

Members Present: Jo Lown, Chair, F. Robert Brown, Bill Linnane, Brigitte Casemyr (arrived 7:05 p.m.), Judy Lucas, Ian Johnson (arrived 7:07 p.m.), John E. Arnold, Michael Meachen, Kevin Cronin. Absent: None.

At 7:00 p.m. Ms. Lown called the meeting to order in the Selectmen's Meeting Room.

Open Forum

There were no requests to address the committee.

2009 Special Town Meeting

Ms. Lown announced that the date of the 2009 Special Town Meeting has been changed to **October 26, 2009**, a delay of one week from the original date posted. The reason is that if Town Meeting votes in favor of constructing the new Public Safety Building, the special election for the debt exclusion has to be held within 90 days of the Town Meeting vote. Since there is a special election on January 19, 2010 to replace Senator Kennedy (93 days after the October 19th date) and we want to combine the elections on one day to save costs.

• Updates, Selectmen Votes, Town Manager Summaries

Town Manager, James Malloy, noted that changing the date of town meeting will save the cost of holding a special election just for a debt exclusion vote. Election for State Senator is January 19, 86 days after October 26th, within the 90 day limit for debt exclusion vote. All proponents of Articles have been notified, the media has been notified, and the new date will be advertised on the sign in the rotary. Mr. Arnold notes that the Town Moderator will have to adjourn the Town Meeting on October 19. Mr. Malloy replied that the Town Moderator and Town Clerk can do this alone. The Town Moderator and Town Clerk will need to be at the high school on October 19, and will advise any voters that do show up.

As of today, the Board of Selectmen has not voted on recommendations on Articles 8, 16, and 17.

Mr. Malloy has made extensive changes to the summaries to be included with the AFC Booklet. Ms. Lown asks committee members to review the changes for discussion at the meeting scheduled for October 12th.

2009 Special Town Meeting Warrant Review

Ms. Lown sent the committee's questions to Mr. Malloy after the last AFC meeting.

Article 8 – Public Safety Complex

- When would be the first year of borrowing, and will there be graduated borrowing and impact over several years? There is the potential for graduated borrowing, but given 18 month construction period it is also possible there will be some short term borrowing during construction then one long-term borrow for the entire amount. This long-term borrow will affect the rate during FY12 or FY13. Short-term borrowing may hit at the very end of FY11, but this will probably be fairly minor.
- Average family home estimate from the Town Assessor is \$424,680. Mr. Malloy used a figure of \$437,650 in his calculations, which was obtained from Local Services web page. Mr. Malloy assumes the number from the Assessor to be for FY10, and higher number to be from FY09 as approved by the state.

- The combined affect on the average homeowner is estimated to be just under \$300 / year. If the project costs less than \$30,000,000 and some grant funding is received, the estimate would be lower. The Municipal Building Committee has applied for two grants of \$3,000,000 each for this project.

Article 16 – Local Option Meal Excise Tax Increase

Article 17 – Local Option Occupancy Tax Amendment

Mr. Malloy noted that if you look at Property tax as being regressive, and sales tax as progressive, then this is a more progressive tax base. The Department of Education may begin using this as part of their estimates of the local tax base, so it could have an effect on the Chapter 70 funding. 31 or 32 towns have already adopted this (most of these are towns which do not hold town meeting) and many other towns have included this tax on the warrant for their next Town Meeting. Worcester, Shrewsbury, and Framingham have already adopted or are in the process of adopting it. Marlborough has not yet adopted this (as of a couple of weeks ago.) Rod Jane, Selectman, does not feel this would put Westborough businesses at a disadvantage, if surrounding towns, in closest competition for business, also adopt this increase.

Ms. Lown asked about the cumulative effect of adopting both of these measures on his forecast for the increased property tax to pay for the borrowing in Article 8 and Article 12, combined. Mr. Malloy will provide this information for the Committee. The Town is required to use the DOR estimates as the estimated local receipts number for the first year only. After that, it will be based on actual receipts collected. Ms. Casemyr noted that the Hotel tax receipts were down this year. Mr. Malloy agreed that it is down by a significant number, and he feels this is probably due to the slow economy, which has forced hotels to reduce their rates and may have contributed to higher vacancy rates. The Committee reviewed the history of actual receipts collected. The total has been above \$600,000, increasing slightly over the past three years, and then dropped below \$600,000 this year. Ms. Casemyr asked what has been the response by business during reviews by the State Legislature. Mr. Malloy said that businesses are against it, and that there is a movement in the state to put a ballot question to the voters at the next election that would repeal this tax as well as some others, including the car excise tax.

The Board of Selectmen will vote on this at their meeting on October 13th, when all five Selectmen will be present.

Mr. Johnson asked about Article 8, which the selectmen voted 3-2 to put it on the ballot but have not voted on the recommendation, and whether the project can be brought up again if it does not pass town meeting. Mr. Malloy stated that it could. Ms. Lown asks if the debt exclusion vote is not passed on the ballot could it be brought again. Mr. Malloy stated that it could, although it would need to be done within 90 days of an approval at Town Meeting. Ms. Lown asked the cost of printing the separate ballots needed. . Mr. Malloy will provide this information, and noted that the State Auditor's Office has determined that it is a local mandate to hold special elections. Any town could take the State to court to argue that the primary and the Senatorial election is a State election which should be paid for by the State. If the court ruled for the towns, then towns could call this is an optional election and decide not to hold the election. The cost of the Senatorial election will be \$5,000,000 to \$7,000,000 statewide.

Ms. Lown asked about the possibility of further Chapter 9C cuts. On October 15th, the Secretary of Finance will release a projection of revenues. It is anticipated that the Governor will most likely make cuts in expenditures and the legislature will again give him the authority to cut local aid to towns.

Ms. Casemyr asks for the cost of maintaining and/or repairing the current Police Department and Fire Department buildings to keep them operational for several more years. Ms. Lown would like these figures for both the next year and for longer term. Mr. Linnane points out that if Article 8 is not approved until ATM (Spring 2010) it will delay the project for a full year, as well as necessitate another special

election. The current buildings will then require another 1 to 1½ years of maintenance. Ms. Lown thought the ballot question could also be presented an election before a Town Meeting. Mr. Malloy agreed the Debt Exclusion could be put on the ballot for the town election, which is held before the 2010 ATM. Mr. Malloy noted there has been one open meeting to present the project, and it was presented to the Board of Selectmen. Ms. Lucas feels this has been discussed for several years already. The Municipal Building Committee has done a Cable TV show about the project. Mr. Cronin notes that the price for the project has been creeping up over the years.

Mr. Malloy reported that Mr. Harrington has reversed his opinion on Article 7, transfer from Enterprise Fund after conferring with Leah Talbot. Because the Retained Earnings are included in the overall free cash certification from the State, Mr. Harrington will accept a motion to transfer monies from Retained Earnings free cash as being consistent with the Warrant Article as written. Mr. Malloy will word his motion accordingly.

Approval of minutes – Meeting No. 4, FY2010, September 28, 2009.

Mr. Cronin moved to approve the minutes of meeting No. 4, FY2010, September 28, 2009 as written in the final draft of October 5. The vote to approve the minutes was 6 in favor and one abstention (Casemyr), with 7 being present.

Liaison Updates

Mr. Brown has spoken with Derek Saari, Conservation Commission, about both drainage projects, at the Country Club and Warren Street, and Mr. Saari is in agreement with both of them.

Mr. Meachen will follow up with Nancy Yendriga, Town Clerk, about the cost of the unplanned elections, which were not included in her election expenses budget.

Discussion of 2009 Special Town Meeting Recommendations

A table of votes is included at the end of these minutes.

Article 8 – Public Safety Complex

The consensus of the Committee is that the Town needs to address the space, structural and other concerns with the current Police and Fire facilities. Members also expressed concerns about spending during a recession, rising costs, and taxes. The Committee debated whether it would be best to wait until the economy improved, or to proceed with the project as originally planned.

The arguments in favor of recommending passage at the Special Town Meeting were:

Bids are coming in lower than expected for other projects so the Town will get more for the money now. The borrowing impact will be a couple of years away when the economy is likely to be better. The land was purchased, much work has already been done, and construction of a Public Safety Building has been on the docket for several years. Services are stretched in the current buildings and needed maintenance has been deferred with the expectation that this project would proceed. One cannot predict when the right time to do this project will be. Town Meeting is where people come to discuss these issues.

The arguments against passage at the Special Town Meeting were:

Uncertainty and lack of confidence in the local and state financial picture in the near future and for the next few years. Should wait until after Committee has the 5 year budget projections from the Town Manager. Wait until after we know if the revenue articles pass. Increases in property taxes and sewer and water bills over past years are creating a hardship for residents and weighs against funding by debt exclusion. Town should plan ahead and put money aside for capital expenditures. It is unclear if this project is a “must have” priority relative to all other capital needs. The real stress for this economy is still to come and recovery may take much longer than hoped.

There was general consensus that the Town should have a more cohesive multi-year plan for capital expenditures. The current Capital Expenditure list is very fluid and not prioritized. Several road construction projects are coming up, and the next one may be a major reconstruction of Adams Street. Renovations are needed at Gibbons School, and if grant funding from the State is not available the town will have to pay. It might not be on the Capital Expenditure Plan.

The Committee discussed ongoing efforts to reduce spending, budgets that could be decreased, and the need for a concerted look at what is actually required of the town and what is nice to have. As the cost to provide the same services continues to rise, Town voters need discuss and consider what services the Town could do without.

Article 16 – Local Option Meal Excise Tax Increase

Arguments in favor of recommending the increase were:

Town costs are going up, and revenues from the state are decreasing, so the town needs to find other ways to raise revenues. This is one of the few ways allowed at this time. The town cannot depend on the State and this revenue would directly come to the town. This tax is more progressive. It is also elective but property taxes are not. The business does not pay the increase, the consumer does. There is no evidence of an impact to businesses, especially if other local towns are doing so too. It may be included in revenue calculations and could have a negative impact on other revenue from the state. It shifts some funding from town residents and offsets some of the cost of the daytime population. The amount is so small; a 0.75% increase would not be a determining factor in someone's spending.

The arguments against recommending the excise tax increase were:

The downward trend in spending in restaurants, whether the Town will actually get the money that is needed. The State estimates may not be accurate. What would the people who would pay this tax get out of it to justify it? If the town wants to tax day employees why not tax them directly? Question if the day population actually adds much to the cost of services the town provides. A truly progressive tax would reflect the cost of the food and not just the amount spent, so that a \$10 meal would be taxed at a lower rate than a \$100 meal. The Meals excise tax will hit residents, as well as the daytime population. It sends a signal to increase spending rather than keeping costs down. If every town around us adopts it and we didn't, it would be a great marketing tool to attract businesses.

Article 17 – Local Option Room Occupancy Tax Amendment

Arguments in favor of recommending the increase were:

It is a use (consumer) tax on people who come into town and use the services of the town without paying for them. There needs to be more emphasis on ways to save money, and to find ways to lower budgets but the town also needs to raise revenues from a source other than the state. Promised funding from the state, both for town and school budgets, has not materialized. The Public Safety Complex will cost money.

The arguments against recommending the excise tax increase were:

This is a prime example of "taxing all foreigners who live abroad" and does not make any sense. We already receive money in taxes on hotels and motels so we already get revenues that pay for services visitors get. Local receipts have decreased this year. Townspeople have the opportunity to vote on services they are provided, and the largest costs to the town (schools) do not come from visitors. The town needs to look at expenses more than revenues.

AFC Report & Recommendation Booklet

Ms. Lown clarified that the committee will not be holding a meeting on 10/8. The AFC has posted a meeting for Monday 10/12. As there will be more information from Jim Malloy and the Board of Selectmen, Ms. Lown will plan to go through booklet at that time. Mr. Meachen will hope to have a finalized version of the spreadsheet for next week.

Mr. Arnold has considered the summaries to be included in the report and recommendations, and would like the summaries not to be presented as the Town Manager's. He would like to keep this booklet as the AFC Booklet, while acknowledging the assistance of the Town Manager or anyone else who helps to write a summary.

Mr. Meachen read through Mr. Arnold's recommendations and thanked him for the extensive revisions. However, Mr. Meachen disagrees with the idea that people can't see the slant. He would like to just label them as to who wrote them, thereby giving citizens the opportunity to make their own decisions about the slant.

Ms. Lown noted that Mr. Malloy has edited the summaries, and the committee should look at these before making decisions. She has gotten mixed, but definite, feedback on the summaries. This is just one booklet that the committee will vote on, and if we don't like this after Town Meeting we can change it next time. Ms. Lown will send out a finalized version of booklet, including edited summaries, for committee review on 10/12.

Comments & Concerns of Committee Members

Mr. Brown thanked Tim Novak for doing the television broadcast.

Ms. Casemyr drove by new sign on entrance to Lee Property, and is very pleased with how visible it is.

Ms. Lown pointed members to the revised Town Manager's spreadsheet. Ms. Lown also reported that Paul McNulty, Director of Public Health, has sent a letter noting that there is an active TB case now in Westborough, which may necessitate a reserve fund transfer in the future.

Ms. Lown attended the Arts in Common on Saturday, and was overwhelmed by how well done it was, and the caliber of the artists and musicians involved, and thanks Cultural Council for putting this on.

Mr. Meachen reported that there was quite a long line for the Hazardous Waste Day.

Mr. Cronin did get in to the Hazardous waste day, but just barely. He also commends the Cultural Council for their efforts, and hopes this wonderful event will continue each year.

Adjournment

Ms. Lucas moved to adjourn the meeting at 9:30 p.m.

Votes taken at the Finance Committee meeting on October 5, 2009

Article 8 – Public Safety Complex

Mr. Johnson moved to recommend the town vote to appropriate \$30,000,000 for designing and constructing a new public safety building, including costs incidental or related thereto; that to meet this appropriation the Treasurer/Collector with the approval of the Board of Selectmen is authorized to borrow \$30,000,000 under G.L. c.44, §7(3) or any other enabling authority; that the Treasurer/Collector with the approval of the Board of Selectmen is authorized to contract for and expend any federal or state aid available for the project, provided that the amount of the authorized borrowing shall be reduced by the amount of such aid received prior to the issuance of bonds or notes under this vote.

Vote to approve the article recommendation was 4 in favor, 3 opposed (Linnane, Lown, and Meachen), and 2 abstentions (Arnold, Cronin), with 9 being present.

Article 14 – Westborough Country Club Capital Improvements

Mr. Johnson moved to recommend the town vote to transfer from Retained Earnings under the Westborough Country Club Enterprise Fund the sum of \$20,000 for the purpose of this article.

Vote to approve the article recommendation is unanimous, 9 in favor with 9 being present.

Article 16 – Local Option Meal Excise Tax Increase

Mr. Cronin moves to recommend that the town vote to approve this article.

Vote to approve the article recommendation is 5 in favor, and 4 opposed (Casemyr, Johnson, Arnold, Meachen), with 9 being present.

Article 17 – Local Option Room Occupancy Tax Amendment

Mr. Arnold moved to recommend that town vote to defeat this article.

Vote to recommend defeat of the article is 4 in favor (Casemyr, Johnson, Arnold, Meachen), and 5 opposed, with 9 being present.

Ms. Lown moved to recommend the town vote to approve this article.

Vote to approve the article recommendation is 5 in favor, and 4 opposed (Casemyr, Johnson, Arnold, Meachen), with 9 being present.