

Westborough Advisory Finance Committee
Minutes of Meeting No. 28, FY2011
April 21, 2011

Approved
April 28, 2011

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

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.

AFC Preparations for Annual Town Meeting budget and article reviews

Country Club Operating Committee, Update on Municipal Building Committee

Dexter Blois and John R. Arnold, Country Club Operating Committee members, appeared before the Committee to present their budget and related warrant article. Mr. Blois noted that there was a problem last year with the Department of Revenue when the Assessor and Town Accountant reconciled the tax sheet. All Enterprise funds compare the revenue from the preceding year with the expenditures of the following year. Mr. Blois explained that in the case of the Country Club, the bulk of the revenue is generated in the spring, making it difficult to predict the coming year's revenue. There is now a projected revenue shortfall of approximately \$24,000—therefore, Mr. Blois is requesting that this year's budget motion include a transfer from the Country Club Enterprise Fund surplus revenue to the operating budget. Mr. Arnold noted that Town Manager Jim Malloy and Town Accountant Leah Talbot will be asked to help agree on the wording of the motion. Mr. Blois noted that it was important that the operating budget not come up short to keep the Country Club operations fully self-funded. The country club is a self-sustaining enterprise, but if revenue comes up short this fiscal year, it comes off the tax rate the following year to make up the shortfall. Mr. Blois noted that this is true of all Enterprise funds, but the situation for the Country Club is complicated by the timing of the membership revenues (in the spring) and the effects of the weather on revenues. Mr. Blois noted that dues were raised last year but membership has declined compared to 2 years ago, and there is no more waitlist.

Mr. Blois explained that Article 9 is to request \$30,000 for draining work and improvements at the Country Club. The cart path to hole number 3 will be paved, improving access for vehicles, and drainage will be improved. Mr. Blois noted that these funds come from the Country Club Enterprise funds and are at no cost to the taxpayer.

Mr. Blois also addressed some issues as a member of the Municipal Building Committee. He noted that the consolidation study was still in progress, and nothing definite will be known until at least the Fall Special Town Meeting. Some office space in the Forbes building has been changed to accommodate Youth Services. In order to make room for the police in the Forbes building, the basketball court would have to go, and a few sites in town are being considered as locations for a new court. There are still no figures for updating the present fire station. Mr. Blois explained that if a separate fire station were built, 85% of the plans could be used from the previous safety complex plans. He added that it may yet prove more economic to re-consider the public safety facility, as construction prices are considerably less than they were when it was first considered. Mr. John R. Arnold noted that the Town is weighing the benefits and costs for having three buildings improved (Town Hall, Forbes Building, Fire Station) rather than building just one new building (Public Safety Facility).

Approval of Minutes

Meeting No. 23 (March 31), No. 24 (April 4), and No. 25 (April 7)

Deferred to the next meeting.

Discussion, deliberation, voting of any departmental budgets and recommendations

Mr. Arnold noted a Budget Background Information sheet has not yet been received from the Personnel Board. Mr. Tepper will follow up.

Mr. Behn brought up the 1% increase for non-union staff mentioned in the Town Manager's budget message, and noted that with step increases for employees not at the Max step, the realized increase would actually exceed 1%; the 1% is just a multiplier applied to the Salary/Wage table. He added that salaries make up one of the most significant town expenses. Mr. Tepper felt it was important to know what the incremental cost of labor was, and to make the budget as transparent as possible. Mr. Allen pointed out that new employees hired at a lower step often provide some of the savings in personnel costs. Mr. Arnold noted that motions specifically allocate funds to either Salaries/Wages or Expenses; therefore, departments cannot use unexpended salary funds on expenses.

Mr. Arnold noted that Town Manager Jim Malloy had sent an explanation of how the Wastewater Treatment Plant revenue works. Mr. Malloy also sent his analysis of the Council on Aging request to increase a position from 19 to 25 hrs/wk. Mr. Malloy's estimates indicate that increasing the weekly hours from 19 to 25 hrs/wk would only yield an additional 2.4 hours of service. Mr. Allen felt that Mr. Malloy's comments, including those of maintaining level staffing for all departments, were sufficient to allow him to vote in support of the Manager's recommended budget for this department. Ms. Rosenblum Senie noted that a part-time employee is not likely to put in fewer hours than allowed, and felt, in the case of the Council on Aging request, there was a legitimate need, as this position serves a vulnerable part of the town's population—also, the department has been asking for this increase for many years. Mr. Behn pointed out that if the town wants to have level services, in order to keep services consistent hours would have to be increased for this position to correspond to the increased elderly population. He added that he would be in favor of 25 hrs/wk, or perhaps even 35 hrs/wk, since even at 25 hours the benefits eligibility barrier has already been broken. Mr. Arnold felt more analysis over the summer (with a proposal that more closely studied the number of people who could be served under a variety of scenarios) and an article at the Fall Special Town Meeting may be one way to move forward. Mr. Tepper reminded the Committee of the Council's desire to retain the services of the current holder of this position, who is extremely capable. Ms. Rosenblum was not comfortable with hiring two part-time employees just to avoid paying benefits. If the position is justified, and best served by the one person already in place, she felt it was only fair to provide benefits.

Discussion, deliberation, voting of any Town Meeting warrant articles and recommendations

Mr. Arnold had sent out draft minutes from Monday's meeting, incorporating members' comments. At the meeting the Committee discussed topics for the message, and noted areas in the warrant where particular points or explanations were needed.

Review of upcoming meeting schedule

Mr. Arnold reviewed the upcoming meeting schedule. Monday's meeting will include Jim Robbins (Town Planner), Greg Franks (Town Counsel), John Matson and George Perry (re: VFW warrant article), and the Library Trustees. On Tuesday, there is a joint meeting with the Board of Selectmen. Thursday's meeting will include Town Moderator Joe Harrington, the Personnel Board, and Tin Htway (Building Commissioner). Mr. Arnold will be unable to attend Thursday's meeting. At or after Thursday's meeting, the Committee should be ready to do final voting and drafting of the report.

Continue preparation of Report and Recommendation to Town Meeting

Mr. Arnold reviewed the draft report. He noted that the message to voters has typically been two pages, but as the consensus from the survey was that residents would like more context along with the Committee's recommendations, a list of possible topics to discuss had been added. He asked the Committee to review the draft and note any other items to be included, as well as giving some thought to which sections they would be willing to draft.

Mr. Behn noted that Mr. Malloy would be supplying a pie chart matching the chart included with the latest real estate tax bill but using the numbers from the FY12 Town Manager recommendations. Mr. Behn pointed out that the school has receipts which are expended but which don't show up as a raise and appropriate in the warrant article process. Mr. Arnold added that the cost of providing some services (such as the schools) includes funds from sources other than those voted at town meeting and the Committee's on-going work on 'total cost of ownership' could document and reinforce this. Mr. Behn also remains concerned and wants to learn more about the two major unfunded liabilities of pension and retiree health care.

There was some discussion about the total receipts from all sources available to the town, in the amount of \$92,356,000. The money that can be raised and appropriated at town meeting, however, is 'only' up to approximately \$61 million. Mr. Tepper noted that some, maybe even many, town residents are not aware they're not acting on the entire budget. Mr. Arnold added that total town spending includes 50% more than what is covered by property taxes. Over time the excess levy has gone down, but if expenses go up faster than 2-1/2% and if other revenues don't make up the difference, sooner or later the excess levy goes to 0. Ms. Rosenblum Senie felt the report could include a brief mention of the survey results, and how they have been or might be applied.

Mr. Arnold reviewed the schedule for the remaining meetings after next week's. It is hoped that meetings will only be required on Monday, May 2nd and Thursday, May 5th. However, more meetings can be scheduled if necessary. At the Monday May 2nd meeting, the goal will be to make sure all votes are taken, and to work through the substance of the report. On Thursday, May 5th, votes will be checked and the report should be voted upon. On Friday, May 6th, any amendments made and approved in Thursday's vote will be added and the Committee will proofread so the booklet can be sent to the printer on Friday. Mr. Arnold noted the Committee can discuss and decide whether both sides of the question could be presented in the case of dissenting votes. To him, the key factor would be whether all parties agree on a fair presentation of both viewpoints.

Chairman, Committee Liaison, and Department Liaison Reports

Mr. Allen conveyed the sad news that the Chairman of Westborough's Conservation Commission, Warren Keyes, died on Monday. He was with the Commission for 10-12 years and gave great service to the town. He will be missed.

Comments and Concerns of Committee Members

Mr. Tepper called residents' attention to Westborough's Spring Festival, Sat./Sun., April 30th-May 1st.

Mr. Behn will distribute to the Committee his analysis on various trends in levy limits, percent in levy contribution of commercial, commercial personal property, and individual residential. These documents can be used for individual preparation for future meetings and discussed at future meetings.

Mr. Arnold reminded Committee members that as materials are distributed for individual preparation for meetings, deliberation and discussion about issues can not be done via email due to the Open Meeting Law. Town Counsel can discuss this further with the Committee if so desired.

Adjournment

Mr. Allen moved to adjourn the meeting at 8:56 p.m. Vote to adjourn was 5 in favor, with 5 being present.

Document List

19 hrs/wk vs. 25 hrs/wk spreadsheet analysis, prepared by Town Manager Jim Malloy.
19 hrs/wk vs. 25 hrs/wk spreadsheet analysis, prepared by Mr. Behn.
2011 Draft ATM Motions, prepared by Mr. Malloy.
Snow & Ice Update.