

Members Present: John E. Arnold, Chair, Brigitte Casemyr, Peter Allen, Bill Linnane, Jo Lown, Jim Tepper (8:05), Kathy Rosenblum Senie. Absent: Ed Behn. (There is currently one opening on the Committee)

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

Mr. Arnold reminded residents of Town Meeting on Saturday, which will begin promptly at 1 p.m.

Call to Order/Open Forum

There were no requests to address the Committee.

Approval of Minutes

Mr. Arnold noted that some minutes may be approved at Town Meeting if time allows. Mr. Allen would like to make an amendment to the April 28th minutes, which have already been approved—this will be discussed on Saturday.

AFC Preparations for Annual Town Meeting

Green Technology Advisory Committee

Leigh Emery of the Green Technology Advisory Committee appeared before the Committee to discuss Article 12 (Energy Audit). Ms. Emery explained that the energy audit is part of the initiative to have Westborough recognized as a Green Community by the state (making the town eligible for grants to be used to improve energy efficiency). Five criteria must be met in order to receive this designation, one of which is to have a plan in place to reduce energy consumption by 20%. This audit would be the first step toward meeting that criterion. Ms. Emery explained that free audits are offered by the state, but the waiting list is 6-7 years, and any potential energy savings would be lost during that time. Town Manager Jim Malloy had estimated \$5,000 per building for a total energy audit of all systems; the article if approved would allow three town buildings to be audited. Ms. Emery noted that information gained from these initial audits could be used by the town to do its own audits on other buildings. She added that even if Westborough does not become a Green Community, any energy savings would still be of great benefit to the town. Ms. Emery distributed a spreadsheet showing energy use by building, the high users (in terms of energy usage/sq. ft.) being the Senior Center, Library, Fire Station, Town Hall, and Gibbons Middle School. She explained that the Green Technology Committee together with the Town Manager and town engineers would determine which buildings should be audited.

Ms. Lown wondered about the cost-effectiveness of the audits, and wanted to know which buildings would be audited before deciding. Ms. Rosenblum Senie noted that picking three different types of building would yield useful information about all kinds of energy issues which could then be applied to the rest of the town's buildings. Mr. Arnold pointed out that if one building could be audited before Fall Town Meeting, those results would be available for residents to consider before moving forward with more audits. Ms. Emery clarified that this article funded audits which would suggest where energy savings were to be found; any subsequent improvements would require more funding. Mr. Allen asked if the funds could be used for one audit plus the resulting improvements, but Ms. Emery felt the wording of the article did not allow this. Ms. Casemyr noted that the 20% reduction in energy costs assumes that the recommendations will be implemented, but residents don't know what the payback will be, or how much those improvements will cost. Mr. Linnane felt the energy audit was a good start, which Mr. Malloy

should include in capital expenditures. The Committee felt it would be useful to have information on the age of the town's buildings, and date of the last major renovation/improvement.

Discussion, deliberation, voting of any recommendations to Town Meeting

The Committee reviewed articles whose recommendations are still under discussion.

Article 6. Budgets. Mr. Arnold noted that the Board of Selectmen now support the Committee's recommendation on the Council for Aging and Legal Counsel budgets. Mr. Allen pointed out that the Selectmen had originally agreed to the higher number on Council on Aging Expenses, which included increased hours on the homemaker contract (a total of \$34,128), while the Committee supported the Town Manager's recommendation (\$31,424), which did not include the increase. The Board of Selectmen did not vote to challenge the Committee's motion only because they learned the Council was planning to bring the issue to the floor of Town Meeting anyway. Mr. Allen felt a disagreement existed and requested a re-vote of the Council on Aging Expenses. Mr. Allen moves to recommend Council on Aging Expenses of \$34,128. He noted that when the Committee had previously discussed the Council's budget requests, they had focused on the Salaries/Wages line; however, when the motion was made, it included both Salaries/Wages and Expenses. Although reluctant to support increased expenses, Mr. Allen felt the Council's experiment of cutting back the homemaker hours had failed; he supports re-instating the 18-hour contract. The Committee agreed to gather more information and make a final determination on Town Meeting floor. Mr. Allen then withdrew his motion.

Article 7. Mr. Arnold noted that the Committee is recommending the use of Free Cash for the General Reserve Fund, while the Board of Selectmen will make the motion to Raise and Appropriate. As Chairman, Mr. Arnold intends to make a motion at Town Meeting on behalf of the Committee to amend the motion to use Free Cash. There was some discussion as to when the Committee should summarize its report and explain its rationale for free cash. Town Moderator Joe Harrington felt that Article 3 would be the appropriate time for Mr. Arnold to give an overview to residents.

Article 13. Mr. Arnold noted that the Board of Selectmen is now in favor of using free cash for the Hastings School project.

Article 24. Mr. Arnold explained that this article will now be passed over, as the insurance company has decided to pay directly to the contractor. The Committee will not re-vote, but will concur at Town Meeting to pass over the article.

Article 25. VFW Deed Restriction. John Matson of the VFW was present to discuss this article. Mr. Arnold explained that Mr. Matson had drafted a new motion which provides right of first refusal to the Town in return for lifting the deed restriction. Mr. Matson explained that the VFW trustees had voted to grant right of first refusal to the Town. If approved at Town Meeting, the terms of the lifting of deed restrictions and right of first refusal would have to be negotiated by the Board of Selectmen, Town Counsel Greg Franks, and the VFW. Ms. Rosenblum Senie was in support of the VFW and its renovation plans, but was reluctant for the Town to give up an asset without first looking at other options. She felt more should be done to explore how the VFW could obtain financing without releasing the deed restriction. Mr. Matson felt that without clear title, the VFW would not be able to obtain a mortgage. Ms. Lown noted that right of first refusal could mean that the town would compete with other buyers, or merely have the right to match another buyer's offer, in order to buy back property which, according to the current restriction, would revert to the Town for no cost. Mr. Linnane suggested bringing the issue to Fall Town meeting, but Mr. Matson did not want to delay the work. Mr. Arnold wondered if a non-binding term sheet could be developed by the Board of Selectmen and the VFW, setting out the general terms of the agreement, then brought for town meeting approval. Mr. Tepper pointed out that the town has not used the property for the last 65 years, but has gained a great deal from the VFW using it, and

would lose still more if the VFW was unable to move forward with the renovations. Mr. Arnold noted that if the deed restriction were lifted, and the VFW moves in the future, the town would not get the property back, or would not know how costly it would be to get it back. Mr. Tepper felt the VFW would not survive a wait of 6 months to a year while the town decides what to do. Ms. Lown noted that the property is in the public trust, and that as a Committee member she could not recommend the lifting of the restriction without further information. Mr. Tepper felt that the VFW's service to an important constituency was also an asset. Mr. Matson added that the VFW had hoped to begin the loan process immediately, in order to begin remodeling as soon as possible. The Committee will get more information and vote on a recommendation at the Town Meeting.

Article 28. Mr. Arnold noted that the Land Trust has not yet formally voted to donate the land; he expects the article to be passed over. The Committee will concur at town meeting rather than re-voting.

Discussion of expected presentations or other participation at Annual Town Meeting

Ms. Casemyr suggested some slides which could be shown at town meeting: one to explain the differences between the Board of Selectmen recommendations and the Committee's; one showing the estimated tax rate and excess levy; and a slide showing the total number of reserves.

Mr. Arnold felt another slide should show the impact of using free cash rather than raise and appropriate for Article 7, as well as the impact on the estimated tax bill for the average resident and a commercial property-owner. He felt it was important to explain to residents that the valuation estimate is historically very conservative, and the expectation is that the effective tax increase will actually be close to the original estimate of 4.8%. Next year, he would like to have an approach to the budget process which presents alternatives for level-spending, or a compromise between level services/reduced budget. He feels the Committee should note their discomfort with the present budget, and its intention to do things differently in future. Ms. Lown noted that the Committee had generally followed the recommendations of the Town Manager this year, with the exception of using free cash for one article. Mr. Allen wanted to avoid giving the impression that a 4.8% increase was acceptable, and is disappointed that the Committee was not part of the conversation earlier in the process. Mr. Arnold pointed out that the Committee's own votes also include the 4.8% increase. He felt that this year the Committee had reacted; next year he would like the Committee to have some say at the beginning of the budget cycle, making clear its expectation of level funding, and encourage the town to share the responsibility for this goal.

Ms. Lown noted that the projection in the report proposes the same tax increase every year for the next five years, unless changes are made. She reviewed a spreadsheet which gives the total of all town reserves. She also mentioned a Massachusetts Government Financial Officers Association white paper which stressed Finance Committee involvement in long-term financial planning, and the development of policies and goals. She noted that reserve funds should only be used for specified purposes.

Review of upcoming meeting schedule

Mr. Arnold noted that the next meeting is Saturday at noon at the High School, prior to Town Meeting. The Committee will discuss the VFW Deed Restriction article, Council on Aging request, and the Energy Audit article.

Chairman, Committee Liaison, and Department Liaison Reports

Mr. Arnold mentioned that the DPW is trying to constrain costs to absorb fuel increases; however, it is possible that the Committee may receive requests for funds from the DPW at the end of June.

Comments and Concerns of Committee Members

Mr. Allen reminded the Committee of a seminar on Early Retirement and Pension Expenses offered by the Association of Town Finance Committees, Thursday, May 26th in Ipswich.

Mr. Linnane reminded residents of the 0 quorum rule, and that Town Meeting would begin promptly at 1 p.m. on Saturday.

Ms. Lown mentioned that the Department of Revenue Division of Local Services is offering a seminar for recently elected financial officials. The seminar is in Worcester, June 1st beginning at 8:15 a.m., and will include an overview of municipal government, the budget process, reserves and debt policies. She noted that the seminar would be very helpful for new members of the Committee.

Ms. Casemyr informed the Committee that the booklet is at the printer. Fifty copies will be ready at noon at the Town Hall on Friday; the remainder will be at the High School for town meeting.

Adjournment

Ms. Casemyr moved to adjourn the meeting at 9:40 p.m. Vote to adjourn was 7 in favor, with 7 being present.

Document List

2010 Bond Rating Report.
2011 ATM Final Motions, 5-14-11.
ATM Article 5 Motion, 5-10-11.
Final ATM2011 AFC Report and Recommendation.
Tax Increment Financing Agreement document.
Final Pie Chart FY2012.
Final ATM
U.S. Municipal Credit Update powerpoint document.
Notes of Joint Meeting (BOS and AFC), 4-26-11.
Notice of Post-ATM meeting, 5-24-11.
Slide for AFC 5-minute introduction.
Standard & Poor's Rating Change Press Release, 8-6-10.
Town of Westborough TIF plan final document.