

Members Present: John E. Arnold, Chair, Brigitte Casemyr, Peter Allen, Bill Linnane, Ed Behn.  
Absent: Jo Lown, Ian Johnson, Jim Tepper, Kathy Rosenblum Senie.

### Call to Order

At 7:04 p.m. Mr. Arnold called the meeting to order in the Selectmen's Meeting Room. He thanked those members who could attend for being present and reminded everyone that this meeting was planned to be a working session at which no votes or deliberations would be held due to the combination of the first night of Passover, the Patriots Day holiday, and school vacation week limiting the attendance of some Committee members.

### Working session to review/identify/outline topics for possible consideration in the Report and Recommendations to Town Meeting

Mr. Arnold then proceeded to lead a review of the departmental budgets so those in attendance could review their notes for areas that had been flagged for possible footnotes or explanation in past meetings.

The following budgets were noted by Committee members present with **draft language to be reviewed/deliberated at subsequent meeting** as follows:

Legal Dept: Selectmen recommended + \$1,200. AFC needs to review.

Central Purchasing: Reduction due to admin vehicle replacement now moved to Cap. Exp. Process (decrease of over \$11k) and moving some Town Hall supplies to Building and Grounds

Conservation Commission: reduction in hours of Admin. Asst.

Building and Grounds: \$3,000 increase with corresponding decrease in Central Purchasing for Town Hall-specific supplies

Insurance: comment pending full committee discussion... Estimates include a contingency for the possibility of 25 additional employee families joining the Town's insurance plans.

Police: The increase appears larger than would be expected due to the accidental omission of one position from last year's salary/wages budget which the department is trying to absorb in the FY2011 budget.

Building Department: check to see if the 1-time expense is going to be moved to article in Fall Town Meeting

Assabet: Westborough's allotment is reduced this year due to a drop in Westborough student enrollment from 49 to 44

DPW: Check-in on fuel estimates.

Snow and Ice: This line is budgeted at a five-year rolling average with some adjustments made for years which seem unusually extreme. When actual costs exceed the budgeted amount, the Town Manager and Advisory Finance Committee must approve the deficit spending.

Landfill Contract: This budget now includes \$14,000 for the Town's Hazardous Waste Collection Day that had been discussed and voted as a separate warrant article in previous years. The net increase in this budget from FY2011 is \$5,000 due to an estimated 3% decrease in tonnage processed by the landfill operation.

Health Department: This budget now includes \$5,500 for the Town's Catch Basin Mosquito Control program that had been discussed and voted as a separate warrant article in previous years.

Council on Aging: placeholder on staffing once Committee completes deliberations.

Library: This budget meets the municipal appropriations requirement that is necessary to meet State Certification.

Recreation: The Recreation Department budget is for the 3 employees that administer the department's programs. All of the other recreation activities and program costs are recovered by fees and donations.

Historical Commission: placeholder pending conclusion of deliberations and voting.

Debt Service: Increase is almost entirely due to construction and improvements at the Wastewater Treatment Plant. Westborough borrows the money and makes the payments. However, ~65% of these payments are recovered by Westborough from the other participating towns (Shrewsbury and Hopkinton). This debt does not directly impact the tax rate but is reflected in increases in the sewer rates paid.

Wastewater Treatment Plant: Increase is due primarily to two factors: (a) the increased cost of operating the newly expanded treatment plant that is expected to go online during the summer and (b) increases on the operational costs including chemicals, electricity, and contracted services. As explained under Debt and Interest line item, Westborough rate payers pay ~35% of these total costs and ratepayers in Shrewsbury and Hopkinton pay the remainder.

School Department: Add comment to reflect the usual wording of expected breakdown of salaries/wages and expenses.

Mr. Arnold then proceeded to lead a review of the Town Meeting warrant so those in attendance could review their notes for areas that had been flagged for possible footnotes or explanation in past meetings.

The following warrant articles were noted by Committee members present with **draft language to be reviewed/deliberated at subsequent meeting** as follows:

ARTICLE 5: Amend Wage and Salary Schedule (Personnel Board)

If recommended, consider mentioning that this is in line with recently negotiated union contracts.

ARTICLE 7C: Real Estate Tax Exemptions

Considering noting that these exceptions relate to residents 70 years of age or older, residents who are blind, and residents who are veterans.

ARTICLE 7D: Finance Committee General Reserve Fund

Considering mentioning past funding levels, past funding sources, and past uses of this fund.

ARTICLE 7G. Chapter 90 (Road Maintenance) Funding

Mention the new finalized number and, perhaps, the new Road Management System that is driving the selection of roads that are chosen for work.

ARTICLE 8E. Permit Tracking Software.

If recommended, consider mentioning some of the benefits of the proposed system.

ARTICLE 8F. Roof Repair on Forbes Building

If recommended, perhaps mention that this work is said to be necessary regardless of the outcome of the consolidation study and/or the Public Safety Complex.

ARTICLE 10. Senior Center Parking Lot

Consider specifying what this funding covers in terms of the work that will be done.

ARTICLE 12. Tax Increment Financing Plan

If recommended, perhaps mention that eClinicalWorks went ahead and committed to the work and keeping the jobs in Westborough without waiting for Town Meeting action. Maybe mention who monitors on-going job count, etc.

Mr. Arnold then gathered general comments from the attendees based on their notes and recollections from previous meetings and more general topics that were brought up in the comments on budgets and warrant articles earlier at this meeting. Note that these topics **are for discussion at subsequent meetings and for possible inclusion** in future drafts of the Committee's Report and Recommendation to the Town Meeting. Since this meeting is a working session, the following topics are presented as mentioned – in no particular order and with rough wording only to capture the essence of the idea adequately to guide the future discussion:

- Many departmental expense budgets have been held steady even though many are absorbing additional requirements from State or Federal agencies. We may not think the Town will continue to be able to fully absorb these requirements, any additional unfunded mandates, and on-going cost increases for expenses for much longer.
- Some budgets are based on contracts and/or agreements that include changes based on economic indicators such as CPI and PPI.
- Possible 'mandates' to mention:
  - MIS budget for Ambulance/EMT software
  - Police video upgrade for interview room – covered by Drug Forfeiture money
  - Disaster Assessment Program – Building Dept.
  - DPW – list being developed
  - EPA mandates driving substantial costs at the Wastewater Treatment Plant
  - Extensive list from School Department
- Big items that continue to drive many discussions about the Town's Budget:
  - Insurance... Town seeing benefits of plan design changes that have benefited the Town and its employees; fiscal year and enrollment periods are now aligned which improves ability to estimate; Estimates include a contingency for the possibility of 25 additional employee families joining the Town's insurance plans; still expect this budget to be conservative in relation to actual costs and Town should expect to see some of this money be returned as 'free cash'; negotiated premium increases in Fallon plan ~15.5% and in Blue Cross/Blue Shield ~5.5%
  - Currently unfunded obligations regarding pensions and retiree health insurance... Reflect facts of unfunded future obligations: the teacher's pension is funded entirely by the teachers, and the town's pension system is funded by its source (to be clarified). Mention the amounts from the actuarial reports we received. Note that the Committee is continuing to investigate this and plans to report to the town in the future.
- Things on the horizon:
  - Re-structure police department to re-position a lieutenant as a Deputy Police Chief
  - Major renovation being planned at Assabet. Should hear more at Special Town Meeting in the Fall.
  - The Town is participating in the initial phase of a Boards of Health regionalization effort. More later.
  - Looking for outcomes of the 'consolidation study' [explain what it is] for possible effect on central purchasing, etc

- Things the town does to save money. Possible examples include:
  - In-house equipment/vehicle repair by DPW for all town vehicles
  - Recycling efforts do have a payback to the Town. See 3% reduction in tonnage estimates.
  - Youth Commission now supporting 'Hot Summer Nights' with grants and donations
- Large receipt estimate amounts:
  - \$850,000 for Ambulance receipts
  - \$437,000 for Building Permit fees
  - \$120,000 for Dump Sticker fees
- Trends to consider showing:
  - Decrease in state aid (over past 3 years or so)
  - Change in residential/industrial tax base mix & risk of unexpected changes in commercial 'personal property'
  - Average Single Family Tax over time (with and without adjustment for inflation)
- Other possible items to include or refer to:
  - 5-year Town Manager projection
  - Pie Chart showing 'proposed departmental budgets' based on chart from tax bill that shows 'as voted' from last year's Town Meeting
  - Discussion of free cash: E.g., not using 'free cash' to fund operating budgets. Mention amounts of Town's free cash and reserve funds. Mention that Town Manager has started the process to establish a Debt Management Policy.
- Things the Committee is working on:
  - Better understanding/communicating unfunded 'mandates'
  - Unfunded obligations: Pension and Retiree Health Care
  - Understanding/Communicating 'Total Cost of Ownership' of various town services
- Perhaps include a note about the 'Earnings' listed at the back of the Town Report: For some classifications of employees, this money includes earnings derived from duty and detail work paid for by third parties (e.g., Verizon, National Grid). These additional earnings over and above the employee's salary and/or wages are not considered part of the salary or wages for the purpose of pension calculation.
- Thank town employees and survey respondents.

### **Adjournment**

Ms. Casemyr moved to adjourn the meeting at 9:24 p.m. Vote to adjourn was 5 in favor, with 5 being present.

### **Document List**

Annotated Warrant with comments listed above created during the course of the meeting.  
Minutes from previous Advisory Finance Committee meetings.