

Finance Committee

Meeting minutes – September 2, 2010

Present: **Committee Members:** Chris DeSimone (Vice Chair), Chris Johnson, Alan Leao Jr., Holly Seiferth, George Zacharakis (Chair)

Absent: Melissa Tzanoudakis

Chris DeSimone called the meeting to order at 7:04 pm.

Business: Chris DeSimone started the meeting with re-organizing the Finance Committee. On a motion to open the Vice Chair position, put into motion by George Zacharakis and seconded by Chris Johnson. It was voted on and approved by a vote 5(Aye) - 0(No), 0 abstained. Chris Johnson nominated Chris DeSimone for the Vice Chair position. Chris DeSimone accepted the nomination. On a motion to move the nomination of Chris DeSimone for Vice Chair position, put into motion by Chris Johnson and seconded by George Zacharakis. It was voted on and approved by a vote 5(Aye) - 0(No), 0 abstained.

On a motion to open the Chair position, put into motion by George Zacharakis and seconded by Chris Johnson. It was voted on and approved by a vote 5(Aye) - 0(No), 0 abstained. Chris DeSimone nominated George Zacharakis for the Chair position. George Zacharakis accepted the nomination. Chris asked if there were any other nominations, which there were not. On a motion to move the nomination of George Zacharakis for Chair position, put into motion by George Zacharakis and seconded by Chris Johnson. It was voted on and approved by a vote 5(Aye) - 0(No), 0 abstained.

Second order of business that George Zacharakis brought up next was sub-committee re-nominations. Chris DeSimone nominated Melissa Tzanoudakis as the sub-committee member for the Capital Committee. On a motion to move the nomination of Melissa Tzanoudakis for the sub-committee member for the Capital Committee, put into motion by Chris DeSimone and seconded by Chris Johnson. It was voted on and approved by a vote 5(Aye) - 0(No), 0 abstained.

Chris DeSimone nominated Holly Seiferth as the sub-committee member for the Personnel Board. On a motion to move the nomination of Holly Seiferth for the sub-committee member for the Personnel Board, put into motion by Chris DeSimone and seconded by Chris Johnson. It was voted on and approved by a vote 5(Aye) - 0(No), 0 abstained.

George Zacharakis brought the meeting to discuss home rule, noting that there would be a warrant on the Special Town Meeting about this issue, in particular for Health insurance. George Zacharakis noted that Chelmsford was sending their draft of their home rule to him for information purposes. George Zacharakis also added that he had spoken to John Moak about home rules. Home rules give towns more input about unions and non-unions. There was a bill on Beacon Hill about home rules, and if the bill was approved it would still need to go through the House of Representatives. George Zacharakis noted that a home rule allows towns to give employees the same Health plans that state employees receive.

Alan Leao Jr. questioned why the home rule was applying to just the Health insurance instead of all applicable items. Chris DeSimone replied that the home rule would apply to both issues, but the Board of Selectmen was going to start with the Health insurance first. George Zacharakis added that many towns were trying to go together in force with the town rule and Health insurance. Chris DeSimone started to make a motion about getting information about the article and authorizing the chairman to get information on home rules specifically about health insurance. It was seconded by George Zacharakis and the committee had more discussion before voting.

Holly Seiferth thought that school districts should be included. George Zacharakis noted that school districts could be in the home rule health insurance, noting that everything plays into it together. Chris DeSimone commented that he would never vote to increase what town workers are currently paying, but to get what schools are paying decreased is certainly a goal. George Zacharakis noted that everything has to be approved by the state. Alan Leao Jr. added that the home rule and home rule health insurance had to be within law guidelines.

Chris DeSimone noted on a different note that Joseph Hallisey had resigned today but since it was not in time before the special town meeting there was going have to be a second town meeting to replace his seat. If there had been a home rule that spelled this sort of situation out, then this second town meeting could have been avoided.

Chris Johnson questioned what the negative sides to home rules were. Chris DeSimone answered that there were not from a town perspective; there was only advantages. Chris DeSimone explained that in order to have a home rule there needed to be a charter; there could not be a charter without a charter commission; there could not be a charter commission without first collecting a specific number of signatures petitioning a charter and then an election electing a charter commission.

George Zacharakis questioned what the deadline was for warrant articles. Chris DeSimone answered that he thought it was 30 or 45 days before the special town meeting; adding that Peggy Mazzola thought this home rule article could not make the special town meeting but Chris DeSimone thought it could be on.

Alan Leao Jr. questioned what the cost for the home rule is; the legal fees and so on. Chris DeSimone noted that it is very expensive but it was worth it because it defined everything in the town. George Zacharakis asked if the town could modify a home rule charter. Chris DeSimone replied that a home rule charter could be modified by a town vote. George Zacharakis questioned what the number of positions in the charter commission. Chris DeSimone answered that it did not matter; the town defined the number of positions. On a motion to authorize the chairman to look into getting a warrant article put on the fall Special Town Meeting warrant, put into motion by George Zacharakis and seconded by Chris Johnson. It was voted on and approved by a vote 5(Aye) - 0(No), 0 abstained.

George Zacharakis moved the meeting to discuss methodology. Chris DeSimone suggested not voting for a transfer unless the department unless a department is present. George Zacharakis thought it might be good to add a minimum to that idea.

Alan Leao Jr. suggested that if a transfer involved bids there should be backup documentation on the other bids. Chris DeSimone commented that he was not sure the Finance Committee really wanted to tread in ethics. Chris Johnson agreed adding that he was not sure the Finance Committee needed to have the backup documentation since that have seen the backup documentation in the past. Chris Johnson suggested that maybe instead of requiring the backup documentation the Finance Committee would only request it if they felt a need for it. Chris Johnson added that the accountant did get all backup documentation for transfer requests. Chris DeSimone noted that there were state laws involved with transfer requests and backup documentation.

Chris Johnson went back to the minimum and requiring a department being present and questioned the situation where a department is transferring within their own budget for an amount such as \$150.00. Chris DeSimone noted that he would not worry about an amount as low as \$150.00. Chris Johnson suggested minimum amounts of \$500.00 for transfer requests from the reserve fund and \$750.00 for transfer requests from with the departments own budget. On a motion to change the transfer process and require department representative(s) to be present before the Finance Committee for amounts over the amount of \$500.00 for transfer requests from the reserve fund and \$750.00 for transfer requests by Chris DeSimone and seconded by Chris Johnson. It was voted on and approved by a vote 5(Aye) - 0(No), 0 abstained.

George Zacharakis questioned if the Finance Committee should send a letter to the departments letting them know of this new process. Chris DeSimone noted that it would be good to do at some point.

Old Business: George Zacharakis moved the meeting to other business. Chris DeSimone mentioned that the selectmen spoke at the selectmen meeting about the \$400,000.00 that was turned back in by different departments that was unused from the previous year's budget. Chris DeSimone added that the selectmen made it clear that this money was not surplus and that this was the normal process in the budget; apparently an article in the newspaper about this \$400,000.00 surplus had some comments from some Pepperell people about the money being surplus. Holly Seiferth added that employees at her work spoke about this \$400,000.00 and that the perception was that it was surplus. Chris DeSimone noted that he agreed with John Moak that the best thing to do was to let the whole issue die a natural death. George Zacharakis commented that he had a list of which departments returned what amounts; some of the money was insurance. Chris DeSimone added that some of the money was workers compensation which was not used; it was a good year.

Alan Leao Jr. noted that the North Middlesex School District had \$400,000.00 in unused cash in their account. Chris DeSimone noted that money used to come back to the town; one year the school district was allowed to keep it and ever since then the school district has kept it. Chris Johnson brought up the \$400 million that Massachusetts was awarded. George Zacharakis commented that about \$90,000.00 was coming to the North Middlesex School district. Alan Leao Jr. commented that his understanding was that the money was being used in the following year's budget. Chris Johnson noted that his understanding was that the money was being used in the current year's budget.

Holly Seiferth noted that the town was at risk. Chris Johnson added that the town was living beyond their means. Chris Johnson went on to specify that it made sense to raise funds for items needed rather than borrow funds, such as was being done with the new fire truck. George Zacharakis agreed adding that there needed to be plans so that the townspeople knew what items were needed before they were needed at the last minute. Alan Leao Jr. felt there was the same debt in the town budget. Chris DeSimone felt there should be no more debt; that town officials could not advocate for an override when adding to the debt. George Zacharakis felt it was not frugal to increase the debt especially when the state funds were way down.

There was a brief discussion about zoning and businesses in Pepperell, and highway access to businesses in Pepperell.

George Zacharakis moved the meeting to discuss the budget process. Holly Seiferth questioned if the Finance Committee was going to break up departments ahead of the budget process. George Zacharakis questioned if the intent was to have liaisons between the Finance Committee and the department heads. Chris DeSimone noted that having sub-committees for each department might be a good idea; having two people sub-committees becoming familiar with the departments. Holly Seiferth clarified that breaking up the departments ahead of the budget process might be easier than during the budget process. George Zacharakis questioned what the function of the person in charge of the departments would be; how hands on that person would be. George Zacharakis commented that he was concerned that Finance Committee members would become advocates for the departments they were assigned to. Chris DeSimone agreed that egos could get in the mix too. Chris DeSimone added that there were many positives for the process working that way though too; repoire with the departments, lots of information about the department budgets, experts on the department budgets to name a few. Chris Johnson thought that if the process would be easier, than it would be helpful to get an electronic version of the budget. Chris DeSimone thought that maybe having the budget process start a month earlier might also be helpful and suggested talking to John Moak about that. It was noted that the school budget process was starting two months earlier. George Zacharakis agreed and said he would talk to John Moak.

Acceptance of Minutes: On a motion from Holly Seiferth, seconded by Chris Johnson the minutes from the April 1, 2010 meeting were approved, by a vote 5(Aye) - 0(No), 0 abstained.

On a motion from Holly Seiferth, seconded by Chris Johnson the minutes from the April 8, 2010 meeting were approved, by a vote 5(Aye) - 0(No), 0 abstained.

On a motion from George Zacharakis, seconded by Holly Seiferth the minutes from the April 15, 2010 meeting were approved, by a vote 5(Aye) - 0(No), 0 abstained.

On a motion from George Zacharakis, seconded by Chris Johnson the minutes from the June 17, 2010 meeting were approved, by a vote 5(Aye) - 0(No), 0 abstained.

On a motion from George Zacharakis, seconded by Chris Johnson the minutes from the July 5, 2010 meeting were approved, by a vote 5(Aye) - 0(No), 0 abstained.

Adjournment: On a motion from Chris DeSimone, seconded by Chris Johnson, the meeting was adjourned at 8:10 pm and it was approved by a vote 5(Aye)-0(No) and 0 abstained.

Respectfully submitted,
Lynne Henderson