



Town of Fairhaven

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TOWN CLERK

Town Hall - 40 Centre Street - Fairhaven, MA 02718 2021 MAR 24 A 11: 34

MEETING NOTES

FAIRHAVEN,
MASS.

Date, Time, Location:

November 30th, 2020 @ 6:00 P.M., Remote through ZOOM

Meeting Overview:

1. Meeting Called to Order
2. Joint Meeting opening statements
3. Discussion Overview - Discussion on Turf Field Vote at Town Meeting
 - a. Discussion A - Process & Protocols
 - b. Discussion B - Capital Project Funding
 - c. Discussion C - Future Impact
4. Permits for Building Department
5. Approval of Past Minutes
6. Closing Remarks

-Key-

- #) = Issue being discussed
 - = Notes, indentation for more notes
 - = Decrease in detail budget item
 - + = Increase in detail budget item
 - = Questions and discussions below
 - ◆ = Votes (Nom/Second)
 - ! = Change in attendance
-

Finance Committee Member Attendance (10):

- Padraic Elliot, Lisa Plante, Chris Fidalgo, Bernard Roderick, Carolyn Roberts, Kevin Gallagher, Tracey Diggins, Jessica Dwelley, Jennifer Dupras, Kathi Carter

Board of Selectmen (3):

- Daniel Freitas, Keith Silva, Bob Esendola

Town of Fairhaven (5):

- Derek Frates (Public Access Director), Vicki Oliveira (Assistant to the Town Administrator), Mark Rees (Town Administrator), Mark Sylvia (Town Moderator), Chris Carmichael (Building Inspector)

Meeting called, 6:00PM

TONIGHT'S AGENDA

Selectmen Freitas reads these notes: from Governor Baker, filming notes, and order of conduct.

Discussion Overview - Discussion on Turf Field Vote at Town Meeting

- Pad: How was the article handled with alternate motions?
- Now about changing the vote but discussion of the process
- 3 main questions: process & protocols, capital project funding, impact on budget going forward

Discussion A - Process & Protocols

- Opening remarks from Mark Sylvia
 - Town meeting has the ultimate authority, makes decisions
 - Motions made, goes through vetting (legal counsel, selectmen)
 - Once a motion is made and seconded, town meeting members can make alternative motions (must be legal, Robert's Rules)
 - Debate happens, someone moves the question
 - To Specific Article: Dr. Baldwin discussed about 2 days prior to Town Meeting
- Mark Rees: When did I know? Day of Town Meeting, call from Superintendent, which account would be best
- *Pad opens the floor to individual members*
- Bernie
 - FinCom was not given the opportunity to discuss or recommend
 - Curious to who knew ahead of time
 - This could "impact the credibility" of the process
 - Pad: I was aware right before Town Meeting after FinCom adjourned
 - How was the order made if the 2/3rds vote failed? Sylvia: It was a separate motion
- Tracey
 - Passed
- Chris
 - Passed
- Kevin
 - Were any rules broken? Sylvia: No
 - Appropriate people were notified, but FinCom found out late
 - Can we better formalize the courtesies of notice to other departments? Sylvia: Additional rules for alternative motions could be valuable (different pros and cons)
- Jennifer
 - Passed
- Jessica
 - Comment: no rules were broken, but more discussion should be made on the second topic
- Lisa
 - It seemed as though no discussion was made on the second motion whereas the first motion had all the discussion
 - Sylvia: Either motions could have been discussed, but town meeting members spoke specifically on borrowing rather than free cash
- Kathi

- Taken aback by this situation, optics were poor
- Seems like we need more rules around spending significant amounts of money like this
- Sylvia: Ultimately, Town Meeting makes these decisions on their belief of what's appropriate
- Carolyn
 - Suggestion: Can we prompt more input from finance?
 - Sylvia: We try to do that and defer to both the FinCom and Selectmen chairs when possible
- Bob
 - Total surprise to me
 - Found out that earlier that day, Selectmen Frietas knew of the likelihood
 - Other selectmen were not informed
 - Proper process has been followed and resulted in positive benefits to the town
 - This is "flagrant breakdown in communication"
 - For future cases similar to this, could there be a halt or pause in discussion for the Selectmen and FinCom to discuss the matter further?
- Keith
 - Passed, didn't know anything about it
- Daniel
 - One minute call, "if this fails, are you still on board?"
 - Never spoke as a selectmen, didn't involve other selectmen
- Pad
 - Could debates be held separate for separate motions?
 - Sylvia: We've found that to be less efficient than a single debate portion
- Addendum from Bob:
 - Can financial terms be written into the article?
 - Can capital articles be taken up independently? Was originally lumped with other projects, and given the cost, this project should maybe taken up separately
 - Can the Board of Selectmen capital planning representative or Town Administrator be designated as the spokesperson for any amendments?
 - Can the Chair of the Capital Planning Committee be made available for Town Meeting?
 - Can a simple outline of financial policies be attached to the warrant?

Discussion B - Capital Project Funding

- Borrowing has to be 2/3rds whereas free cash is simple majority; seems counterintuitive but is established by state law
 - Concern that this opens the floodgates for other subjects
- Pad: What protections can be put in place?
- Rees: Wording of the article is very important, since that limits the alternatives to that motion
 - If the motion had been written such that it incorporated an authorization for borrowing, then a counter motion using free cash would be out of order
- Sylvia: The 4 corners of the article specify what is taken up at Town Meeting, and the language permits what alternative motions can be made
 - If the language is intentionally broad, then there are more possible motions that can be made

- Plymouth has an advisory Finance Committee, along with roll call votes, which needs to be prepared 2 weeks before Town Meeting
- Rees: Would like to discuss some of the financial mechanisms at play (touches on Discussions B and C)
 - Role of Capital Budget Committee is advisory to Town Administrator, focused on prioritizing projects based on a rubric
 - Past practice was to use Free Cash or debt exclusion for larger projects
 - Free cash needs to be used sparingly, or we could have needs without the funds
 - New process of non-exempt debt for moderately priced projects (1-2m), which creates a debt service line item; this would allow for debt to be paid off while taking on new debt (fire truck, as an example; turf field was to follow)
 - We want to maintain a balance of free cash around 2-5%
 - Even with the 1.2m allocation, we'd still be within the bounds
 - Not question of resources but rather a proper process for medium sized projects
 - For borrowing vs. free cash: borrowing is a long term commitment, vs. free cash is a one year expenditure
 - Sylvia: This is municipal law financial statute (i.e. state laws)? Rees: Yes, state law dictates the financial options
- *Pad opens the floor to individual members, opt-in*
- Chris
 - Current law seems like departments could "game the system" counter to what we'd want (fiscal soundness)
 - After viewing Town Meeting again, this represents a substantial hit to that fund
 - Would like a threshold that forces a higher percentage for approval
- Carolyn
 - Can we create a control or more restrictive measure on top of the state law?
 - State law is minimal, but town can create tighter restrictions on voting
 - Sylvia: We'd need to talk to Town Council
- Lisa
 - Watched the meeting again, no one spoke on the free cash account or the repercussions of using it
 - Free cash was required to balance the budget this year
- Kevin
 - Given that the article language needs to be very specific, can the word 'only' specify the 4 corners of the article? Could we be more insistent about the language?
- Pad
 - We should be looking more closely at the wording of the article as to limit the 4 corners

Discussion C - Future Impact

- Rees: Impact currently is that we're still within financial guidelines, even with the \$1.2m allocated
 - That amount will now not be used for future use
- Rees: Upends the long term financial strategy
- *Pad opens the floor to individual members, opt-in*
- Bernie

- Free Cash took a hit of almost 50%
- Lisa
 - Hopeful that this won't affect us long-term
 - Extra Free Cash could stay in Free Cash
- Bob
 - *Shares a graph of Fairhaven vs. Comparable Towns when looking at General Fund Debt Services, shows Fairhaven is better than 77% of the communities in the state*
 - The town is financially doing well, based on this metric
 - \$480k was used to balance the budget due to COVID impact
 - *Shares a Stabilization Fund analysis, \$8.1m in reserves, made up of capital budget and general budget stabilization*
 - When comparing the usage to the town needs, the town is remarkably sound
 - We should still be careful when borrowing to understand where the money comes from, and we should better inform the town

Discussion Conclusion

- Follow-ups
 - Alternative motions: for Sylvia, separate debates for separate motions
 - Capital Projects, borrowing vs. spending: Guardrails for 2/3rds vote, town council, can we do more here?
 - Can we hold another joint meeting in 2021 to discuss the budget with the new Town Administrator? Dan: Sounds great, let's figure that out
 - Financial information for discussion: for Sylvia, more explicit mentions of account balances when using accounts
- Bob
 - Reference from Department of Revenue, can we do more financial review with those figures? Pad: Sounds good
- Bernie
 - A legal law doesn't make the law right
- Diana Hahn
 - Could not be received

Selectmen meeting continues, [more information available here](#)

Permits for Building Department

- Request for \$37,990
- Reserve fund transfer
- \$28,620 would be for building department minor equipment line item
- \$9,370 would be for contracted services
- Mark: Mistake was made, money was supposed to be in the IT department but building department also requested it
 - Thought the request went in twice
 - Building department was cut, but the money was still needed
- Software need is even more critical now, due to COVID
 - Limits face-to-face contact

- Auditors noticed inconsistencies with building department fees
- \$75,000 exists in the reserve fund
- COVID relief will also be requested from the state
- Chris Carmichael, new building inspector
 - Used in Norton
 - Paid with department funds, will recoup the cost
 - Expandible into other departments with permits
 - Much simpler for the applicants
 - Cuts down on foot traffic 80-90%
 - Could run the department from a laptop
 - Cloud based systems
- Kevin: Any annual service expense?
 - Recurring costs of the annual payment is the \$9,370, will carry forward into future years
- Pad: How does this pay for itself
 - Chris: Cuts down on man hours, administration time, inspectors time, 20% of daily time revolves around moving paper
 - Mark: Increases consistency for permit applications
 - Chris: More transparent

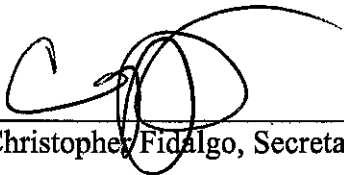
◆ Transfer from Reserve Fund to Minor Equipment & Contracted services as stated above, Chris, Bernie (9 - 0), could not receive a vote from Kevin Gallagher

PAST MINUTES

Finance Committee 10.20.2020

- Pad: 26.b was discussed, in particular, others stayed as they were
- ◆ Motion to approve, Carolyn, Jessica (9 - 0), could not receive a vote from Kevin Gallagher

◆ Motion to adjourn, Chris, Lisa (9 - 0)



Christopher Fidalgo, Secretary