

Westborough Advisory Finance Committee
Minutes of Meeting No. 30, FY2012
March 5, 2012

Approved
March 15, 2012

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

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.

Mr. Arnold encouraged residents to vote at the election tomorrow. He also reminded residents of Town Meeting on Saturday, March 17, at 1 p.m. On the same day at 7 p.m. a Special Town Meeting will be held, at which articles for a new Fire Station and Recreation Center, as well as renovations to the Town Hall and the Forbes Building, will be considered.

Approval of Minutes

Meeting No. 27, February 27, 2012

Mr. Malone had requested corrections to the minutes. Mr. Linnane moved to accept the minutes as amended. The vote to approve the minutes is 5 in favor and 2 abstentions (Lown, Rosenblum Senie), with 7 being present.

Meeting No. 28, March 1, 2012

Ms. Lown requested some amendments. Mr. Behn moved to accept the minutes as amended. The vote to approve the minutes is 4 in favor and 3 abstentions (Malone, Rosenblum Senie, Blazejewski), with 7 being present. Ms. Lown moves to rescind the vote. Vote is 6 in favor, 1 abstention (Malone). Vote to approve these minutes deferred until Thursday's meeting.

Preparation for FY2013 Annual Town Meeting and March 17 Special Town Meeting

Discussion/Deliberation of Budgets and Warrant Articles

Ms. Lown distributed some spreadsheets showing an analysis of Free Cash and available transfers. The spreadsheets outlined the effects of various scenarios, depending on whether certain articles were approved or not, and what the projected total of Free Cash and the Stabilization Fund would be.

Article 8L. Nourse Cemetery. Mr. Behn moves to recommend the Town vote to transfer from Free Cash the sum of \$30,000 for the purposes of this article. Ms. Lown felt the town already had enough to deal with and that this project could wait. Mr. Arnold and Mr. Linnane pointed out the Town Manager's thinking, that with the road cleared the DPW could begin working on this project as time allows. Ms. Blazejewski felt a one-year delay would not hurt, and that defeat of the article would make a symbolic statement that not all expenses can be approved. Ms. Rosenblum Senie, on the other hand, thought it might be better to go ahead and fund this work before the financial impact is felt of the other construction projects the Town is considering. Mr. Behn noted the estimated tax rate increase of 2.6% (including this article), which shows the town is managing its expenses. He supported the DPW's practical approach in spreading out this project and providing ongoing work for its staff. The vote to approve this article recommendation is 5 in favor, 2 opposed (Lown, Blazejewski), with 7 being present.

Mr. Malone requested a reconsideration of Article 15 (School Department Engineering Services). Mr. Malone moves to recommend the Town vote to transfer from Free Cash the sum of \$40,000 for the

purposes of this article. Mr. Arnold noted that the prior vote was 7-2-0 (Tepper and Malone opposed). The vote to approve the article recommendation is unanimous, 7 in favor with 7 being present.

Article 6. Ms. Lown noted that the Committee has voted the specific Expenditure portions but not the overall motion for this article. Mr. Behn moves to recommend the Town vote to raise and appropriate such sums of money as may be necessary to defray the expenses of the several town departments for the ensuing fiscal year and that each total read by the Moderator be considered a separate motion made for each of the line items making up that total in the column marked FY2013 recommended, and further moves that the total amount raised be reduced by the transfer from Country Club – Retained Earnings of \$40,000 and that the balance be raised and appropriated. The vote to approve the article recommendation is unanimous, 7 in favor with 7 being present.

Mr. Arnold noted that a recommendation on STM Article 3 would be made on Town Meeting floor, pending more information from Mr. Malloy/Town Counsel.

Ms. Lown requested a vote on Article 7H. Mr. Behn had previously moved a Raise and Appropriate of \$100,000 and a Transfer of \$100,000. Ms. Lown noted that the Committee had asked for a decrease from \$150,000 to \$100,000 in one account, but actually another account had increased by \$50,000. Therefore, she supports a Raise and Appropriate of \$50,000 rather than \$100,000. Ms. Blazejewski noted that the eventual contracted amount of \$200,000 would in future only need re-funding for amounts actually spent. Mr. Behn moves to recommend the Town Raise and Appropriate the sum of \$100,000 to fund the Health Care Reimbursement Account, and further to Transfer \$100,000 from the FY12 Insurance Expense Account to the Health Care Reimbursement Account. The vote to approve the article recommendation is 6 in favor, 1 opposed (Lown), with 7 being present.

Regarding Article 25, Mr. Arnold noted that Mr. Malloy had provided further information, to the effect that appeals would be made directly to District Court, not a Hearing Officer in Town Hall. Mr. Arnold had forwarded to the Committee a 'Q&A' document about Article 25 received from Mr. Malloy and asked the Committee to read it so members can decide on Thursday if anyone would like to reconsider and re-vote it.

Committee work on the Report and Recommendations

Message to Voters

The Committee reviewed Mr. Arnold's draft of the Message to Voters. There was some discussion about how to ask voters to keep in mind the financial impact of their decisions. Ms. Rosenblum Senie felt strongly that the Committee should present the facts and not editorialize. There was further discussion about how residential/commercial valuation impacts the tax rate.

STM Articles 1 and 2

Mr. Arnold noted his opinion that these construction projects were all inter-related and asked the Committee for their initial comments to help determine how to proceed with deliberation. Mr. Malone felt part of the project should go under the tax levy, but was open as to which part, and how much. Mr. Linnane agreed and felt the Municipal Building Committee (MBC) had given a good presentation. Mr. Arnold felt the projects were justified, and that some costs should be within the tax levy. Ms. Lown noted that a new Fire Station was long overdue, but was concerned about plans to tear down the old Fire Station without being sure it is unusable for any other town purpose. She was not in favor of a debt exclusion, but felt the town should plan and budget toward projects such as these. Finally, the renovation of the Town Hall and the Forbes Building goes far beyond the town's expectations of what would result from conducting the space needs analysis. Ms. Rosenblum Senie recognized the value of investing in public safety and municipal infrastructure, but was concerned about the risk of unexpected expenses involved in the renovation of older buildings. She did not feel strongly about the debt exclusion, noting that the

financial impact was the same either way, and was inclined to support the whole project. Ms. Blazejewski noted that it was unfortunate that the town's lack of investment and planning in past years had resulted in such a large project being necessary now, but felt the town must move forward before interest rates and construction costs go up. She would like as much of the project as possible included under the levy limit. Regarding Ms. Rosenblum Senie's earlier point, Mr. Malone noted funding the project outside the levy limit leaves the town the option of much more spending within the levy limit, while moving some of the costs within the levy limit forces the hard decisions on the town sooner rather than later.

Mr. Behn had prepared a handout showing the effect of new growth and property valuations on the tax levy. He felt that the town's levy limit was already higher than might be expected due to the impact of new growth, especially 'personal property' new growth. He was concerned that, even if the projects were approved, there was a high likelihood that voters would not turn out to approve a debt exclusion. His second handout was a chart projecting debt service levels based on his reading of the estimates that had been received. He felt the fire station project should be supported now, but that Article 1 should be put on hold until there was sufficient levy. He did not think interest rates would increase significantly in the next few years.

Ms. Lown felt the project should go out to bid and come to Fall Town Meeting with definite numbers. Ms. Rosenblum Senie added that it made more sense to get the design and bidding done first, but would like to take advantage of potential savings to be gained by taking advantage of low interest rates and construction costs. However, she questioned whether it was really necessary to approve total amounts at this town meeting, given the fact that construction and borrowing on the renovation projects would not take place for another 6 months to a year. Ms. Lown would like more time to study the impact of these costs taken along with the increases in the budgets. There was some discussion of the timing of construction and borrowings, and what the impact would be if part of the project was delayed. Mr. Arnold noted that leaving the recreation center outside the levy limit would ensure that voters have a say, through the debt exclusion vote, in whether to move ahead on it. Mr. Linnane noted the increase in building prices, and felt the engineer's estimates were a good indication of what the project was actually going to cost. If something isn't done soon, he said, the town will have to start repairs on its older buildings, bringing them up to current building code, which will cost more in the long run.

Mr. Malone was moving toward supporting all projects, putting roughly half under the levy limit. Ms. Blazejewski noted that residents would be more likely to turn out to vote for a debt exclusion for the fire station. Ms. Rosenblum Senie was now wondering whether it made more sense to support the original Articles 11 and 12, and proceed with the project in stages. Ms. Lown was in favor of moving ahead with the fire station now, then getting a bid for the rest of the projects. This would allow the Committee more time to work on projections, and fiscal numbers would also be more accurate, as well as giving residents time to digest the project. Mr. Linnane felt that these same issues had been raised 12 years ago and that it was time now to move ahead on the project.

Mr. Arnold suggested one option, to put one specific scenario before the Committee for discussion: that the fire station and the recreation center go to debt exclusion, with the Town Hall and the Forbes Building fitting under the levy. Mr. Malone noted that according to the 2008 Department of Revenue booklet, the debt exclusion would not have to be done at the start of the project, but could be done later. Ms. Blazejewski felt the wording of the article was too specific to allow that flexibility. Mr. Arnold felt the Committee would have more information by next Thursday's meeting. There was consensus that the Committee was not ready for a recommendation motion at this time.

The Committee reviewed the questions it had identified as needing clarification. Can a motion be modified to specify or remove a debt exclusion? If so, does the Town Meeting or the Board of Selectmen

control that? Can specific amounts of debt, the portion of the debt which cannot be accommodated within the levy limit, be excluded? Is the 3.5% estimate the maximum rate at the time of the completion of the project (FY15)? How would Mr. Harrington moderate the discussion of what amounts to exclude? Mr. Malone noted that Proposition 2-1/2 does not provide for the revocation of an approve referendum question; the town could approve an override or choose not to fund the project. There was some discussion of how to include some information in the booklet about the Committee's deliberations on this issue, even though no vote had been taken and no recommendation was being included. Mr. Arnold felt a handout could be prepared separately. He reminded members that a final booklet must be approved at Thursday night's meeting to meet the printing schedule.

Schedule of meetings planned through Town Meeting

Meetings are planned for next Monday and Thursday.

Chairman, Committee Liaison, and Department Liaison Reports

Ms. Lown handed out the spreadsheet she had prepared on the budgets and asked members to review.

Mr. Arnold encouraged members to go through the spreadsheet and the draft report to see where notes or explanations are needed.

Mr. Behn plans to speak with Town Clerk Nancy Yendriga about the anticipated attendance at Town Meeting. He was concerned residents were not being made aware of the issues, noting that there was no mention of Special Town Meeting in the Westborough News (although there was an article in the Worcester Telegram).

Comments and Concerns of Committee Members

Mr. Malone has received information for the Committee from the School Superintendent and Business Manager.

Ms. Rosenblum Senie asked for a quick review of where members stood on Articles 1 and 2. Mr. Linnane supports all the projects. Mr. Behn is leaning to support all and is open to a debt exclusion. Mr. Arnold also leans toward supporting all projects, excluding as little as possible without causing confusion. Ms. Lown supports moving ahead with the fire station, waiting on the other projects, and is not in favor of a debt exclusion. Ms. Blazejewski leans toward approving the entire project, but is not sure which portion should be included within the levy limit.

Ms. Blazejewski reminded residents to vote tomorrow.

Adjournment

Mr. Behn moved to adjourn the meeting at 10:15 p.m. Vote to adjourn was 7 in favor, with 7 being present.

Document List

AFC Dept Meetings Budgets ATM FY13 spreadsheet.

Draft 3-5-12 2012 ATM Transfer & FY13 Budget w/ votes.

Draft ATM 2012 AFC Report & Recommendations.

Non-Criminal Q&A.

Warrant Article Summary spreadsheet.