**FINANCE COMMITTEE**

**Meeting Minutes**

**Saturday, March 5, 2016, 8:30 AM**

**Lower Conference Room, Dedham Town Hall**

**Members Present:** John Heffernan (Chair), Maureen Hanlon, Sue Carney, Dave Roberts, Liz O’Donnell, Cecilia Butler, Kevin Hughes, Marty Lindemann and Kevin Preston.

Mr. Heffernan called meeting to order at 8:30 AM.

Mr. Heffernan explained how important it will be during this all day meeting for the Committee to adhere to the schedule.

8:35 AM: James Kern, Town Manager, presented details on the proposed FY’ 17 Budget and reviewed his recommendations with the Committee.

Mr. Lindemann arrived at 8:40 AM

Mr. Kern reviewed revenue estimates, free cash balances, and increases in free cash as well as the uses of free cash. He explained how free cash should not be used to operate the budget. Uses include operational capital, one- time other capital, and snow deficits.

Mr. Kern described his early pension funding proposal. He explained that as a result of the free-cash discussion that was held in December, he heard that people wanted to see an impact on property taxes but also wanted a long-term decision to be made. He explained that the Town is very close to funding the unfunded liability in the pension plan; $ 3 million comes out of the budget every year. They plan to continue to make regular payments, and to hit the principal really hard. Mr. Kern explained that putting the money into the pension plan is something that will need to be done either way, and they feel that comparatively it is the best bang for their buck. Another option they considered was to pay off debt-excluded debt.

Mr. Kern discussed major additions and changes that can be found in the budget. He is recommending that the Town add 4 new firefighters to bring the staffing on the ladder truck from 2 to 3. This increase in staffing will result in a decrease in overtime costs, once the new firefighters are on-board.

Mr. Kern is also recommending a new custodian in the Facilities department, and explained he believes this will be needed especially with the new town hall and senior center. A new HVAC technician is also being recommended in the Facilities budget where they were previously using a contractor. Mr. Kern also agrees that an additional part-time inspector is necessary in the Health Department. Additionally, in terms of personnel, they have evaluated that the Administrative Assistant position will not be needed in the Veteran’s office, and he is recommending that position be moved to HR for an Administrative Assistant.

Mr. Kern explained that a compensation study was completed for department heads. One if the larger resulting changes of that study is that 5 people that currently report to the Town Manager will instead report to the Assistant Town Manager. As such, the Assistant Town Manager’s compensation has been adjusted to include the added responsibilities.

Mr. Kern reviewed other major segments of the budget. One of those was operating expenditures within Dedham Public Schools. Mr. Kern supports the Superintendent’s intent to increase the special education in house programming as well as continuing funding the phase-in for a free full-day kindergarten.

Mr. Kern also discussed Benefits and how the Town has added an insurance advisory committee to play a more active role in steering the direction of the West Suburban Health Group.

For capital improvements, Mr. Kern mentioned a recommendation to go with artificial turf for Gonzalez field. If they go with natural turf the Town will need to reduce its use of the field, but with artificial turf they will get much more use out of it, and it will last longer in general.

Mr. Kern explained that the Robin Reyes fund is now being budgeted properly, and they are also funding active receipts within free cash as well. They are now doing correctly what they hadn’t been doing correctly before. He explained and artificial increase in the use of free cash for Robin Reyes.

Mr. Kern thanked Andrea Terkelsen for her first year as Finance Director. The job has a lot of responsibilities and she is handling it well.

9:18 AM: Mr. Heffernan reminded the Committee that there is going to be a segment of one of the evenings to discuss free cash and also capital. He also clarified that free cash is not to be applied to the operating budgets; so keep in mind that any increases in the budget are not due to free cash.

9:20 AM: Police Department

Chief of Police, Michael D’Entremont, was present for the hearing.

The Chief reviewed details on the current state of the Police Department, including arrests, citations, and maintaining a 3 person traffic unit. Chief D’Entremont explained that a lot of Dedham’s crime is property crime. He provided a high-level review of his requests including vehicle maintenance, and the need for a Public Safety Technology Specialist. Chief D’Entremont explained that tasers are included within his capital budget, but training for the tasers is included in his operating budget. Required training will include 6 hours per year per officer.

Mr. Lindemann asked about emotional survival training by another police dept. The Chief confirmed that there is no known problem, this is a proactive effort.

Mr. Hughes asked Chief D’Entremont for an explanation on FLSA. The Chief reviewed changed expected this year per Federal Law.

Central Dispatch

Kenneth Ellis was present to discuss Central Dispatch. He explained a need for additional part-time workers.

Fire Department

Chief of Fire, William Spillane, was present. He reviewed the budget and information on the current state of the Fire Department with the Committee. He explained that with only 2 people staffed to the ladder truck at a time, they are not able to conduct the necessary tasks. The person who operates the truck needs to stay with the truck, and they are not supposed to send one person to perform a task on his own. Chief Spillane explained the minimum manning clause of 11 firefighters. He also explained that other towns are dealing with similar issues where they need to address lesser amounts on ladder trucks.

Ms. Hanlon asked if adding the new firefighters will become contractual; meaning that the Town needs to then maintain those numbers. The Chief confirmed it will not.

Mr. Roberts asked about the off-duty training program. Chief responded that firefighters are allowed the option to take classes on their days off and get paid at $35 per hour.

Ms. Hanlon asked if fire alarms or boxes that were not working have been replaced. Mr. Spillane confirmed that the fire boxes are all working, and they receive notification when they are not working. They are not used as much as they were in the past, but they are still functional.

Mr. Hughes asked how many of the firebox uses are false alarms. The Chief responded that many are false alarms, but there are a minimal amount of fire boxes on the poles and they require hardly any maintenance at all.

Mr. Lindemann asked what is being projected for overtime savings in the second year. The Chief responded approximately $200,000 which is the same as the cost of hiring the firefighters. Overall, it is a wash.

Ms. Carney asked why the cost to maintain the boxes has gone from around $13,000 three years ago to $40,000 now. He will have to look into this.

Ms. Carney confirmed with the Chief that once the new Fire Department is built, they will no longer need to lease the parking for the reserve truck.

Building Department

Kenneth Cimeno, Building Commissioner, was present. He explained that the only significant change within his budget is the reclassification of 4 inspectors from TS-3 to TS-4. Additionally, the Sealer of Weights and Measures was moved into the Building Department’s budget. The department is requesting funds to purchase new clothing as part of a new building code. Mr. Cimeno explained that he is always trying to find ways to save money.

Mr. Hughes confirmed with Mr. Cimeno that the car allowances within his budget are contractual.

Cecilia Butler asked for the average weekly mileage of his inspectors. Mr. Cimeno responded that the mileage varies from week to week. The amount of miles may not be high, but they are city miles and are harder on the vehicle.

Ms. Carney asked for some clarification on the reclassifications and how that works with the steps. Ms. Terkelsen provided some information.

Ms. Baker explained that the reclassification of inspectors was due to the fact that they are required to have licenses and needed to be moved to a different grade level. The step they were moved to at the new grade was lower, and this allows more steps for growth.

Ms. Carney commented that she would like a more thorough explanation from HR on the department head compensation study that was done and the process for reclassifications.

11:04 AM: Department of Public Works

Joseph Flanagan, the Director of Public Works, was present.

Mr. Lindemann asked Mr. Flanagan to articulate more on the proposed Dedham Square maintenance. Mr. Flanagan described the various locations around Town were projects are planned.

Ms. Carney commented that she likes to see a strip of grass between the sidewalk and the road, and would like to see the Town maintain that strip when sidewalks are added.

Ms. Carney asked about the increase in dues and memberships from $2,400 to $7,000. Mr. Flanagan explained that the increase is mainly due to a snow and ice conference in Connecticut that he would like to attend which will cost approximately $2,000.

Ms. Carney asked if the Town pays for the renewal of licenses for everyone and commented that she has a professional license and no one has ever paid for it to be renewed; she does it herself.

Mr. Lindemann confirmed with Mr. Flanagan that Gonzales Field work is not in his budget.

Ms. Hanlon asked if employees that are out on leave continue to receive car allowances. Ms. Baker responded she was not sure; she would need to look into that.

Mr. Flanagan explained that the trash cost did go down because of the Wheelabrator contract.

Mr. Hughes asked for why there was an increase in supply costs for snow and ice removal. Mr. Flanagan explained that some of that money had been reallocated from vehicle repairs. They generally spend more money on this so they wanted it to reflect the actual costs.

Mr. Hughes asked if the Town got reimbursed from anyone for last year’s snow removal. Mr. Flanagan responded that they are still working on it. Some reimbursements take a long time.

Ms. Terkelsen explained that when those monies come in, they will go into free-cash.

Mr. Lindemann asked about the sidewalk budget and areas in Town that are dangerous for pedestrians. Mr. Flanagan responded that new sidewalk projects would have to be put in as capital projects.

Mr. Heffernan commented that the street lighting budget is decreasing.

Mr. Flanagan explained that with the LED lighting change-out program, they have had good luck with them as far as the replacement cost, and they get a reimbursement rate from the state. Mr. Flanagan explained that while the program has been well received, some people on side streets find the lights to be too bright.

Ms. Butler asked how long the toters are supposed to be holding up; she has seen a lot of broken ones. Mr. Flanagan responded that they have a warranty of 9 years which is just about up. Mr. Flanagan explained they will be swapping the toters out.

11:25 AM: Engineering

Jason Mammone, Director of Engineering, was present. He reviewed the details of his budget.

Mr. Lindemann asked Mr. Mammone about the tasks that the GIS and Engineering interns work on. Mr. Mammone reviewed the types of tasks completed by interns in the past.

11:37 AM: Planning

Richard McCarthy, Planning Director, was present. He provided an overview of his budget.

Ms. Carney made a request to have a list of all the interns that the Town has had, and for how many years each department has had interns. She would also like salary history.

11:40 AM: Economic Development

John Sisson, Economic Development Director, was present. He reviewed his budget and explained that he is requesting an intern for 12 weeks in the fall semester.

Ms. Carney commented that the Economic Director Salary is increasing by six percent. Ms. Baker confirmed that includes both an increase in step and an adjustment.

11:42 AM: Environmental

Virginia LeClair, Environmental Coordinator, was present. She explained that there was an increase in her budget due to the expense of the mercury program, but that is reimbursed by Wheelabrator at 100 percent. She also had an increase in dues for the USDN. She has been hiring an intern each summer and they help with the Dedham Trails event, the Styrofoam recycling program, and other duties and research.

Mr. Preston had some questions about beavers, and Ms. LeClair explained that the right people to ask would be Conservation and Board of Health.

11:47 am: Conservation

Frederick Civian, Chairman of the Conservation Commission, was present. He explained that the Conservation Agent, Elissa Brown, is currently out of the country, so he is here in her place.

Since there was a request to increase the hours of the Conservation Agent, Mr. Civian reviewed items that the Agent presently does not have enough time to do. With regards to professional certifications, Mr. Civian explained that Ms. Brown is a licensed site professional, and it is useful for the Town to have an LSPA available to help out with Town projects.

Mr. Hughes asked about travel expenses for the agent. Mr. Civian confirmed that mileage is tracked by the agent. For meetings and conference fees, Mr. Civian explained that Commissioners would ideally be going to conferences and they like to have enough money if they choose to do so.

Mr. Lindemann asked what the major deliverable would be from the Conservation Agent as a result of increased hours. Mr. Civian explained that her time would be spent addressing the items that are not able to be done presently. Mr. Civian listed some of those items.

Mr. Lindemann commented that it would be nice to see a one stop shop for residents to figure out rules instead of the Building Department and Conservation pointing to each other.

12:00 PM: Youth Commission

Robert Blaney, Director of the Youth Commission, was present. He provided a brief presentation on what Youth Commission does explaining the impact on youth in the community and current programs.

Mr. Lindemann asked who the counselor is. Mr. Blaney responded it is an LISCW with an office at the High School.

Mr. Lindemann asked what the total amount is that the Youth Commission is raising annually in order to measure the impact. Mr. Blaney responded that if they get the upward grant, the number would be in the millions.

Mr. Preston suggested that next year he brings in information with a number of what was raised to show the benefit.

Mr. Heffernan commented that it is interesting and refreshing to see how Mr. Blaney has gone out and did what he said he was going to do each year.

Mr. Lindemann asked if there was data on the total number of kids impacted through this program to demonstrate the impact.

Mr. Hughes commented that he didn’t realize all of this was being done before the presentation last year.

12:15 PM: Veterans Services

Bill Aitkin, Veterans Services Director, was present. He explained that the trial period where he has been running the office himself is working well, and he does not plan to rehire an Administrative Assistant. He explained the increase in veteran’s benefits. He also described his case-load, which has gone from 25 cases last year down to 19 now.

Mr. Hughes confirmed with Mr. Aitken that he is still handling parking tickets.

Mr. Heffernan complimented Mr. Aitkin on his efforts and the impact that he has made since he started with the Town.

12:27 PM: Endicott Estate

Erin Perron, Director of the Endicott Estate, was present. When asked, she explained that she works under the direction of the Endicott Estate Commission as well as the Town Manager and Assistant Town Manager. When she is not comfortable with making decision on who is using the estate, she will go to them. They hold all kinds of events, including weddings, corporate meetings, auctions, etc.

Ms. Terkelsen explained to the Committee that the Endicott Estate cannot operate self-sufficiently.

Ms. Hanlon explained it would be helpful to see a simple basic monthly income statement with year-to-date revenues, expenses, and net profit loss. Ms. Terkelsen explained that the Town does have this information internally, and a concern that she has is that the actual expenses month to month do not provide the full picture.

Ms. Carney commented that it appears the salary of the event support position is going down.

(Break for lunch)

1:15 PM: Parks and Recreation

Robert Stanley, Director of Parks and Recreation, was present. He reviewed the details of his budget and compared the current year to the previous year. It has been their general philosophy to have at least a third of the budget being paid from revolving accounts. The revolving account has grown over the past 4 or 5 years. There is not much room for growth at the pool; they are using it all the time.

Ms. Hanlon commented on the Assistant Directors salary being funded at 50 percent, and commented that it is her understanding that at some point they were supposed to turn it completely over to Parks and Recreation to fund. Mr. Stanley confirmed that is what they are trying to do.

Ms. Terkelsen explained that the idea was that the Parks and Recreation Department pay 50 percent of the salary and 50 percent of the benefits for the Assistant Directors position. This was not how it was allocated previously.

Ms. Hanlon explained that she when the Assistant Director was hired it was with the understanding that the Town would subsidize this position for a certain amount of time, and then ultimately it would become 100 percent on the Parks and Recreation Department’s budget.

Mr. Kern explained that even though it looks like they are losing ground, they are not because money that was being allocated towards salary is now going towards benefits.

Mr. Stanley explained that they are looking at everything to determine ways to increase revenue. He does recall that they had intended to fully fund the position.

Ms. Hanlon commented that she is happy to see that they haven’t lost site of the goal.

Mr. Hughes asked about the funding given last year for part-time workers. He added that they were hoping it would be close to April that they would begin working on the ball fields. Mr. Stanley confirmed that crew will come on board for April, May and June as planned.

Mr. Lindemann made recommendations on the types of surveys that may be more effective for data mining.

1:40 PM: Dedham Public Library

Rose Marie Shrewsbury was present to represent the Library, along with Tracy Driscoll of the Library Board of Trustees.

Ms. Driscoll reviewed updates at the library, including a new website that was launched this year.

Mr. Lindemann asked why the requirements need to be met. Ms. Driscoll confirmed with Mr. Lindemann that they get $27,000 back and are able to use the Minuteman network.

Mr. Heffernan commented that some of the mandates and calculations that come out don’t make sense. He thinks this is driving the Town closer to the discussion that we only need one library.

Ms. Carney commented that the Town is spending less than 1 percent on library services. She thinks the Town needs to think long and hard before considering consolidating. She added that the recommendation of the free cash meeting should have been for a new larger library facility. She also added that there are some people who would like to go to the library on Sunday and this is something they can consider if they are looking for more opening hours.

Mr. Lindemann asked for more details on the study to be done by Aaron Cohen.

Mr. Preston asked how many cardholders the library has. The library representatives will have to get back to the Committee with this information.

Mr. Heffernan commented that he would like to see a state of the art facility for the library.

2:15 PM: Town Clerk

Paul Munchbach, Town Clerk, was present.

Ms. Hanlon asked about the Town Clerk departments staffing needs considering that they need more staffing especially around election time. She wondered if they would be able to reduce by one full time person and just hire someone part-time around elections. Mr. Munchbach responded that online transactions may cut down on staff time needed so they will look further into this once more is done online, but he certainly needs the full-time help during elections.

Mr. Hughes commented that people have had privacy concerns with the new voting booths. Mr. Munchbach responded that they can look into purchasing curtains for the new booths.

2:30 PM: Board of Health

Catherine Cardinale, Health Director, was present. She reviewed her budget and explained the need for a part-time inspector to cover night and weekend inspections.

Mr. Kern commented that he agrees that a part-time inspector is warranted since the Town is reaping the benefits of new restaurants in Town; they should also be doing their part and inspecting them.

Andrea Terkelsen added that meals tax generates revenue too.

Ms. Cardinale explained that the Health Department has not been able to meet the requirements for inspections in 3 years.

2:45 PM: Council on Aging

Laura Leventhal, Director of Council on Aging, was present. She reviewed her budget with the Committee.

Ms. O’Donnell commented that she would like to see more money spent on seniors.

Ms. Leventhal explained that a lot of things could be done that don’t cost money; she would just need another staff person.

2:49 PM: Assessors Department

Richard Henderson, Director of Assessing, was present.

Ms. Carney asked about the Other Assessing Personnel. Mr. Henderson explained that neither gets benefits.

Ms. Carney asked Mr. Henderson to get the Committee data on how many field visits the Assessing Specialists are making.

Ms. Terkelsen suggested that they go back to the job description to see what makes them Assessing Specialists versus Administrative Assistants.

2:57 PM: Finance Department

Andrea Terkelsen, Finance Director, was present. She reviewed details of her work since beginning with the Town in 2015.

Ms. Terkelsen explained that they eliminated the IT staff in-house and the Town is now outsourcing IT. The payroll function has been moved to accounting, and positions have been reclassified. New positions were added including an Information Systems Application Specialist as well as an Assistant Collector. The department remains at 11 FTE’s. They are now discussing moving the Assessing Department under Finance. The payroll savings from IT staff can and will be redirected in finance and elsewhere as needed.

Ms. Terkelsen explained that she is thinking of using Energov to improve e-government solutions and to offer online permitting.

Mr. Lindemann asked about the security of private information. Ms. Terkelsen explained her knowledge of Tyler Technologies and there are no known issues with security as it relates to their products; they are an industry leader.

Mr. Lindemann confirmed with Ms. Terkelsen that Energov would integrate with the existing GIS.

Ms. O’Donnell asked if the Town has already purchased MUNIS. Ms. Terkelsen responded that they need to go live with the financial piece at the beginning of a fiscal year; it is an 18 month process, so they had to get things going before the Town Meeting schedule. They do not own any modules at this point though.

Ms. Butler asked why they total personnel for FY’ 17 is 12 on the paperwork she received. Ms. Terkelsen responded that there was an error on the form and one person is showing up twice; it is really only 11.

Ms. Terkelsen explained that the Committee that the Technology study was helpful but they did not want to address the issues in the same priority as the group that gave the study. The new ISAS position is a liaison to Hubtec, helping with the management of equipment and devices. This person needs to be the expert with any of the systems that they are using, like a System Administrator. She explained how she moved an existing member of the Finance staff into this role.

Mr. Heffernan suggested having technology as a separate night of discussion.

3:45 PM: Ms. Carney commented that Ms. Terkelsen has done well considering that she has had a horrible first year with everything she has had to deal with.

Ms. Carney commented on how the Town is paying attention to her own delinquent bills, and she thinks there are much larger debts that ought to be paid attention to as well.

3:50 PM: Treasurer/Collector

Jane LePardo, Treasurer/Collector, was present. She reviewed her budget with the Committee.

Mr. Roberts asked for a list of excluded debt. Ms. Lepardo confirmed she would email it to the Committee.

3:55 PM: Human Resources

Miriam Johnson, Director of Human Resources, was present. She reviewed the details of her budget. For increases, she explained that the drug testing prices went up since they needed to change vendors with the current vendor not keeping information confidential.

Ms. Johnson explained that she believes there is significant potential for training opportunities town-wide.

Ms. Johnson explained her request for a full time Administrative Assistant. She has been with the Town for 2.5 years. This year’s budget was amended to get a half-time person to support her, but there are still administrative things that she spends her time doing. She feels there is more than enough work to be done by a full-time Administrative Assistant.

Ms. Carney asked Ms. Johnson about the salary changes and adjustments. Ms. Johnson explained that a survey was done, and results were compared to other Towns. They did the best they could with Town to Town comparisons, but titles are not always the same. The staff was consistently paid 7-10 % lower than the average. They then needed to consider how to place our people so they are in the competitive range. Salaries were first increased by the 2.5% that the union is getting, and then they were moved up to the next step on the appropriate scale.

Mr. Kern commented that it is too late to make your salary competitive when employees come to tell you they are leaving.

Ms. Carney asked if they looked at only salary, or if they included benefits in the comparisons. Ms. Johnson responded that she did not look at benefits because she knew the Town’s benefits were competitive.

Mr. Hughes asked what role the School’s HR Manager is playing in assisting the Town. Ms. Johnson responded that that person resigned in November, and the HR Manager of the Schools was not planned to have the capacity to take on any administrative work for her.

4:20 PM: Mr. Kern explained that the increases for health insurance and other benefits were much more reasonable this year. He explained the goal of having the Insurance Advisory Committee in place and the Town taking a more active role in the WSHG. The Town is continuing to evaluate insurance options. He doesn’t think the Town looks at health insurance like average consumers. They need to consider options such as the option to pay people not to take it, HRA’s that cover deductible plans. Mr. Kern confirmed with Ms. Johnson that while there is not an immediate result to wellness programs, the hope is that it will make a difference 10 years from now.

Mr. Lindemann confirmed with Ms. Johnson that the Town is not currently differentiating rates based on smoking versus not smoking.

4:30 PM: Mr. Heffernan explained that the remaining budgets would be carried over to the next meetings.

Mr. Lindemann made a motion to adjourn at 4:33 PM, seconded by Ms. Hanlon, UA.