

Westborough Advisory Finance Committee
Minutes of Meeting No. 8, FY2012
October 3, 2011

Approved
October 13, 2011

Members Present: John E. Arnold, Chair, Ed Behn, Bill Linnane, Jo Lown, Kathy Rosenblum Senie, J. J. Malone, Lisa Blazejewski. Absent: Pete Allen, 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. 06, September 26, 2011 - deferred to a future meeting.

AFC Preparations for Special Town Meeting

School Dept rep regarding school vehicle article

Brian Schlegel, School Department Building & Grounds Manager, appeared before the Committee to answer questions regarding this article. Also in attendance were Marianne O'Connor, Superintendent of Schools, and Irene Oliver, Director of Finance & Administration for the School Department. Mr. Arnold noted that Mr. Schlegel had provided a document outlining the justification for this vehicle request. Mr. Schlegel explained that the School Building & Grounds department had not purchased a new vehicle in almost 12 years. A more heavy-duty vehicle would save much time and labor carrying out landscaping work in the district, as well as greatly simplifying the filling of the many sand barrels used by the schools. Mr. Schlegel clarified that this was intended to be a replacement vehicle, and that the Town's vehicle fleet need not be increased.

Ms. Lown noted that the Committee had received an updated vehicle list. She added that she will be looking for the cost savings offset of this purchase when the Town budget is examined later in the year. Ms. Rosenblum Senie noted that the snow plow attachment is not included in the article, and Mr. Schlegel explained that the department would budget for the plow after the vehicle was purchased. He added that, with this truck and when properly outfitted, the department will be able to plow snow and sand playgrounds without having to rely on the DPW to do it. He noted plans to purchase another attachment which will allow the truck to sand school sidewalks more efficiently, work that is currently done by hand. Mr. Behn commended Mr. Schlegel on a well-prepared document. He pointed out that with savings realized from not having to contract out work, the vehicle would almost pay for itself. Mr. Arnold noted that, in the future, he expected purchases of this type to go through the Capital Expenditure Planning Committee.

DPW/Engineering rep regarding Sewer System article

Carl Balduf, Town Engineer, appeared before the Committee regarding this article. Mr. Balduf distributed a map showing the areas of Town where sewer work has been planned according to the Wastewater Management Plan. Of the 354 lots included in the plan, 129 have been completed, leaving 225 yet to be done. Mr. Balduf noted that there are currently 4,370 sewer customers, and that after this work is completed, the number would be around 4,600. He felt this represented more than 90% completion of the planned sewer system of the Town.

In answer to a question about why Upton Road residents were not to be included in this work, Mr. Balduf explained that as that area is near the reservoir, sewer pipes would need to be encased in concrete, a costly

process. The department is still considering the most cost-effective way to include those homes in the Town's sewer system.

Mr. Behn felt this was a ratepayer issue, and hoped the Town could recoup some funds in the short-term with hook-up fees, and in the long-term with sewer rates. Mr. Balduf noted that in the first year after the sewer is completed residents will be eligible for a reduced hook-up fee of \$3,000. After that the fee would jump to \$10,000. Even so, the Town would not recoup the money spent on the project, Mr. Balduf explained, noting that Town Manager Jim Malloy has estimated a per-connection cost of \$17,000-20,000. Sewer rates cover the ongoing operation of the sewer system and there isn't much left over, he added.

Discussion/Deliberation/Voting of STM Article recommendations

Using the latest draft of the booklet, Mr. Arnold proposed that the Committee go through the warrant and vote where possible.

Article 3. Central Purchasing. Ms. Lown noted the reductions and increases in the history of this budget and felt it should be looked into as time allows. Mr. Behn moved to recommend the Town so vote. The vote to approve the article recommendation is unanimous, 7 in favor with 7 being present.

Article 6. DPW Plow Truck. Mr. Linnane explained that the DPW would be purchasing a 2012 vehicle. Mr. Arnold noted that the article as printed in the warrant does not have language about not increasing the size of the Town's vehicle fleet. Mr. Behn moved to recommend the Town transfer from Free Cash and appropriate the sum of \$37,000 for the purpose of the article, and that the size of the Town's vehicle fleet will not increase. The vote to approve the article recommendation is unanimous, 7 in favor with 7 being present.

Article 9. Survey. Mr. Behn moved to recommend the Town so vote. Mr. Malone had read the report from Needham and had also investigated the survey company's Web site. He is still of the opinion that this is a "nice to have" item, but one the Town can't afford at this point. He felt residents already had opportunities to express their opinions, including Town Meeting. Mr. Behn felt there was value in the survey as a one-time initiative, and wanted to support the Town Manager's attempts to introduce improvements (such as providing building department services to the town of Ashland, and the consolidation of school funds). Ms. Blazejewski felt there was value in a scientific survey which could show areas where the Town needed improvement, and help set priorities. Ms. Rosenblum Senie was not sure about spending money for the survey considering the Town's limited financial resources, and pointed out that, for the survey to have real value, it would need to be performed on a recurring basis. However, she felt it could be useful, noting the detail and comprehensiveness of the Needham report, and will support for this one time. Ms. Lown noted that she could support the survey because the funds were to be from Free Cash, and felt an external view of the Town could be useful. Mr. Arnold was in favor of the survey as a one-time initiative, while Mr. Linnane felt it could be a good benchmark to build on. The vote to approve the article recommendation is 5 in favor, 2 opposed (Malone, Behn), with 7 being present.

Article 11. Library HVAC. Mr. Arnold noted that the Library Trustees have a meeting scheduled for Thursday at 7 p.m. and may be able to bring any new information to the Committee that night. He added that the Committee will decide on Thursday whether to have another meeting before Town Meeting, or have a vote on Town Meeting floor.

Article 12. School Department Vehicle. Mr. Behn moved to recommend the town vote to transfer from Free Cash and appropriate the sum of \$45,000 for the purpose of this article, and that the size of the town's vehicle fleet will not increase. Ms. Lown extended thanks to School Department Building & Grounds Manager Mr. Schlegel for the very thorough memo. Mr. Arnold thanked Mr. Linnane for passing on the Committee's questions. The vote to approve the article recommendation is unanimous, 7 in favor with 7 being present.

Article 15. Sewer. Mr. Arnold read the motion as provided by Mr. Malloy, and noted that this motion (a borrowing) requires a 2/3 vote at Town Meeting. There was some discussion as to whether the motion, which is very long and differs from the motion in the warrant, should be included in the Committee's

booklet. Mr. Arnold moved to recommend that the Town vote to approve the motion as received from the Town Manager on October 3, 2011. The vote to approve the article recommendation is unanimous, 7 in favor with 7 being present. There was some discussion of the financial impact of this article. Mr. Arnold would like to see the expected annual payments. Mr. Behn noted the two potential sources for this borrow: either the State revolving fund or going to market. He was concerned with what to tell residents about the range of annual payments, given the complexity of level budgets vs. level principal. Ms. Lown pointed out that the 3% market rate was provided in order to clarify why this article is being brought to Special Town Meeting: to obtain the lower State revolving fund rate of 2%. Mr. Behn felt the Committee's goal should be to provide residents with a total cost.

Ms. Lown reviewed the updated Recap spreadsheet which she had emailed to the Committee. She explained the Committee's spreadsheet prepared for the booklet and compared it with Town Accountant Leah Talbot's spreadsheet, showing how they tie together.

The Committee reviewed the remainder of the report. There was some discussion of the increase to the average family tax bill, and whether the Committee should propose a percentage goal to the increase of that rate. Although she recognized the need to keep tax increases as low as possible, Ms. Rosenblum Senie preferred not to mention a strict cap on increases without knowing how that cap was derived and what its impact would be on departments. Mr. Arnold felt a specific number provided a target against which the Committee's recommendations could be compared. Mr. Behn pointed out that, though the Town has stayed within Proposition 2½, tax bills are still going up in an excess of 6% a year. He added that if the Town had not voted for school debt exclusion, it would already be over its levy limit. He was concerned that without a specific number as a goal/target, increases would continue. Mr. Arnold was in favor of a specific number because of the subsequent exercise in budget scrutiny it would provoke. Mr. Behn pointed out that the Committee is communicating a message to the voters that we are concerned about the rise in the overall tax bill and not providing a message that departments have to cut their budgets by a certain amount. He felt there were a number of ways that tax bill increases could be avoided, for example through increased State aid, increased local receipts, increased business in town, decreased contingencies built into department budgets, etc.

Mr. Arnold encouraged the Committee members to craft their own comments. He will prepare another draft of the report for Thursday's meeting.

Upcoming meeting schedule

Mr. Arnold noted the meeting on Thursday. At that time the Committee will decide whether to meet in the interim week before Town Meeting.

Chairman, Committee Liaison, and Department Liaison Reports

Mr. Arnold sent all liaison emails on Friday afternoon. He reminded Ms. Blazejewski, Ms. Rosenblum Senie, and Mr. Behn of the October 15th meeting of the Association of Town Finance Committees, which they are attending.

Comments and Concerns of Committee Members

Mr. Arnold and other Committee members noted that the Town's Arts in Common event was very enjoyable.

Mr. Behn added that Hazardous Waste Day was also good.

Adjournment

Mr. Behn moved to adjourn the meeting at 9:35 p.m. Vote to adjourn was 7 in favor, with 7 being present.

Document List

AFC Recap spreadsheet, prepared by Jo Lown.

Draft AFC Report & Recommendation, 10-02-11, prepared by John Arnold.

Town Reserves spreadsheet, prepared by Jim Malloy.

School Department Vehicle Justification memo, prepared by Brian Schlegel.

Town Vehicle List.