

**STAFFING COMMITTEE
MEETING MINUTES – October 2, 2013**

10:00 a.m. – Selectmen’s Meeting Room, 63 Main Street, Northborough, MA

Members Present: Dawn Rand, Selectman
Bill Pantazis, Selectman
Elaine Kelly, Chair, Appropriations Committee
Richard Smith, Financial Planning Committee
Susan LaDue, Personnel Board
John Coderre, Town Administrator
Kimberly Foster, Assistant Town Administrator

The meeting was called to order at 10:20 a.m.

Introductions

Following introductions of the Committee members, Mr. Pantazis moved to appoint Dawn Rand as Committee Chair; Richard Smith seconded the motion; all members voted in favor.

Review of Committee Charge

Mr. Coderre stated that the Staffing Committee is an ad hoc advisory committee formed by the Board of Selectmen and charged with developing a comprehensive staffing plan that identifies and prioritizes staffing needs across all departments supported by the General Fund (i.e., exclusive of K-8 Schools positions, Enterprise Fund positions and grant-funded positions). The Committee’s recommendations will provide a planning tool to guide the Board’s policy decisions during the upcoming budget cycles. He noted that any planning tool that is developed must be revisited annually as circumstances and needs will continue to evolve, particularly given the uncertain economic climate.

Review of Contextual Financial Information

Mr. Coderre indicated that the Town has faced significant budget constraints since 2008 as a result of the economic downturn; however, the Town has remained on solid financial footing through the worst of the recessionary period due to the adoption of financial policies, including the Free Cash Policy which restricts the use of one-time revenues in the operating budget. Mr. Coderre reviewed a handout that provided the background and rationale behind the Free Cash Policy adoption in FY10. Effectively, the Town has ended the practice of relying on significant free cash and other one-time revenues, such as mitigation payments, as a means of supporting recurring expenses in the operating budget, and instead, uses these revenues largely for capital and other one-time expenses.

Mr. Coderre distributed and reviewed the Financial Trend Monitoring Report completed during the FY14 budget cycle. The purpose of the FTMS is to analyze key financial

indicators in order to assess where the financial direction of the Town appears to be headed. The report is designed to bring issues and opportunities to the attention of decision-makers through a systematic method of trend analysis. If employed correctly, the FTMS will help Town officials:

- Gain a better understanding of the Town's current financial condition.
- Identify hidden and emerging problems before they reach serious proportions.
- Present a straightforward picture of the Town's financial strengths and weaknesses to elected and appointed officials, citizens, and credit rating firms.
- Reinforce the need for long-range considerations during the annual budget process.
- Provide a starting place for setting, reviewing and updating of financial policies that guide financial decision-making.

The ultimate goal of the FTMS is to help local officials better assess and protect the Town of Northborough's overall financial condition.

Mr. Coderre noted that while the Town's overall financial health is good right now, the FTMS report identified several areas of potential exposure in the coming years, including unpredictable State Aid, significant Other Post-Employment Benefits (OPEB) liability and the potential for increased health insurance costs. Currently, the number one issue affecting the Town's long-term financial condition is its \$28 million unfunded retiree health insurance liability, and the need to start contributing \$500,000 or more annually to the OPEB Trust Fund. It is within this overall context that any plans to add additional staffing must be considered.

The Committee discussed the format for bringing in Departments to present their perceived needs and settled on 15-20 minute presentations followed by questions and answers. The Committee also briefly discussed the possibility of requiring outside consulting services to obtain or analyze additional information not readily available from the departments.

Next Meeting Date

The Committee established the following meeting schedule:

Wednesday, October 16, 2013, 1:00 p.m.

Wednesday, October 23, 2013, 1:00 p.m.

Wednesday, October 30, 2013, 1:00 p.m.

Wednesday, November 13, 2013, 1:00 p.m.

Meetings will be held in the Selectmen's Meeting Room.

Adjournment

11:40 a.m. – Mr. Pantazis moved the Committee vote to adjourn; Ms. Kelly seconded the motion; all members voted in favor.

Respectfully submitted,

Kimberly Foster

Documents used during meeting:

1. October 2, 2013 Meeting Agenda
2. November 22, 2005 Memorandum of Understanding – Avalon Bay
3. October 12, 2012 Memo RE: Preliminary FY14 Free Cash
4. January 30, 2013 Financial Trend Monitoring System Memo and Report