

Members Present: Gary Wells, Chair, Lisa Blazejewski, Ed Behn, Peter Allen, Tara Howard, Jim Tepper, Hank Rauch, Sharon Kaiser, Beth Blumberg.

At 7:00 p.m. Mr. Wells called the meeting to order in Room 23 of the Forbes Municipal Building.

**Approval of Past Minutes:**

There were no minutes to approve.

**Joanne Savignac – Treasurer**

**FY2016 Budget:** The Committee didn't have any questions regarding Ms. Savignac's budget.

**ATM – Warrant Articles:** Ms. Savignac informed the Committee that she had an article in the warrant. Ms. Savignac explained that Article 25 – Acceptance of MGL Ch. 60 Subsection 15B Establishment of a Tax Title Revolving Fund – is seeking approval from the Town to establish a revolving account to deposit the recovery of any legal or professional fees related to the collection of taxes, as well as paying any necessary fees out of this account. Ms. Savignac mentioned that if this fund is established, line item 5243A in her budget will either decrease, or go away entirely for FY16 and she would only use the revolving fund. She said that they recently recovered principal, interest, and \$3,500 in legal fees on a back tax issue. Ms. Savignac pointed out that current receipts go to the General Fund. Ms. Savignac mentioned that legislature just approved this type of fund.

**Review Town Debt:** Ms. Savignac distributed handouts divided up by object code for both principal and interest. She pointed out that object code 5760AA has been renumbered to 5760BB and is for the new Fire Station and Town Hall. Ms. Savignac explained that she is given the authority to borrow money once it is approved at Town Meeting. Ms. Savignac mentioned that the temporary borrowing rate is just under 1%, and if the purchase of the new street sweeper is approved, she can temporary borrow and pay it down over 5 years. With a longer term borrow – such as 20 years – Ms. Savignac said she could temporary borrow for 5 yrs and then long term borrow for the remaining 15 years. Ms. Savignac said she doesn't like to borrow longer than 20 years, though she pointed out that roads are allowed 40 years. Mr. Wells asked about borrowing for schools and Ms. Savignac said that a new school can go out for a longer term, but renovations are shorter term and we'd be looking at 20-25 years. Mr. Wells mentioned the Gibbons renovation project where the Town may have to borrow around \$15 million and wondered what we'd be looking at for a 20, 25, or 30 year term and if it was better to go shorter or longer. Ms. Savignac said that we are allowed to refinance half way through the financing but that the term doesn't change only the rate. Ms. Blumberg asked if you could pay down the debt faster and Ms. Savignac said she cannot since the debt goes to market and people buy these bonds as an investment. Ms. Savignac mentioned that she, along with Town Manager, Jim Malloy, and a fiscal advisor run the numbers to determine what makes sense for borrowing. Ms. Savignac said the long term interest rate is typically 3-3.5% for most AAA rated communities. Mr. Behn was concerned with Gibbons possibly being added and Astra leaving and taxes going up. Ms. Savignac pointed out that while Gibbons may get added, other debt may go down. She added that she does look at what's coming up that can be refinanced, but she has to run the numbers to see if it makes sense to re-finance since there's a cost to doing that. Ms. Savignac said there's about \$150,000 in the budget to pay for costs associated with refinancing such as legal costs, a fiscal advisor, Standard & Poor's reporting, and then the debt is put out to bid. Ms. Savignac referred to interest rates from the late 90's and early 2000's where rates were high but mentioned that in the mid-2000's rates went down and really haven't come back up so there's not a lot of savings in refinancing these days. Mr. Behn mentioned the Cherry Sheet and the \$220,000 that was used to purchase the State Hospital land and said we need to see that deducted. Mr. Rauch referred to Mr. Malloy's graph regarding the Town's debt, which included the Gibbons renovations, from last night's AFC meeting and if a 7% level would affect our bond rating. Ms. Savignac said they are prudent with what's being done and that projects can be tabled

if other projects have to come first. Ms. Blazejewski asked where a 7% debt level ranks with other towns and Ms. Savignac didn't know since it depended on a Town's fiscal policy. She mentioned that Westborough had strong management and good policies in place. Ms. Savignac said that she would scan the written opinion that was provided from Standard & Poor's when they raised our bond rating and email out to the Committee. Ms. Savignac said that they review this information annually since it would take years to get their rating upgraded again if it was ever downgraded.

#### **Maureen Ambrosino – Library**

**FY 2016 Budget:** Library Director, Maureen Ambrosino met with the AFC, along with Library Trustee members, Carolyn Spring and Ed Baldwin, to discuss her budget and articles in the warrant. Regarding the budget, Ms. Ambrosino said she had an increase to her salaries and wages line item. A big part of that increase is for a full time position they are proposing for a teen librarian. Ms. Ambrosino said that they have done two studies that indicate a need for that position since teens are currently an under-served group at the Library. She mentioned that programming is great for younger kids and adults, but there's nothing for the teen population. Right now they only have someone staffing that position 10 hours per week and they can't keep up with workshops, ordering supplies, answering reference questions, etc. Ms. Ambrosino mentioned that they are going to eliminate a three hour per week job where materials are delivered to a person's home who can't get to the Library since her current staff can handle that task. There is also going to be a reduction in hours for a reference position from 20 hours per week to 10 hours per week which will save (\$19,938). In addition they are eliminating a Library assistant at three hours a week which will result in a \$3,607 savings. These staff reductions will save about \$23,600 but the new position would be \$54,000, so they are looking at a \$31,000 increase. Otherwise, Ms. Ambrosino said any other changes to wages and salaries are due to step and cost of living increases. Since the increase to her budget is 8.22%, Mr. Behn suggested breaking out the percentage for step increases versus new personnel.

On the expense side, Ms. Ambrosino said they tried to level fund as much as they could. The issues with the HVAC system have bumped up those expenses. They also needed to obtain a maintenance contract on the HVAC system. They now have someone maintaining the system to insure the HVAC is running correctly, which they are using funds approved at Town Meeting last October to pay for this service. Ms. Ambrosino mentioned that they had to install a new boiler and chiller, along with new duct work and ventilation on the roof to fix the HVAC system. Mr. Behn asked about a warranty and Library Trustee member, Carolyn Spring, explained that the Town is in litigation and trying to recoup money spent in order to fix what wasn't done correctly. They are very hopeful in receiving money back since the claim was filed in a timely manner and any bond forfeitures will go towards expenses incurred from fixing the HVAC system. Ms. Ambrosino explained that line item #5209 covers in-state travel. Ms. Blumberg asked why line item #5201, which is for out of state travel, covers a conference in Boston. Ms. Ambrosino said that it is very rare but their annual conference this year happens to be in Boston. She mentioned that in other years it has been elsewhere in the country. She also mentioned another conference that she will attend in Orlando, Florida in June. Ms. Ambrosino acknowledged other increases in line item numbers 5224, 5224E, and 5227 that are all used to purchase library materials, such as books, magazines, and electronic books. Ms. Ambrosino explained to the Committee that these purchases must equal 15% or more of her total budget in order to be eligible for state aid. She said that these three line items total \$160,485, which is just over the 15% requirement. Mr. Behn pointed out that by adding a new person, the extra money needed for salaries and wages drives her budget up which, in turn, drives the materials up. Mr. Behn said that since these are the two highest percent increases in the entire budget that there should be a footnote in the R&R book so voters understand, and also explain the reasoning. Mr. Allen understood the need for additional services for teens and pointed out the position will go from 10 hours per week to 40 hours with an increase of \$31,000 to wages. He wondered if the position could be less than 40 hours per week. Ms. Ambrosino said that focus groups and surveys indicate a need for someone full time. Mr. Allen pointed out that 9 months of the year teens are in school so what would the librarian do. Ms. Ambrosino said the librarian would work in collaboration with school libraries and librarians during the school year to have more of a presence in the schools. Mr. Tepper wanted to clarify that the 9% increase in wages, for a total amount of \$66,000, represents \$31,000 for the teen librarian position and the

remaining \$35,000 - or about 5% - would be for step and contractual agreements and Ms. Ambrosino said that was correct.

**ATM – Warrant Article:** Ms. Ambrosino mentioned Article 12G that is in the warrant for \$33,700. The purpose of this article is to install new carpeting in the Children’s room, Meeting Room, and on the ramp leading to the lower level of the Library. She said that last year they re-carpeted the main floor and now the lower level needs to be done. They will be using the same color and type of carpeting as the main floor. The new carpeting will be commercial grade carpet tiles that can be switched out easily if areas get worn, and the new carpet also comes with a warranty.

#### **Extended Open Forum**

There was no one present for open forum.

#### **ATM Preparation & Related Items**

Mr. Wells mentioned the updated meeting schedule that he emailed out to the Committee. He is targeting February 26<sup>th</sup> to vote on the warrant articles. He said he expects that the Committee should get through much of the voting that evening since there haven’t been a lot of questions. Mr. Wells pointed out that the School Department/Committee will be coming in on February 23<sup>rd</sup>, along with the Principal of the Gibbons school, to discuss their renovation project. Mr. Behn reminded Mr. Wells that each article needs to be voted separately and have a specific motion. On the following Monday, March 2<sup>nd</sup>, Mr. Wells would like to try to get through the budget. He mentioned that there is an extra Wednesday meeting scheduled on March 4<sup>th</sup> if needed. He would like to have the Report & Recommendation book done by March 5<sup>th</sup> with a drop dead date of March 9<sup>th</sup>. Mr. Wells said that he will post meetings for February 17<sup>th</sup>, February 18<sup>th</sup>, and February 19<sup>th</sup> and cancel February 18<sup>th</sup> if we don’t need it. Mr. Wells informed the Committee that he is meeting with Town Accountant, Leah Talbot, to verify numbers (specifically Ch. 90 funding) and Town Assessor, Linda Swadel, about town evaluation and the overlay reserve fund tomorrow. He’ll present more information at the next meeting.

There was a discussion about OPEB funding since one of the Selectmen had asked if we could reduce the amount going to the OPEB fund this year because of the large Worcester Regional Retirement assessment of about \$400,000 that will be going toward pensions. Mr. Malloy was against reducing OPEB funding since it would be difficult to make up that amount. Mr. Wells and Mr. Behn were also against reducing OPEB funding. Mr. Allen mentioned that the Selectmen wanted to know how the AFC felt, and also asked Mr. Malloy if it would affect our bond rating. Mr. Malloy is going to find out and report back.

#### **Chairman, Committee Liaison, and Department Liaison Reports**

Ms. Kaiser informed the Committee that she spoke with Senior Center Director, Alma Demanche, and the wages for the fourth bus driver they are requesting is already in their budget. Ms. Kaiser mentioned that their planning report should be presented to the Board of Selectmen (BOS) at their February 24<sup>th</sup> meeting. The Selectmen are waiting to receive this report before they’ll vote their recommendation for the additional driver. Ms. Kaiser asked Ms. Demanche if she’ll share the report when she meets with the AFC on February 17<sup>th</sup>, but Ms. Demanche felt she should present it to the BOS first. Mr. Behn disagreed and thought that any documents should be presented to the AFC if they have a draft. Mr. Behn wanted Ms. Demanche to bring the report to the meeting on February 17<sup>th</sup>. After some discussion, Mr. Wells said he will ask BOS Chair, George Barrette, if he can check with Ms. Demanche to see if the report is complete and if the AFC could get a copy for their upcoming meeting with the Council on Aging on the 17<sup>th</sup>.

#### **Comments and Concerns – Committee Members**

None

#### **Public Reminders for Viewers**

None

**Adjournment**

Mr. Behn made a motion to adjourn the meeting at 9:07 p.m. The vote to adjourn was 9-0-0 in favor, with 9 being present.

**Document List**

Debt Principal as of October 31, 2014 – Joanne Savignac

Debt Interest as of October 31, 2014 – Joanne Savignac

AFC Updated Meeting Schedule – Gary Wells

Respectfully submitted,  
Jessica Thomas  
AFC Administrative Assistant