

Westborough Advisory Finance Committee
Minutes of Meeting No. 32, FY2011
May 4, 2011

Approved
May 14, 2011

Members Present: John E. Arnold, Chair, Brigitte Casemyr, Peter Allen, Bill Linnane, Jo Lown (7:10), Ed Behn, Jim Tepper. Absent: Kathy Rosenblum Senie. (There is currently one opening on the Committee)

At 7:05 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. 26, April 14, 2011 - Deferred.

Meeting No. 29, April 25, 2011

Mr. Allen noted a typo on page 2. Ms. Casemyr moves to accept the minutes as amended. The vote to approve the minutes is 3 in favor, 3 abstentions (Behn, Casemyr, Linnane), with 6 being present.

Meeting No. 30, April 28, 2011

Ms. Casemyr requested a correction to the insurance paragraph, 50 should be 25. Ms. Casemyr moves to accept the minutes as amended. The vote to approve the minutes is 3 in favor, 4 abstentions (Tepper, Lown, Arnold, Allen), with 7 being present.

AFC Preparations for Annual Town Meeting budget and article reviews

Discussion, deliberation, voting on Report & Recommendations to Town Meeting

Mr. Arnold suggested the Committee review the recap spreadsheet, to get a better sense of the numbers before going on to the endnotes and warrant summary.

Ms. Lown noted the difference in free cash between the recap spreadsheet and Town Accountant Leah Talbot's spreadsheet, because the Committee a) voted against the Energy Audit, b) voted to transfer to the General Reserve Fund from free cash, and c) used free cash rather than borrow for the Hastings School Project, for a total difference of \$535,000. Ms. Lown will send a copy of this worksheet to Committee members so they can see how the totals are derived. She noted that borrowed articles do not show up on the worksheet until the borrowing commences. Ms. Lown also noted that Town Assessor Linda Swadel had sent updated overlay numbers, showing an increase in new growth. However, the town valuation had been lowered, raising the effective tax rate if these estimates pan out. Though these estimates are traditionally very conservative, the Committee is disappointed that the estimated valuation has dropped even though the average house price has risen.

The Committee discussed how the Committee should address this new information in the report. Mr. Behn felt it was important to identify what is driving the increases. Mr. Allen wondered if the Assessors should be asked to present to the Committee as other departments do. Ms. Casemyr noted that, in light of this information, she was no longer inclined to allow as much leeway in the insurance expense line item as has been proposed. Ms. Lown felt the Committee should be prepared at Town Meeting to suggest where cuts could be made to the budget. Mr. Tepper noted that the Board of Selectmen and Town Manager should be involved in recommending where to reduce the budget if the voters question it. Mr. Linnane felt a note should be included in the report regarding the need to reduce expenses by Fall Town Meeting, before the tax rate is set.

Discussion, deliberation, voting of Town Meeting warrant articles

The Committee reviewed the articles yet to be voted.

Article 7D. Reserve Funds. Mr. Allen would like to re-vote this article recommendation. Ms. Casemyr moves to recommend the town vote to transfer from free cash the sum of \$300,000 to the Advisory Finance Committee General Reserve Fund, transfer \$50,000 from Water Retained Earnings to the Water Enterprise Reserve Fund, transfer \$50,000 from Sewer Retained Earnings to the Sewer Enterprise Reserve Fund, and transfer \$20,000 from Country Club Retained Earnings to the Country Club Enterprise Reserve Fund. The vote to approve the article recommendation is unanimous, 7 in favor with 7 being present.

Article 8D. Police Cruisers. The Committee will meet with Chief Gordon prior to Town Meeting to discuss the increase in the bid for these vehicles.

Article 11A. Water & Sewer. The Committee questioned the increase of \$400,000 in this article, having supposed it to be merely a re-wording of last year's article. After discussion and investigation into last year's Town Meeting report, it was found that the inclusion of the numbers in this year's motion did seem to reflect the action taken at last year's Town Meeting and the wording of this article does appear to only be wording changes necessary for some of the work performed under this article to qualify for funding via the Water Pollution Abatement Trust.

Article 13. Hastings School Project. Mr. Arnold felt a re-vote was in order. Ms. Casemyr moves to recommend the town transfer and appropriate from free cash the sum of \$250,000 for the purpose of this article. The vote to approve the article recommendation is unanimous, 7 in favor with 7 being present.

Article 24. Insurance Proceeds. Ms. Lown explained that this would allow the town to use the \$1m in insurance money to pay for the repair of the clarifier. Mr. Tepper felt it should be made clear that this amount would cover the total cost of the repair. Ms. Casemyr added that the deductible would be paid by Veolia, the Treatment Plant's operating contractor.

Further discussion of Report & Recommendation

Mr. Arnold has included the bylaw which explains the function of the Advisory Finance Committee. Ms. Lown noted that under state law the town is required to have an Advisory Finance Committee which is in turn required to report to Town Meeting. The Committee reviewed the endnotes to the report. There was some discussion about the need for financial detail in the notes. Some members felt the detail was an intentional response to the residents' expressed desire for more transparency in the budget process. Mr. Behn suggested that some detail could be provided online, or as a separate document.

Review of upcoming meeting schedule

Mr. Arnold will be out of town from Sunday through Thursday morning (May 8-12). He will post a meeting for Thursday, May 12, so the Committee can prepare for Town Meeting.

Chairman, Committee Liaison, and Department Liaison Reports

The Committee has received a copy of the report related to the Wastewater Treatment Plant clarifier cover collapse.

Comments and Concerns of Committee Members

Mr. Behn felt it was important to be able to explain the impact of the new valuation and average house value information to residents.

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The Committee's Report & Recommendation will be available online the day it goes to the printer, giving the Town Manager and residents a week to review it before Town Meeting.

Adjournment

Ms. Casemyr moved to adjourn the meeting at 11:24 p.m. Vote to adjourn was 7 in favor, with 7 being present.

Document List

2011 ATM Available Transfers FY12.
Draft AFC Report, 5-3-11, prepared by Mr. Johnson.
Draft AFC Report, JBL proposed revisions.
AFC Book Trends, prepared by Mr. Behn.
Bond Rating and Reserves Analysis, prepared by Mr. Behn.
Estimated Receipts, 3-31-11.
FY12 Revenue & Expenditures spreadsheet, 5-4-11.
FY12 Budget End Notes, revised by Mr. Allen, Ms. Casemyr, and Ms. Lown.
FY12 Draft Budget End Notes, 5-3-11.
Print Version Budget for 2011 ATM (.pdf).
Print Version Budget for 2011 ATM (spreadsheet).
School Pie Chart, prepared by Ms. Casemyr.
Update of Free Cash Stabilization, 2-2-11, from Mr. Malloy.