

Members Present: John E. Arnold, Chair, Peter Allen, Bill Linnane, Jo Lown, Ed Behn, Kathy Rosenblum Senie, J. J. Malone, Lisa Blazejewski. Absent: Jim Tepper.

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.

Approval of Minutes

Meeting No. 02, August 15, 2011

Mr. Allen and Mr. Malone had some corrections to the minutes. Mr. Linnane moved to accept the minutes as amended. The vote to approve the minutes is 6 in favor, 2 abstentions (Lown, Blazejewski), with 8 being present.

Elections

AFC Vice Chairman

Mr. Arnold welcomed nominations for Vice Chairman. Mr. Linnane nominated Mr. Behn. The vote to elect Mr. Behn as AFC Vice Chairman is 7 in favor, 1 abstention (Behn), with 8 being present. Mr. Arnold thanked Mr. Behn for his willingness to serve.

AFC Representative to the Capital Expenditures Planning Committee

Mr. Arnold noted that Mr. Linnane was willing to continue as the AFC Representative. Mr. Behn nominated Mr. Linnane for this position. The vote to elect Mr. Linnane as AFC Representative to the Capital Expenditures Planning Committee is 7 in favor, 1 abstention (Linnane), with 8 being present. Mr. Arnold thanked Mr. Linnane for his willingness to serve.

AFC Representative to the Legislative Liaison Committee

Mr. Arnold noted that this position has been inactive for some time, and welcomed nominations. Mr. Linnane nominated Mr. Allen. The vote to elect Mr. Allen as AFC Representative to the Legislative Liaison Committee is 7 in favor, 1 abstention (Allen), with 8 being present.

Review/Discussion of Advisory Finance Committee Topics

GASB 54 - Discussion deferred to a future meeting.

Town Manager Draft Fiscal Policy document

Mr. Arnold noted that Town Manager Jim Malloy had sent out a new version of his fiscal policy document, and would like the Committee's comments by the end of the week (September 16th). He added that the document seemed not to be binding, but was recommending guidelines only. Mr. Malone noted that as a set of goals he had no objections to it. Ms. Lown pointed out that the AFC Reserve Fund is the sole purview of the AFC and was not under the authority of the Board of Selectmen. Mr. Behn noted that the Water and Sewer Enterprise Funds, although earmarked for Water and Sewer emergencies, should be considered part of the town's reserve funds. He felt the language should be clearer. Mr. Arnold noted that there would be an ongoing conversation on these issues, and encouraged the Committee to send their comments to Mr. Malloy before the Board of Selectmen vote on the document two weeks from tomorrow (9/27).

Updates from Committee working groups

Regarding the AFC spreadsheets, Ms. Lown suggested the use of an informal process rather than a formal working group, where Ms. Lown would send the spreadsheets to members at the beginning of the Annual

Town Meeting cycle, so Committee members can look at how the spreadsheets work. Mr. Behn, Mr. Malone, and others interested in learning the mechanics of the spreadsheets can ask specific questions about this as needed. Mr. Arnold added that working groups on Town Insurance and GASB could be formed as needed.

Ms. Lown noted the great job Mr. Behn did on last year's booklet. Mr. Arnold will copy Mr. Behn with any information from former Committee member Brigitte Casemyr on booklet preparation. Mr. Behn suggested that Mr. Tepper also be included, as he has a background in printing.

Discussion of Committee and Liaison appointments

Mr. Arnold will start working on a draft of Committee and Liaison appointments. He noted that some of the Chair responsibilities, such as liaisons with Town Hall, may be delegated to Mr. Behn. Mr. Arnold instead would take on School liaison responsibilities.

Preparation/Discussion regarding Special Town Meeting

Mr. Arnold noted that Mr. Malloy hoped to have a draft warrant to the Committee by the end of the week. Mr. Arnold felt that presentations could be completed in 3-4 meetings. There was some discussion as to whether the Committee should bring forward a Stabilization Fund article, and, if so, whether to transfer the funds from Free Cash or Raise and Appropriate. Transferring from Free Cash does not contribute to the goal of increasing Town reserves since it reallocates funds that are already in reserves. However, a raise and appropriate motion to increase the Stabilization Fund was voted down at last year's Special Town Meeting. Mr. Behn felt more discussion was needed on what is a reasonable level of reserve funds. Mr. Allen would support taking funds from Free Cash. Ms. Lown was not in favor of Raise and Appropriate. Ms. Rosenblum Senie noted that Free Cash was used for some articles at last Town Meeting, indicating that the Town was comfortable with its level of reserves—so why the rush to increase the Stabilization Fund now? The consensus of the Committee is that the Committee was not ready to introduce an article at this time.

Discussion of upcoming meeting schedule

Mr. Arnold noted that Special Town Meeting is scheduled for Monday, October 17th. The booklet would therefore need to be wrapped up by the October 6th meeting. Members should email Mr. Arnold with any Monday/Thursday dates they are not available for meetings. The next meeting is scheduled for Monday, September 19th. Ms. Lown noted that voting would need to be completed by the October 3rd meeting. She added that the liaison to the Town Accountant should request the usual updates from Leah Talbot: recap sheet, warrant spreadsheet, local receipts, etc.

Discussion related to Annual Town Meeting process

Mr. Arnold noted that the FY2013 budget schedule calls for budget information and Town Manager packet to go to department heads by October 15th. Mr. Malloy hopes to have the budget booklet out between Christmas and New Year's, so Mr. Arnold will begin scheduling Monday and Thursday meeting dates through January and February.

Mr. Arnold noted the comments made during the final deliberations of the Committee's recommendations at last Annual Town Meeting. A number of members expressed discomfort with the bottom line, but when actually voting, the Committee supported most of the Town Manager's recommendations. Mr. Arnold felt that the Committee could consider communicating their expectations before the Town Manager budget message goes out, rather than only reacting to the budget put forward. He welcomed comments from members as to whether and how the Committee could do this. Mr. Linnane welcomed the idea of having input earlier on, perhaps spurring managers to take a harder look at their budgets. Mr. Allen felt the Committee could ask departments what services would be lost if the budget was decreased. Mr. Malone felt that only a reduction in personnel would provide any major savings—a solution which would not be supported by the Board of Selectmen. Ms. Rosenblum Senie welcomed having input earlier on, rather than only being in the position to react to a specific budget recommendation, and would like to see more flexibility in which departments are

asked to cut, and how much. Mr. Behn noted that the Town has been consistently increasing taxes at a much higher rate than inflation, and felt that the escalation should be stopped somehow. He thought that creative solutions other than laying off personnel could be found. Ms. Lown felt the Committee should make their recommendations clear to departments before their budgets are set. She agreed that reductions could be made without resorting to cuts in personnel. She felt the contingency amounts in various budgets should be looked at, and noted that certain assumptions in Mr. Malloy's 5-year budget forecast are not coming to pass. Mr. Linnane felt the Committee could assist Mr. Malloy, and noted the Town Manager's attempts to combine departments and find creative solutions. Ms. Lown added that department liaisons could voice the Committee's concerns. Mr. Arnold noted that it is understood that the Committee's role is not to interfere with the budget process or recommendation of the Town Manager and the Board of Selectmen but that the Committee could set expectations about the recommended levels of funding that it expects to support. Mr. Malone felt a goal should be set, whether to increase the tax rate, and by how much—then let departments managers achieve that. He noted that some residents have been forced to leave Westborough due to high taxes. Mr. Allen noted that the Committee should reach some consensus during the next 2 weeks, to allow Mr. Malloy to take their views into account.

Mr. Behn presented his handout, "Westborough Tax Levy Growth." He noted that the town is within 1% of its levy limit. He explained that residents are paying twice as much now for municipal services than in 1988 and that some of that discrepancy is due to the split between residential and commercial property. The average tax increase has been 6.4% every year, based on a single family home. Ms. Lown noted that residential growth has been significant since 1988 which has contributed to the shift toward more residential property valuation. She added that the lack of consistency in State aid was a real problem. Mr. Behn welcomed the Committee's comments regarding his findings.

Mr. Linnane felt the Committee should begin to draft their own policy statement, flow chart, notes, etc. for reference to new members as well as a reference when contentious items arrive during normal deliberations. Ms. Lown added that a booklet of information could be compiled, in the form of ongoing working papers. Mr. Behn noted that past Reports & Recommendations should be available for reference in the Meeting Room.

Chairman, Committee Liaison, and Department Liaison Reports

Mr. Arnold noted that the September 2011 copy of the Beacon (Massachusetts Municipal Association newsletter) is available. He reminded the Committee of the upcoming Annual Meeting of the Association of Town Finance Committees, to be held October 15th.

Comments and Concerns of Committee Members

Ms. Lown congratulated Mr. Behn on becoming Vice Chair.

Mr. Linnane reminded residents of the Diabetes Symposium, September 13, at 7:30 p.m. at Mill Pond School.

Adjournment

Mr. Behn moved to adjourn the meeting at 8:48 p.m. Vote to adjourn was 8 in favor, with 8 being present.

Document List

Town Of Westborough Comprehensive Fiscal Management Policies, prepared by Town Manager Jim Malloy, August 2011

Westborough Tax Levy Growth, prepared by Ed Behn.