March 22, 2018

Finance and Warrant Committee

Kevin Hughes, Kevin Preston, Cecilia Emery Butler, David Roberts, John Heffernan, Susan Fay, and Marty Lindemann present. Ms. Carney arrived at 6:35.

Mr. Preston called the meeting to order at 6:30 and opened the floor for public comment. Given that there was none, the committee moved to review minutes from past meetings.

Mr. Robert motioned to approve the minutes from the meeting on 11-6-2017. Ms. Emery Butler seconded. It was approved 7-0.

Mr. Roberts motioned to approve the minutes from the meeting on 11-13-2017. Ms. Emery Butler seconded and pointed out a name error in need of correction prior to publication. It was approved 7-0.

Mr. Roberts motioned to approve the minutes from the meeting on 1-17-2018. Ms. Emery Butler seconded and pointed out a portion where she was incorrectly cited in need of correction prior to publication. It was approved 7-0.

Mr. Roberts motioned to approve the minutes from the meeting on 2-27-2018. Ms. Emery Butler Seconded and noted that Mr. Aiken’s name had been left out in lieu of his job title. It was approved 7-0.

Ms. Carney arrived at 6:35

The committee began reviewing Article 10, regarding the transfer of funds from the Robin Reyes fund to pay budgeted debt service payments for Fiscal Year 19. Mr. Hughes asked why this transfer was necessary. Mr. Kern answered that they have ramped up the programs that are covered under the Robin Reyes funds.

The committee moved to Article 12, to establish fiscal year limitations on expenditures from revolving funds. Ms. Baker explained that this is unchanged from previous years. Ms. Fay asked why the youth commission had a revolving fund if all of their programs are free, and revolving funds typically come from revenues. Ms. Terkelsen answered that he receives donations through gifts from supporters of his programs.

Mr. Preston asked why the Ames fund was mentioned on the listing. Ms. Terkelsen answered that the Ames fund is closed. Ms. Baker clarified that she will remove from future Warrants. She further explained that they could word their motion in such a way as to remove it from the Article.

Ms. Emery Butler asked which revolving funds corresponded to which account numbers on the list of account finances. Ms. Terkelsen agreed to double-check that information and get back in touch with her.

Mr. Preston asked if the spending limit remaining unchanged was indicative of a failure for the income of those departments to grow. Mr. Kern explained that the revolving funds are designed to cover contained expenses that do not fall under the normal work of municipal government.

Mr. Hughes asked if there were explicit reports available to break down the income and expenses of the revolving funds. Ms. Terkelsen answered that yes, those reports exist and could be made available. Mr. Lindemann asked how the town ensures that these revolving funds are being run as efficiently as possible. Mr. Kern answered that each fund tends to fall under the purview of other boards.

Ms. Carney asked if seasonal employees get paid out of revolving funds. Ms. Terkelsen answered that many do, and the finance department is working to try to make salary information easier to audit and evaluate. As things stand, some of that information is in the budget and some is in the revolving fund report. Ms. Carney suggested that the town could benefit from evaluating their program usage.

Ms. Emery Butler asked what we do with excess revolving fund balances. Ms. Terkelsen answered that the funds from the previous year are rolled over into the revolving fund for next year. Furthermore, the money remains in that fund until the fund is closed. Mr. Kern explained that sometimes there is a breakpoint where a high value is reached and the funds are used for a large purchase, such as a fire truck. However, these expenditures will always go in front of town meeting for approval.

Mr. Heffernan asked how these limits get increased, especially with a growing department like the board of health. Ms. Terkelsen explained that when the department sees the need for a higher spending limit, they typically make a request for it.

Mr. Mammone presented on behalf of Article 27, to accept quarry road as a public road and take responsibility for the use and maintenance of it.

Mr. Hughes asked how much it was estimated to cost, and if those costs would be covered by the town or the individuals on the road. Mr. Mammone answered $127,000, and that the town currently plans to cover that expense.

Mr. Poole, chairperson of the by-law review committee, took the floor to discuss Article 24, which clears up some wording in a by-law about false alarms and dispatches to alarm calls. Outdated language is being removed and clarifying the process of cancelling false alarms by the key holder.

Ms. Terkelsen explained that Article 13 is a standard article to fund changes in the sewer enterprise fund.

Ms. Terkelsen presented Article 14, which covers the closing of the Endicott Estate Enterprise Fund. Mr. Preston explained that he felt the Endicott Enterprise fund muddled the issue of the finances of the enterprise fund. Mr. Heffernan clarified that despite the fact that he voted for its creation, he agrees that it should be ended.

Mr. Lindemann stated that he felt public concern might be that this will affect the operation of the Endicott Estate or represent a defunding of it, when in reality it is mostly a change in book-keeping.

The Article 17 presenter, Brian Keeney, was unable to attend the meeting for Article 17 and the committee postponed discussion of it for a later meeting.

The committee moved to discussion of Article 25, sponsored by Ms. Carney and Ms. Emery Butler. Ms. Carney explained that this is aimed to accomplish the goal of giving the public a say in hugely expensive public projects. This Article creates a binding referendum after Town Meeting votes to fund a Capital Project with a cost of $15,000,000.

Mr. Heffernan asked if town meeting would then instead be approving that the project go to the voters, rather than town meeting be approving the funding, because town meeting’s votes are binding. He asked when the vote would take place. Ms. Baker explained that a special election would have to be held within 45 days of the town meeting vote.

Mr. Preston clarified that the motion will actually be a petition to the general court to accept new legislature to the effect of this Article.

Ms. Terkelsen raised the concern that some projects, particularly those related to the MSBA, the votes may interfere with the building timetable, because receiving MSBA funding comes with a very strict and inflexible timetable.

Ms. Baker noted that sometimes the MSBA leaves very little leeway with the timetable to secure funding for projects they are involved in. Given the amount of studies and feasibility research done for major projects like this, she warned that you could lose a lot of money and man-hours.

Ms. Carney stated that, at the end of the day, she thinks the important thing is that the townspeople be allowed to vote, and if they vote against something, it shouldn’t get done.

Ms. Terkelsen explained that you can have elections for some subjects prior to town meeting, such as an election for debt exclusion.

Mr. Heffernan asked if Warrant Articles could be done in the fall ahead of time of the MSBA approval to ensure the election could be held expediently. He suggested that they could potentially add a rider that specifies that if the funding does not come through, the approval from the town does not go through either.

Mr. Roberts emphasized the importance of meeting MSBA guidelines due to their strict funding laws.

Ms. Fay asked which buildings in the last 5 years would have triggered this vote. She listed the ECEC, the new Town Hall, the middle school, and the new public safety building.

The committee discussed scheduling their future deliberations.

Ms. Emery Butler motioned to adjourn and Mr. Heffernan seconded, it was approved. 7-0.

Meeting concluded at 8:00 pm.