ms. Baker explained that they are bound by laws of agreements, such as separation agreements, not to discuss the details.

Mr. Stamm made a motion to move $50,000 from the “Reserve Fund” to the “Finance Department Personnel Services”, seconded by Mr. Hughes. **It was voted 4-2.** (Ms. Carney and Ms. Hanlon were opposed.)

Mr. Stamm made a motion to move $125,000 from the “Reserve Fund” to the “Fire Department Personnel Services”, seconded by Mr. Hughes. **It was voted 4-2.** (Ms. Carney and Ms. Hanlon were opposed.)

Mr. Stamm made a motion to reconsider the motion to go into executive session seconded by Mr. Hughes. **It was voted 6-0**.

8:07 PM- Mr. Kern explained how a ballfield was being used for snow storage, and that a decision was made to use the field as they knew that repair to the field would cost less than trucking the snow out of Town. They have decided to put a small amount of money into the field to bring it back to marginal condition, as it was before. The repair of the field is not considered a snow and ice expense.

Ms. Hanlon suggested approaching the School Department since they typically have excess funds to see if they would like to be a part of this.

Mr. Hughes asked if the request to fix the field is coming from the School Department. He has concerns with the power struggle between the Schools and Town and their fields.

Mr. Stamm asked if there was any indication what would need to be done to repair the field and the cost. Joseph Flanagan, Director of the DPW, explained that it would be irrigation with sod.

Mr. Stamm commented that it would be great to provide quality fields. He added that he would expect that both the Town and Schools would want to cooperate and participate in this effort.

Mr. Heffernan confirmed with Mr. Kern that the Town is not planning to use the same field that they repair the next time snow storage is needed.

**8:24 PM: IT Study**

Mr. Kern explained that in addition to the report, which he felt was very beneficial; he has his own experience in IT to offer the Town. He informed the Committee that he does not agree with some of the recommendations made on the report. The first thing he would like to do is have meetings with the technologically savvy people in Town to determine what is working and what is not.

Mr. Kern explained that implementations and change in general can be hard in municipal government. He would like to make intelligent coordinated decisions about technology purchases.

With regards to the website, Mr. Kern explained that while modern municipal websites were getting better, ours got worse; over time that gap has grown. He would like to put an RFP out for a new website vendor. He explained that Lisa Bazinet is more thank capable of dealing with the website but he would prefer the website remain a decentralized function for the time being. Residents and other visitors to the site should be able to sign up for notifications about the topics they are interested in. People will become better informed.

Mr. Kern explained that technology tends to cause people to step out of their structured budget. The Town has purchased a variety of technology that does not talk to each other. There is a transition the Town will likely go through with the Payroll HR module. The use of Cartegraph is a success story in Dedham; it is a good program the Town can make use of. Mr. Kern explained that he won’t take too much time but wants to look into the information further before making major decisions. Mr. Kern explained that he needs to be deliberate because it is expensive and the decisions he makes are ones they will likely need to live with for a long time. He will be updating the Board of Selectmen three times per year with regards to technology, and will also keep the Finance Committee up to date on the status.

Ms. Terkelsen commented that although it took some time to put the IT study together they have already been making significant progress addressing needs and issues. She explained that addressing the needs is going to continue to take a great deal of effort. Each department has different priorities. The Town is doing a disservice to themselves and everyone if they do not make strides towards improvement.

Mr. Stamm commented that IT is of critical importance. He explained that many people may not like the price tag that comes with many of these solutions, but it is still important to move forward. He is excited to see the improvements to come. He understands It is a constant battle to stay current and relevant.

Mr. Heffernan commented regarding the opportunity to get expertise from talented people in Town.

Mr. Kern explained that going forward Apple products will be the exception, not the rule; there is no need to give people an option for Apple vs. PC. He doesn’t want to push the urgency or rush it, instead he would like to be methodical about how the Town roles this out. The Town will need to determine if they have the talent to role this out. Mr. Kern plans to outsource the majority of IT for two years, and then plans to go back out to an RFP. IT will stay within the Finance Department, and will not report to the Town Manager for the time being. The outsourcing should allow the Town to fix what they have. In his experience, it is difficult to keep in-house IT staff trained and out in the real world.

Ms. Terkelsen commented that she feels comfortable with the current IT provider, Hubtech, and their coverage as well as their level of expertise.

Ms. Hanlon asked how familiar Hubtech is with Logos/New world. Ms. Terkelsen explained that they don’t need to be, we need to be. Ms. Hanlon commented that Ms. Terkelsen and Mr. Kern have a tremendous job ahead of them, and she does not envy them.

Ms. Terkelsen commented that in some cases items mentioned in the report are not as important of an issue, or was not an accurate representation of the needs of the Town. She believes the report may have overstepped the bounds of what its intent was in some instances.

Ms. Hanlon commented that she thinks the report is a good report.

Ms. Carney urged all Finance Committee members to read the report. Ms. Terkelsen responded that there are comments within the report that are outside of the scope. Ms. Carney responded that they can’t dismiss it as a lot of inaccuracy. Ms. Terkelsen agreed. Ms. Carney commented that the Town gave the School the tools they needed and the School’s used those tools appropriately and their technology was reflected positively within the report. She added that she believes in some cases the Town has to do better.

Mr. Bilafer commented on the desire to have financial information and budget broken down to charts on the website so this information can be easily accessible to the community.

Mr. Stamm commented that they did look at options like that to better illustrate budget and spending, he agrees this may be useful.

Mr. Stamm commented that the Town has an overwhelming job ahead. He suggests looking at the smaller chunks and to question whether implementation will be successful before implementing. The Town will need to evaluate whether they have the right people in place to lead the process and to guide the staff. There should be celebrations when these milestones are met. This is a long-term implementation.

Mr. Kern commented that while it is a lot of work, he would rather be doing this than working under an IT infrastructure where people feel trapped and frustrated.

Mr. Stamm commented that he would like to hear from the common citizens and what they expect as far as interaction with the Town. He would like to see their input.

Meeting Minutes were presented for approval.

Ms. Hanlon made a motion to approve the meeting minutes from April 7, 2015, seconded by Mr. Bilafer. **It was voted 5-0-1** (Mr. Stamm abstained from voting)

Ms. Hanlon made a motion to approve the meeting minutes from May 18, 2015, seconded by Ms. Carney. **It was voted 5-0-1** (Mr. Stamm abstained from voting)

Mr. Heffernan commented that they have been talking tonight about the need to have the right people in place for the implementation of new technology; he believes Lisa Bazinet is the right type of person that the Town needs to move this forward.

Mr. Bilafer made a motion to adjourn at 9:21 PM, seconded by Ms. Carney. **It was voted 6-0.**