

Westborough Advisory Finance Committee
Minutes of Meeting No. 18, FY2010
March 18, 2010

Approved
March 29, 2010

Members Present: Jo Lown, Chair, F. Robert Brown, Bill Linnane, Brigitte Casemyr, Judy Lucas, Ian Johnson, Kevin Cronin. Absent: John E. Arnold, Michael Meachen.

At 7:03 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.

FY2011 Proposed Budget Review

Assabet Regional Vocational School District

Mary Jo Nawrocki, Superintendent, Paul George, School Committee Member from Westborough, and Patrick Collins, Director of Business Operations, presented the FY11 budget of \$16,900,000 and assessment request of \$686,187, a decrease of \$89,098 from the FY10 assessment. During the 2009-2010 school year 44 Westborough students are enrolled. In 2009, Westborough students tested in the Proficient range on the MCAS. All current 9th grade students from Westborough are participating in the State Scholars program. Westborough students are participating in 43 Advanced Placement/Honors/Pre-Engineering classes. Of the 11 students graduating in 2010, 3 are planning to attend four-year schools, two plan to attend two-year schools, three will attend a Licensure/Certificate program, and three will join the workforce. Over the past 5 years, the numbers of students enrolled in Advanced Placement/Honors level courses has increased steadily.

This year Assabet has added a Biotechnology training program, which was offered to freshman and sophomores. This was chosen based on research showing that in Massachusetts life sciences, including medicine and biotech, account for one in seven jobs. Technician, including workers in engineering, technical, operations, or maintenance roles who support professionals with deeper skill bases, is one of the ten hardest jobs to fill in America. The Electronics program will be phased out after the 2010-2011 school year.

Their total budget for FY11 is \$16,900,000, which represents an increase of 3% overall, and includes a decrease of 5.5% in assessments to member towns. Mr. Collins explained the budget process for the district, which begins in October and results in final budget figures given to member towns in January. Cost drivers for the budget include Salaries and Wages, Health Insurance, Transportation, and Utilities, which account for approximately 85% of the budget. For FY11 the collective bargaining agreements are settled, after two years of negotiations which produced a revamped health insurance program. The transportation contract is still in negotiation, so an assumption of costs was made for this budget. Westborough enrollment has decreased by 5 students from FY10. The total assessments to all member communities has decreased for the second year in a row, with a higher percentage of the total budget coming from other sources, including state aid (Chapter 70), regional transportation reimbursements, and out-of-district tuitions. Mr. George explained that the Department of Revenue has determined that the district may not carry-over certain funds from year to year, and so these funds are being returned to the member towns in the form of decreased assessments. This will mean, however, that the district does not have a cushion to cover large unexpected expenses. Mr. Collins pointed to an increase in Out of District Tuition and use of the Excess and Deficiency Fund to explain the decrease in assessment.

Ms. Nawrocki explained that the enrollment from member communities is cyclical. She assured the committee that Westborough students that apply and meet the qualifications will always have a seat at the

school. Mr. Collins explained that the district began using a new accounting system in FY09, which increased the number of accounts. Some of the percentage of change is due to moving expenses from one account to another, and this should smooth out over the next years. Mr. George also pointed out that in some categories an increase in expenses may be due to one expensive piece of equipment purchased to maintain the current programs. Mr. Collins did note a capital expenditure for purchase of motor vehicles, which will be a yearly expense.

Ms. Nawrocki described a renovation project they are working on with the MSBA. The school building is currently 37 years old, and has been maintained well but is in need of renovation. They will be hiring an Owner's Project Manager in the next couple of weeks. They expect to have a Warrant Article for ATM 2011 for a funding request for this work. Ms. Nawrocki explained that the Assabet District will do the borrowing, with support through assessments from the member towns. They do not have an estimate of the cost at this time. They will get approximately 54% reimbursement from MSBA. Ms. Lown suggested this project be presented to the town's Capital Expenditures Planning Committee, and that the AFC tour the school to learn more about the project.

Mr. Collins stated that the assessment numbers are definite, regardless of any changes in state aid and transportation costs.

MIS/GIS Department

Mark Stockman, MIS/GIS Director, submitted a level funded budget and then applied the requested 1.8% cut. The cuts made come mostly from Salaries and Wages, and mean they will no longer include the part-time MIS/GIS Administrator position. This staffing cut may increase response time for repairs and troubleshooting. The department has added an email archiving service for town email addresses to comply with state requirements, and switched the town's internet access provider. Mr. Stockman does not see any ongoing issues at this time.

DPW, Snow & Ice, Water & Sewer Departments

John Walden, DPW Manager, presented his budget. Mr. Johnson noted distribution of the impact statements prior to this presentation. Mr. Walden has asked his department heads to compare budgeted and actual costs for each budget line. In order to achieve the 1.8% cut of \$38,358 they have cut the turf maintenance (fertilization) program for ballfields and cemetery, and hazardous waste disposal funding. Mr. Walden asked that these cuts be restored to his budget if funding is available. Frank DeSiata, Recreation Department Director, stated his support for the turf maintenance program, and pointed out that while the fields are currently in good shape, it has taken ten years of maintenance to get to this point, and if the town chooses to discontinue the maintenance program now it will incur increased costs in the future to repair and renovate the fields. Mr. Walden noted that this line item has been level-funded for the last 6 years, and although costs have risen they have been able to creatively hold down their costs. Mr. Brown commended the DPW for their maintenance of the town's ballfields. Ms. Casemyr noted the significant number of Westborough residents using the ballfields. Mr. Walden noted that while the cut to the ballfield maintenance does affect a large part of the population, cuts to other areas of his budget would affect the entire population. Mr. Linnane agreed that the maintenance is done in a very cost-effective manner, and that allowing the fields to deteriorate will result in higher costs later on.

Mr. Walden noted that the Snow & Ice budget could not be cut by 1.8%, as state law disallows deficit spending on the Snow & Ice budget if the budget has been decreased from the prior fiscal year, and so he cut \$8,086 from the general DPW budget instead. Ms. Lown noted the updated Snow & Ice spending report for FY10. Mr. Walden noted that they will not need to buy any more salt and sand, and if there is no more snow the deficit should stand as reported. Mr. Brown asked if there was any significant damage in town from the last rain storm, and Mr. Walden reported that the aggressive maintenance and repair

done recently to the culverts and drainage areas has helped, and that there was no significant damage. Mr. Linnane also commended the DPW and townspeople for cleaning debris from the drainage areas.

Mr. Walden presented the Sewer Department and Water Department budgets, which are enterprise funds and so were not requested to cut the additional 1.8%. Mr. Johnson explained that these budgets include Step increases to cost of salary and wages only. Mr. Linnane also noted that the new accounting and budgeting system is much easier to follow. Mr. Walden explained that the electricity increase is due to the change from having this paid as part of the contractual services to having the town pay for the electricity directly. There was a corresponding decrease in the contractual services line in a prior budget year. The other increase is to purchase some equipment that was damaged during the last flood.

Discussion of minutes – Meeting No. 16, FY2010, March 8, 2010.

Mr. Johnson moved to approve the minutes of meeting No. 16, FY2010, March 8, 2010. The vote to approve the minutes was 7 in favor, with 7 being present.

Comments and Concerns of Committee Members

Ms. Lown pointed out to members that the Warrant will be closed with a vote by the Board of Selectmen at their meeting on 4/13/10. Mr. Malloy would like to hold a joint meeting of the AFC and the Capital Expenditures Planning Committee, and committee members determined that there would be a quorum at an additional meeting if held on 4/13. Ms. Lown has requested Mr. Malloy appear at the AFC meeting scheduled for 4/12, and also that he provide updates on the town's financial situation as information becomes available.

Liaison Reports

Mr. Cronin attended the Historical Committee meeting last night, and they will present their budget at an AFC meeting next week. Mr. Cronin will also meet with the Trustees of Soldiers Memorials and Veteran's Services next week.

Committee/Chair Reports

Mr. Cronin also reported on the meeting of the Capital Expenditures Planning Committee. Mr. Malloy attended the meeting to discuss the new rating system, and the process to use for the next budget cycle. Mr. Cronin thinks that going forward this rating system will be a valuable tool in helping to assess the needs of the town. The committee is discussing going to a fixed meeting schedule, and starting the process earlier in the year so that the information can be used in determining the warrant articles and budget review. Mr. Cronin also noted that the water and sewer projects will not be included in this rating system, as these projects require more expertise than the committee is able to provide. Mr. Cronin reported that the committee will be voting on the report on 4/13/10.

Administrative assistant position

Ms. Lucas moved that the committee make an offer of employment to Julie Sams, at Grade H10, Step 1, \$17.45 per hour, upon agreement to the terms determined by Town Counsel. Ms. Lown noted that there were two excellent candidates interviewed, and thanked both candidates for participating. The vote to approve the motion is 7 in favor with 7 being present.

Ms. Lown reported that she and Ms. Dunkle have been scheduling presentations in advance in anticipation of the transition. Ms. Lown thanked Ms. Dunkle for her service to the committee.

Committee/Chair Reports

Mr. Johnson reported on the meeting of the Legislative Liaison Committee, which was attended by all four legislators. Mr. Johnson thought it was a very good meeting which unfortunately was not televised. Mr. Johnson gave a brief recap of the issues discussed:

- Health insurance, and the affect of health insurance on town budgets. Legislators reported on the status of a bill in the legislature which would allow towns to enact changes to health plans unilaterally, and another bill which would make it easier for towns to move to the State GIC insurance plan. The insurance budget is the second largest budget in town.
- The Quinn Bill, and the unintended consequences of funding for this measure. When the Quinn Bill was introduced the purpose was to encourage police officers to obtain higher degrees. At present most police officers have college degrees, and so this added funding may not be relevant.
- Chapter 70 funding formula, and the inequities of the formula. There was a five-year plan to balance this formula, which went on for two years prior to the economic crisis.
- Special Education funding and the Circuit Breaker, which has been cut in each of the past several years. This affects the town as a whole, and each town resident. There was also discussion of having the state cover the cost of education for some students, rather than having the town of residence pay these costs. Mr. Johnson reported that there was much discussion of under-funded and unfunded mandates, and legislators were receptive to new ideas.
- Legislators reported on several bills currently in process to address many budgeting and funding issues for cities and towns.

Mr. Johnson noted that legislators were very receptive to meeting with town members, and encouraged the Legislative Liaison Committee to schedule future meetings like this. Mr. Johnson noted much information collected by the Board of Selectmen is preparation for the meeting. Mr. Johnson will distribute copies of notes from the meeting.

Liaison Reports

Ms. Lown noted that there is one Citizen Petition that may be included on the Warrant.

Mr. Linnane will be meeting with Ms. Bilodeau next week.

Mr. Brown reported that the Conservation Committee is ready to present, and has been scheduled for 4/22. The Personnel Board is also ready to present their budget.

Comments and Concerns of Committee Members

Mr. Johnson pointed to the 6th annual Shrewsbury Youth and Family services Gala, which raises funds for the Shrewsbury Youth and Family Services. Mr. Johnson suggested this type of event may be useful to Westborough Youth and Family Services.

Mr. Cronin asked if the legislators discussed the possibility of towns being allowed to create regional blocks for negotiating health insurance. Mr. Cronin also asked about the construction financing for Assabet, and wondered if the percentage assessment for each town change with the change in population for each town or is the assessment set at the time of the approval of the project.

Adjournment

Ms. Lucas moved to adjourn the meeting at 8:59 p.m.