

Westborough Advisory Finance Committee  
Minutes of Meeting No. 17, FY2011  
March 3, 2011

Approved  
March 10, 2011

Members Present: John E. Arnold, Chair, Brigitte Casemyr, Peter Allen, Bill Linnane, Jo Lown, Ian Johnson (7:10), Jim Tepper, Ed Behn. Absent: None. (Currently, there is one opening on the Committee.)

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.

### **Request to Approve Snow and Ice Account Deficit Spend**

The Committee considered a request from John Walden (DPW) to approve deficit spending in the Snow and Ice Account, in the amount of \$100,000 for Expenses and \$25,000 for Wages. This has the Town Manager's approval. The expense funds are to pay for salt, private contractors, and sand. Mr. Tepper moved to approve the deficit spending in the amount of \$100,000 for Expenses and \$25,000 for Wages. The vote to approve the deficit spend was 7 in favor, with 7 being present.

### **AFC Preparations for Annual Town Meeting budget and article reviews**

#### **Departmental budget discussions (Town Manager and Assistant Town Manager/HR Director**

Jim Malloy, Town Manager, and Kristi Williams, Asst. Town Manager and HR Director, appeared before the Committee to present their budget. The Committee welcomed Ms. Williams.

### **Communications**

This line has decreased. Mr. Malloy noted that redundant phone lines in the Town Hall had been eliminated and a digital voice messaging system implemented, which saves the Town money and is more efficient.

### **Central Purchasing**

Mr. Malloy explained the decrease in this budget line. The Town's ASCAP license is being cancelled, as it is not necessary. Also, the Repair and Maintenance of Vehicles line item, which has been used when replacing administrative vehicles, is more appropriately part of the Capital Planning budget. Mr. Malloy noted that the excess funds left in this line item for the current fiscal year (FY2011) will be used to replace the worst vehicle; then, next year he will work with the Capital Planning Committee to begin replacing the existing 8 or 9 administrative vehicles, one vehicle each year, with about 6 good 4-wheel drive vehicles, which will be used in a car pool system by various departments including the Health Department, Building Commissioner and Conservation Department.

In answer to the Committee's query about broadening the scope of central purchasing, Mr. Malloy explained that some supplies had been purchased out of the Town's Building and Grounds account, and some out of Central Purchasing. Sanitary supplies will now come from the Building and Grounds account, so \$3,000 was added to a Town Buildings expenses line, and \$4,000 cut from Central Purchasing. Mr. Malloy added that the results of an ongoing consolidation study would be released later this year, after which a public discussion would be needed, as consolidating departments could also mean eliminating jobs.

### **Town Building & Grounds**

Ms. Williams noted that the additional \$3,000 was due to the consolidation of supply purchasing mentioned above.

### **Insp. Weights and Measures**

Mr. Malloy explained that once the retired person currently handling this for the Town is no longer able to do it, the Town will need to pursue other options for providing this service, perhaps contracting with the State to do it, which will increase costs.

### **Animal Control**

Line item 5248 for the removal of dead animals is now \$0. Mr. Malloy told the Committee that the DPW will now be responsible for the removal of dead animals. Mr. Johnson will discuss with the DPW what guidelines are in place to ensure these animals are disposed of properly.

### **Street Lights**

Mr. Malloy explained that the increase in this line is a reflection of what costs actually are, and is not due to an increase in rates. He added that in this fiscal year, he thinks the town will have a shortage in this line. Mr. Malloy noted that Chief Gordon is the contact person with National Grid, to ensure a quick response when any streetlights are reported not working.

### **Insurance**

Mr. Malloy noted that exact numbers are not known, but he estimates a 10% increase in the premium rate. Mr. Behn pointed out that this line is almost 10% of the current proposed budget, and felt it would be useful to have a more detailed breakdown.

Mr. Malloy noted that, in the private sector, health insurance benefits are reviewed frequently and felt that the Town could learn from this example. He added that after this fiscal year, the Insurance Advisory Committee would be looking into other benefit plans and ways to save premiums, perhaps consolidating into one Town-wide plan. He explained that a lot of effort is involved in bringing the 11 unions, management and retirees together to agree on changes in benefits.

Mr. Malloy also explained that the Town is in a self-insured pool for workers' compensation through the Massachusetts Inter-local Insurance Association, part of the Massachusetts Municipal Association, which is a program catering specifically to municipalities. He added that their health insurance might be worth looking into as well.

### **Selectmen/Town Manager**

This line, Mr. Malloy explained, is level-funded except for the Salary Account, due to Marianne Bilodeau's leaving and Kristi Williams' hiring at a lower step. Mr. Malloy also noted that his travel had been paid by the Town Managers' Association, of which he was President.

Mr. Malloy noted that a new fuel management system for the DPW is in the works, which he estimates will cost \$50,000 - \$100,000. This is not in the current budget.

There was some discussion about the Town's financial strategy. Ms. Casemyr noted that if the Town continues on its current path, at some point its revenues will not be adequate to meet its expenditures. Mr. Malloy noted the difficulty of managing a budget where a large portion is not under the Town's control.

Ms. Lown felt it was important to address the utilization of free cash, and plans for funding the Town's OPEB liability. Mr. Malloy explained that his intention is eventually to have 7% of the Town's budget in reserve, to deal with any emergency situations and optimize the Town's bond rating. Once that 7% is in place, Mr. Malloy added, he would feel more comfortable transferring funds to an OPEB account. He had some reservations about setting aside \$50 million of taxpayers' money to ensure employees will have retiree health insurance. Mr. Behn noted the Committee's concern that future generations will be left with

the burden of paying for these unfunded liabilities. Mr. Malloy felt that municipalities have always operated on a pay-as-you-go basis. Ms. Lown noted that whether municipalities are addressing their long-term liabilities may affect their bond rating. Mr. Arnold felt it would be useful to re-visit this issue in July/August, once Town Meeting is over, prior to next year's budget process.

**Updates on Committee member liaison work/meetings to date**

Mr. Arnold reviewed the schedule so far.

**Chairman, Committee Liaison, and Department Liaison Reports**

Mr. Arnold explained to the Committee that the Board of Selectmen felt a three-way meeting with the AFC and the School Committee was inappropriate. They prefer a joint meeting with the AFC, with Mr. Harrington as Moderator. Mr. Johnson noted that the AFC will have its separate meeting with the School Committee. There was some discussion about the usefulness of having such a joint meeting earlier in the budget process rather than later.

Mr. Arnold noted that the joint meeting (with the BoS and AFC) will be on April 26<sup>th</sup> in the Board of Selectmen's Meeting Room.

Mr. Arnold informed the Committee that a detailed report of the snow collapse at the Wastewater Treatment Plant was in the AFC mailbox, along with a copy of the Worcester Regional Contributory Retirement System's actuarial report provided by Joanne Savignac.

Mr. Behn noted that the Town Clerk felt there was no need to meet with the Committee.

**Comments and Concerns of Committee Members**

Mr. Allen thanked Mr. Behn for covering his Committee commitments while he was away.

**Adjournment**

Ms. Casemyr moved to adjourn the meeting at 9:10 p.m. Vote to adjourn was 8 in favor, with 8 being present.

**Document List**

AFC Budget Format 2-2-11.

ATM 2011 Draft Warrant, prepared by Jim Malloy, 2-24-11.

ATM 2011 Draft Warrant, prepared by Jim Malloy, 3-3-11.

Building & Grounds Department Liaison Worksheet.

Budget Background Information sheet, Building & Grounds.

Budget Background Information sheet, Conservation Commission.

Budget Background Information sheet, Planning Board.

Budget Background Information sheet, Selectmen/Town Manager.

Five Year Snow Budget Tracking for Expenses.

Jim Malloy Budget Format.

Snow Update 11.