

Westborough Advisory Finance Committee
Minutes of Meeting No. 9, FY2011
November 1, 2010

Approved
December 6, 2010

Members Present: John E. Arnold, Chair, Brigitte Casemyr, Peter Allen, Bill Linnane, Jo Lown, Ian Johnson, Kevin Cronin, Jim Tepper. Absent: None.

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

Call to Order/Open Forum

There were no requests to address the Committee.

Approval of Minutes

Meeting No. 06, September 27, 2010

Mr. Allen had emailed corrections to the minutes as follows: under Personnel Board, the end of the second sentence should read, "and incorporates the comments and feedback received during the May 2010 Annual Town Meeting." Ms. Casemyr requested the following amendments: in the discussion of Article 9, "Fall Town Meeting" should be changed to "Special Town Meeting"; and on page 2, Article 3, the first sentence should end, "and since the South St. construction must be completed, whether the DPW should cancel those projects that were originally planned using these Chapter 90 funds." Mr. Johnson moved to accept the minutes as amended. The vote to approve the minutes is unanimous, 8 in favor with 8 being present.

Meeting No. 07, September 30, 2010

Mr. Johnson moved to accept the minutes. Ms. Lown requested an amendment on page 3, under South St. Project, 2nd paragraph: The third sentence should end after 'a mistake during the process,' thereby deleting the remainder of the sentence that appears in the draft. Mr. Allen had emailed corrections as follows: on page 2, 3rd paragraph under Article 9, "requested" is misspelled; and on page 3, 3rd paragraph, the phrase "bad behavior" appears twice and should be deleted. Ms. Casemyr requested an amendment on page 2 under Article 9, 3rd paragraph—the last sentence should read, "and personally make sure the correct version is posted on the Town Web site." Mr. Johnson moved to accept the minutes as amended. The vote to approve the minutes is unanimous, 8 in favor with 8 being present.

Meeting No. 08, October 12, 2010

Mr. Johnson moved acceptance of the minutes. The vote to approve the minutes is unanimous, 8 in favor with 8 being present.

Review of Special Town Meeting

Ms. Casemyr noted how engaged the voters were at the Special Town Meeting; she felt the depth of the questions asked, the concern over many of the proposed articles, and the anxiety and anger expressed regarding the Town's moving forward with spending, was a big departure from May's Town Meeting. Mr. Linnane felt the Committee's approach at Town Meeting should be re-examined, as to whether appropriate support is provided to clarify issues and answer questions. Mr. Johnson agreed, and noted the dissatisfaction many residents felt with the responses to their questions, especially from the DPW. He felt that perhaps the Committee should step up to make sure all questions are answered adequately. He added that the Committee was not prepared with all the answers regarding the Stabilization Fund article. Ms. Lown noted that although the Committee should be prepared to give the rationale for its vote, the Committee's role is not to speak for the proponent of a particular article. Mr. Linnane felt the Committee could better prepare the departments for Town Meeting by asking the right questions beforehand.

There was some discussion as to whether an earlier start in the summer would have given the Committee more time to make sure all questions were answered. Mr. Johnson noted that a final warrant wasn't made available to the Committee until mid-September. He also noted a comment by a resident, that the Committee should provide more detailed financial information regarding cost benefit and financial payback.

Mr. Linnane stressed the need for more complete information prior to Town Meeting. The information given to the Committee regarding the South St. project compared the original estimate with the actual bid but did not specify the extra costs for police, engineering, etc. There was more to the issue than just a poor estimate. Mr. Cronin noted that though the Committee needs as much information as possible to make a decision, not all can be included in the booklet and residents can find the information elsewhere if they want to. Ms. Lown added that many of the questions at Town Meeting were very insightful and probing, and felt that through them the Committee could gain a sense of the type of information residents are looking for.

Mr. Arnold reminded residents of the election tomorrow.

Discussion of Economic Climate for 2011

Report from meeting of Association of Town Finance Committees

Mr. Cronin noted that tomorrow's election would settle the question of whether the deficit would be \$2.5 or \$5 billion. Mr. Allen added that one session encouraged towns to examine how they deal with health care and pensions. He also felt that the Committee should look at the best practices of other Finance Committees to improve the information presented at Town Meeting.

Potential impact of ballot questions

The Committee discussed the upcoming ballot questions on reducing the sales tax and removing the sales tax on alcohol. Mr. Allen encouraged the Committee to give their input, as respected members of the community who have an understanding of what the effect of these measures would be. Ms. Lown noted that, if the estimates of the reductions are even partly accurate, towns would be impacted significantly. Mr. Johnson felt that 3% was too drastic a cut, though he would have supported a cut to the original 5% tax. Ms. Lown pointed out the cuts already made in mental health services and special needs areas, and noted that there are commitments to some governmental spending even if the sales tax is reduced. Mr. Tepper felt that the vote was a referendum on spending, and that we wouldn't be seeing cuts if we hadn't overspent to begin with. Mr. Allen felt he could support a 5% tax but not the proposed 3%. Mr. Arnold noted that some feel large cuts are necessary to force a real discussion of what should be a government service.

Financial obligations of the town (GASB, etc.)

Mr. Arnold suggested that experts be consulted regarding the Town's level of obligation for retirees and the pension system. Ms. Casemyr noted that two weeks ago this came up at a Board of Selectmen discussion and Jim Malloy, Town Manager, mentioned that prior to the restructure of the insurance packages, the town obligation was over \$70 million; since the restructure it is a little over \$50 million. Mr. Johnson noted that the health insurance is not broken out into what is paid for current employees and what for retirees. Ms. Lown noted that GASB standards require audits and, in the future, may require at least partially funding these future obligations; she mentioned a set-aside trust as a vehicle for beginning to fund them.

Discussion of possible Committee activities in preparation for Annual Town Meeting

Mr. Arnold had drafted a potential budget background information piece and felt it would perhaps make the Committee's existing work go more quickly. Departments would be asked to provide some information in writing before their appearance before the Committee, giving Committee members time to

read over the information and prepare. Mr. Arnold welcomed any comments regarding the questions and noted that this would be on the agenda at the December meeting as well. Mr. Johnson noted that the timing of when to send the questions to the departments was important. Mr. Arnold agreed and felt it should be after the Town Manager's recommendation comes out. Mr. Linnane, however, felt it should be sent out with the Manager's recommendation, to give departments time to think about the implications of their cuts.

Mr. Arnold will update and re-distribute the questions, incorporating the Committee's comments. Mr. Johnson noted that he would like to see specifics from the departments: descriptions of services, how many employees, how shifts are run, how many jobs, etc. This could perhaps be done through the liaisons. Ms. Lown felt that this was better done by liaisons getting the specific information from their departments, compiling the information and providing it to the Committee as a whole. Mr. Linnane noted that grant money information is not always made available to the Committee. Mr. Arnold added that when a grant expires, a request may be made to keep a program going but the Committee has no current way to track this without tracking all of the grants from year to year.

Mr. Arnold noted that a draft liaison form may be helpful, with individual questions to ask particular departments. Ms. Lown added that guidelines for those new to the Committee would be beneficial as well. Mr. Arnold suggested Committee members write down what they did the previous year to hand on to the next person.

How can the Committee better serve the voters?

Mr. Arnold noted that the survey had a few more weeks to run, and encouraged residents to participate if they haven't already done so.

Ms. Casemyr felt a sufficient depth of information was lacking at Town Meeting, and that publishing the Committee's Report on the Town Web site was not enough to bring it to the public's notice—perhaps a notice in the Westborough News? She shared some preliminary results from the survey question about how the Advisory Finance Committee could better perform its function: some suggestions had been made for making town government more transparent, such as publishing Town budgets online, which would allow residents to prepare in advance of Town Meeting; some comments noted the usefulness of the charts and graphs provided by the Committee for past Town Meetings, and the need for the Committee to better explain the reasoning behind its votes; other responders would like to see a push toward more creative ways to provide town services, and would also like to know the trade-offs and implications of not funding certain items. Ms. Casemyr added that residents had asked what the town's financial strategy is, and felt the Finance Committee should play a role in setting the tone for how the town plans to meet its commitments.

Mr. Linnane felt the Committee should be more active, making sure to stay in the loop with the various departments, and not just at budget time. Ms. Lown noted that channels of communication could be improved, as far as getting information in advance. Mr. Linnane added that Jim Malloy could be a good source of information. Mr. Arnold noted that there already are email lists to alert residents to the minutes as they are posted. Mr. Johnson felt informing residents of suggestions that are already in place could be done through a press release in the Westborough News or Advocate.

Mr. Arnold noted the annual joint meeting with the BOS and the Town Manager, and felt it was an opportunity to ask about their financial strategy, and becoming involved in determining that strategy. Mr. Tepper felt it was important to give department heads advance notice of the Committee's expectations. There was some discussion about how to obtain enough information from each department with the minimal time allotted for Committee questions. Mr. Arnold noted that, at the December meeting, the Committee could discuss what issues and concerns should be communicated by the liaison to the Town

Manager. Mr. Cronin pointed out that there is still an opening on the Committee and an opportunity for someone in the community to get involved.

Ms. Casemyr noted that the survey is still live until November 19 on the Town Web site; she has received 250 responses so far.

Meeting Calendar

Mr. Arnold noted that Jim Malloy issued the FY12 budget memo today, reminding department heads of the expected state deficit and asking them to submit level services budgets. The process calls for a draft preliminary budget by January 6th.

The next meeting of the Committee will be Monday, December 6th. Mr. Arnold outlined the tentative schedule leading up to Town Meeting: Town Meeting will be on May 14th (election Tuesday is May 3rd); working backwards, the booklet would need to be at the printers by May 6th, and there would be no meeting during school vacation week. Committee members should consider whether a meeting on January 3rd or 10th is preferable.

Department Liaison reports

Mr. Arnold noted the announcement of the new Assistant Town Manager and HR person. He has completed the paperwork for Mr. Linnane's appointment to the Capital Expense Planning Committee. The Committee thanked Mr. Cronin for his past service on that Committee.

Ms. Casemyr attended the Wastewater Treatment Plant tour and found it very interesting. The project is two months ahead of schedule and cost-wise is right on track. The cost of operating the treatment plant will go up drastically, however.

Comments & Concerns of Committee Members

Ms. Lown noted her concern with the changes in the Capital Expenditure Planning Committee and would like to have a heads-up of what can be expected this year. Mr. Linnane is to ask Jim Malloy where he is in the process. Ms. Lown added that the results appeared to be heavily weighted towards the DPW, while municipal buildings were not on the list for the ATM.

Mr. Cronin noted that departments are to send their capital expenses requests 180 days before Town Meeting. He also encouraged residents to vote tomorrow.

Adjournment

Ms. Casemyr moved to adjourn the meeting at 9:05 p.m.. The vote to adjourn was unanimous, 8 in favor with 8 being present.

Document List

YTD Appropriation Report from Leah Talbot, as of October 30, 2010.

Question 5 raw data from Survey, compiled by Brigitte Casemyr, October 25, 2010.

2012 Budget Memo from Jim Malloy.

Budget Background Info Request document, drafted by John Arnold.