

Members Present: Gary Wells, Chair, Ed Behn, Lisa Blazejewski, Jim Tepper, Tara Howard, Jim Driscoll, Hank Rauch, Phyllis Jaffee, Beth Blumberg (arrived at 8:02 p.m.).

At 7:08 p.m. Mr. Wells called the meeting to order in Room 23 of the Forbes Building.

Open Forum

There was no one here to address the Committee.

Approval of Past Minutes

Meeting No. 13, December 14, 2015

Mr. Behn made a motion to accept the minutes of 12/14/15. Voted: 8-0-0.

Town Budget Review, Capital Expenditures, Town Operations Overview – Town Manager, Jim Malloy

Mr. Malloy was here to discuss the FY17 budget with the AFC. He mentioned that he presented the FY17 budget to the Board of Selectmen (BOS) at their meeting this past Tuesday. Mr. Malloy referred to his overhead presentation and his first slide showing the Total Budget Increase by Fund. He pointed out that the overall budget is going up by 3.4% or \$3,144,480, and broke down the increases in spending to the General Fund by major category from FY16 to FY17. Town departments account for an increase of \$295,692 or 1.9%, Westborough Schools increased by \$1,223,212 or 2.7%, Assabet Regional Vocational had an increase of \$205,561 or 34.3%, the General Fund Debt (Fire Station & Town Hall construction) increased by \$129,496 or 1.4%, and the Insurance account is expected to increase by \$897,300 or 8.6%. Regarding new Town spending, Mr. Malloy mentioned that they would like to increase the hours for the Town Accountant's assistant from 35 to 40 hours per week. The MIS/GIS staff would also like to increase the hours for their part time person from 10 to 19 hours per week. Mr. Malloy mentioned that the Fire Department is looking to add an additional Captain position dedicated to overseeing the permitting process and eliminate a Fire Fighter position. The DPW would also like to add two full time employees that have been within their budget but never staffed, since they've been mandated to clean every catch basin in town each year per the EPA. They looked at contracting out this work similar to what the Town of Hopkinton does but it would cost more than hiring two new employees. Mr. Malloy noted that electricity costs are also increasing and they are expecting the cost per kilowatt hour (kwh) to go from 6.6 cents per kwh to 9.21 cents per kwh. Mr. Malloy pointed out that the cost increase per kwh may be less than 9.21 cents but they will not know that for sure until closer to the end of the current contract. In addition, there was an increase to "Total Other Salaries" of \$73,460, for a total increase to "New Town Spending" of \$259,112. Mr. Malloy mentioned that they are still negotiating contracts for Police and Fire. He also noted that the total increase to the non-union salary account is expected to be around \$28,270.

Mr. Malloy reviewed his Five Year Property Tax Increase Estimate, which includes renovating the Forbes Building but doesn't include the Library or Elementary school projects. He also noted the Tax Rate Impact of Town/School Budgets for FY16 in comparison to FY17 and the percentage increase or decrease. Mr. Malloy pointed out his graph for Overall Spending FY01-FY17 and mentioned that the Westborough schools have seen the largest increase. Regarding the Debt Service – 7.0% goal graph, Mr. Malloy said that debt service would be at 7.1% for one year if we renovate the Forbes Building at an estimated cost of \$13.5 million. He noted that costs for moving offices, along with expenses for leasing temporary space, for the Police and School Departments are not included in the \$13.5 million figure. Mr. Malloy showed the Committee another slide with a revised estimate of \$15 million for the Forbes Building and noted that would put us at 7.3% for debt service for one year. He reviewed his graph indicating the General Fund Debt Allocation and his slide for the FY17 Capital Plan. Mr. Malloy explained the capital planning process and the ranking system used to prioritize purchases based on

certain criteria. He noted that the items they are looking to purchase are a CAT IT Loader, sewer grinder, and an F-350 Utility truck/plow for the DPW. The Fire Department is looking to purchase an ambulance and a 4x4 vehicle, and the Police Department needs three cruisers. Mr. Malloy mentioned that the Recreation Department would like to build tennis courts using a portion of the Chauncy Beach parking lot on Lyman Street, and the School Department needs to re-point the pillars at the Mill Pond School. Mr. Malloy referred to the Capital Stabilization Fund and said they need to think about developing the cemetery on Nourse Street and replacing the Fire Rescue 1 truck. Mr. Malloy discussed the request for three new cruisers and pointed out that Dan's Jeep donates a Jeep to the Town every three years. At the end of the three year lease, the Town has the option to buy it. Mr. Malloy mentioned that the Jeep they have now is in good shape so they will look at purchasing it – in which case they will only need two cruisers. Regarding the Nourse Street cemetery, Mr. Malloy noted that they have been setting aside \$60,000 every year toward the development of that land.

Mr. Malloy referenced his FY17 Street Management Plan slide and mentioned that the roads in Westborough have deteriorated over last year. In order to adequately fund street maintenance, the approximate cost is \$1.1 million. Mr. Malloy noted that Chapter 90 funds are estimated at \$780,403 leaving the Town about \$320,000 short. Mr. Malloy also referred to his Sidewalk Extension and Maintenance Program slide. He mentioned that the DPW will begin reviewing the top five maintenance and extension projects for the upcoming year to determine which projects may be feasible in 2016. He also noted that the Assistant Town Manager, the DPW Manager, and the Town Engineer are also looking to ensure that the Town maintains its walkability. Mr. Malloy pointed out the possibility of instituting a "Local Fuel Tax" where a tax of \$.03 per gallon of fuel would be added in order to fund the gap between Chapter 90 funds and the actual cost of properly maintaining roads and bridges, sidewalks, trails, and storm water drainage. Mr. Malloy mentioned that if we don't add the fuel tax, that property taxes may need to be increased.

Mr. Malloy finished his slide show presentation and asked if there were any questions. Mr. Behn referred to the slide showing the Five Year Property Tax Increase Estimate and said that he is trying to understand what is driving the increase of nearly \$1,200 over the next few years. Mr. Malloy mentioned that local receipts are staying flat and State aid is decreasing. He also noted the upcoming Gibbons School and Forbes Building renovations. Ms. Jaffe pointed out that home values are increasing and asked why taxes need to go up. Mr. Malloy explained that he does a 5 year projection taking in to consideration property values and what's projected for the budget, and that gives him what needs to be raised through property taxes and thus the tax rate. He pointed out that he either needs to raise money through taxes or cut items out of the budget. Mr. Behn noted the assessed valuations under the five year projection and pointed out that there is an increase from 2016 to 2017 on the residential side of \$9 million but personal property is going down by \$75 million and he asked why. Mr. Malloy pointed out that the Astra Pharmaceutical property is still an unknown going forward. There was a discussion about when Astra will relocate out of town and it was mentioned that, depending on when the move takes place, they could still be responsible for taxes for the whole year. Mr. Driscoll asked about the debt for the sidewalks and what we are paying for interest. Mr. Malloy said that he will check with Town Treasurer, Joanne Savignac, but thinks it is right around 2%. He noted that the Town has a good fiscal advisor that they use and they try to refinance debt where applicable to a lower interest rate. Ms. Blazejewski asked about Mr. Malloy's estimates and whether they were conservative and could we do better. Mr. Malloy agreed that his estimates were conservative. He pointed out a new hotel opening in Westborough, two tax incentive plans for a new pharmaceutical and eClinical Works, and noted that Cumberland Farms is moving their corporate headquarters to Flanders Road, which will mean another major renovation to their current location. Mr. Wells acknowledged that the Town's financial picture could look totally different come October. Mr. Malloy agreed and mentioned the State Hospital property and development and our partnership with the State. If we sell parcels of that property, it would generate property taxes and we could potentially add \$50-\$60 million to the property tax base. Mr. Malloy also mentioned receiving funds for the sale of the Nathan Fisher house and how the Town could use these funds to pay off debt or for future renovation projects. Mr. Wells asked about the increase to the Assabet budget and Mr. Malloy noted that the Governor's budget is due out next week, at which point they may know more. Mr. Wells also inquired about the senior buses. Mr. Malloy said that they are performing repairs on the two existing vans. They will also be purchasing a new bus

using a portion of a million dollars left to the Town by a resident for use at the Library, Fire Department, or for the Senior Center. Mr. Malloy noted that the senior buses will get on a rotation similar to the Fire Department and Police vehicles.

Mr. Wells reviewed the budget book by department to see if AFC members had any questions for Mr. Malloy:

Accounting – Mr. Malloy mentioned that the increase is for the Town Accountant's assistant by 5 hours per week.

Assessors – Mr. Malloy noted the former Assessor's retirement and that the Assessor's office staff is at three full time employees and one part time.

Treasurer/Collector – Mr. Malloy discussed needing more staff due to a software conversion. He said that the Treasurer said she will not need another employee. He felt the new software should be easier to use. Mr. Malloy noted that we haven't switched software yet and are looking at a July 1st implementation date for the start of the new fiscal year.

Legal – Mr. Malloy informed the AFC that he has been tracking Town Counsel expenses and which departments use it more frequently. He pointed out that labor law, litigation, and appellate tax court are all very expensive items. Mr. Malloy mentioned that any legal expenses related to projects such as the Town Hall, new Fire Station, or schools are charged back to that project. He estimated that legal expenses will come in at \$80,000 for the year. Mr. Wells noted the easements necessary for the bike path project and needing legal support. Mr. Malloy pointed out that engineering work and voting to accept the easements at Town Meeting are the first steps. Mr. Malloy said that it is difficult for volunteers to obtain easements with property owners since they aren't Town officials. Mr. Malloy said that he will start having conversations with property owners as the Town Manager and felt that, once we get the project started, it should generate excitement and make it easier to get easements from other folks.

Personnel Board – Mr. Malloy noted that the increase is due to the number of Town employees who have asked to attend courses next year which qualifies for the education reimbursement under their labor contracts. Mr. Driscoll asked if there were grade requirements and Mr. Malloy said there were and that reimbursement is done on a sliding scale based on the grade. Mr. Malloy also noted that the courses have to be job related and the department head has to approve the request.

MIS/GIS – Mr. Behn mentioned the request for additional hours for the part time employee and asked what else made up the increase. Mr. Malloy pointed out the additional maintenance for disaster recovery for the new software.

Town Clerk – Mr. Malloy mentioned that there was an increase for added book binding in this budget, and also \$1,000 for out of state travel.

Election & Registration – Mr. Wells mentioned an error and said that it should be \$14,423 not \$16,000 under the approved budget for FY16.

Conservation Commission – Mr. Malloy said that they are working on a new reporting structure. He is thinking of having the Conservation Officer report to the Town Manager instead of the Town Planner, since the Conservation Officer isn't involved with Town planning. Mr. Malloy mentioned that they are having a meeting next Friday to discuss and he will send out a follow up email regarding how this is resolved.

Buildings & Grounds – Mr. Malloy noted an increase for custodial services at the Town Hall.

Building Commissioner – Mr. Malloy mentioned there aren't any changes. He noted that Building Commissioner, Tin Htway, may have a request at Special Town Meeting in October to increase the hours for the part time Building Inspector.

Animal Control – Mr. Malloy mentioned that he doesn't know when the current Animal Control Officer will retire, but it may be soon. He said there was a part time employee covering the weekend shift but that person gave their notice so they have been using Grafton's Animal Control on the weekends. Mr. Malloy noted that the towns of Shrewsbury, Northborough, and Grafton are interested in a regional animal control office. Mr. Malloy will meet with the BOS to discuss further. There was a conversation about the responsibilities and job description for the Animal Control Officer and who that person reports to. Mr. Malloy said that right now the Animal Control Officer reports to the Selectmen but he felt that this employee should report to the Chief of Police to provide oversight. Mr. Malloy mentioned that there will be some change to this line item since they will either hire someone part time or contract the work out.

Electric – Mr. Malloy noted that all electric costs are being consolidated under the Town budget and not under individual budgets so it is easier to apply solar net metering credits. Mr. Malloy pointed out that electric costs went down in the individual budgets proportionally. Mr. Malloy mentioned that he hopes the cost of electric can be negotiated for a better rate.

Sanitary Landfill – Mr. Malloy said that they are still looking for three residents to join the Waste Materials Management Committee but no one has volunteered yet. He noted that they may get started anyway.

Council on Aging – Mr. Malloy mentioned the decrease to this budget and said that a fourth bus driver wasn't necessary. They just needed a driver to fill in on occasion.

Youth Commission – Mr. Malloy pointed out that this budget decreased since the Administrative Assistant left and a new one was hired at a lower rate.

Veterans Services – Mr. Malloy mentioned that Veterans Services is regional with the towns of Northborough, Grafton, Shrewsbury, & Westborough participating in the cost of one employee. Mr. Malloy said that employee holds office hours in each of the towns (including Saturday hours), and also visits Senior Centers, VFW posts, and American Legion offices. Mr. Tepper asked what our percentage was and Mr. Malloy said that he believes it is based on our population and we contribute about 20-25%.

Library – Mr. Tepper asked about the Library's budget, particularly expenses. Mr. Malloy pointed out that the Library has to spend 19% of their budget on new materials in order to fulfill the State requirement.

Recreation – Mr. Malloy noted that there are no fees, other than payroll, that the Town pays to operate the Recreation department since costs for programming are covered out of their revolving fund. Mr. Behn asked if we could cover salaries and wages out of the fees collected from residents participating in programs and also asked if Mr. Malloy could determine what the effect will be on participant fees. Mr. Malloy said he could bring that up to the Recreation Commission. Mr. Rauch pointed that we would essentially be moving salary and wages under the revolving fund and any increase could be matched with an increase to program fees. Mr. Malloy wasn't sure this topic had ever been brought up to the Recreation Commission and he could ask.

Historical Commission – Mr. Rauch referred to prior discussions and asked if we were reducing the hours for the Historical Commission's Administrative Assistant. Mr. Malloy pointed out that there was a discussion regarding this subject at the last BOS meeting and he thinks that employee's hours will go down. He also noted that there will be room at the Forbes Building, once it is renovated, for the Historical Commission's office and displays.

Country Club – Ms. Blumberg asked why parking lot repair costs couldn't be moved to the Country Club's revolving fund. Mr. Rauch pointed out that the Country Club's revolving funds are defined as to the scope of work that is covered. If the scope includes the parking lot then that's where the costs will go, however, if it doesn't then it would have to go back to Town Meeting to redefine. Mr. Malloy said he could look in to this request but that the clubhouse and property are owned and maintained by the Town. He mentioned that the roof was done on the clubhouse and the cost came in at \$65,000, plus costs for the roofing testing company. Mr. Malloy pointed out that there may be some additional minor work. He noted that the windows were replaced on the first floor and felt that the windows should also be replaced on the second floor. He pointed out that there are funds in the Buildings & Grounds budget for new windows. Mr. Malloy mentioned that the sheathing was fully replaced with half inch plywood and that the new owner of the restaurant shouldn't have to worry about leaks ruining any new renovations.

Mr. Tepper inquired about the expenses for the Municipal Building Committee and where they are allocated in the budget. Mr. Malloy noted that the only expense is for the payroll for the Administrative Assistant and that cost is allocated to the project. Mr. Tepper was concerned with amortizing small expenses. Mr. Malloy pointed out that the expenses are minor. Mr. Tepper asked if the payroll expense could be put somewhere else. Mr. Malloy said that he would consider putting the cost under his budget since he's in charge of all town buildings.

Mr. Wells distributed a report for unspent appropriations. Mr. Malloy mentioned that he reviews articles with outstanding balances on an annual basis with the Town Accountant. There was some question as to whether these articles need to be brought up at Town Meeting for a vote to close out. Mr. Malloy said that wasn't necessary since he has the capability to close them out himself. Mr. Wells noted that he will ask individual departments with outstanding articles to close them out unless they have a valid reason to leave open. Ms. Blazejewski asked if any

of the outstanding articles were through a raise and appropriate and Mr. Malloy said the funds were all from Free Cash and that's where unused funds will be returned.

Mr. Malloy mentioned the warrant for Annual Town Meeting and said that it currently contains about 32 articles. He noted the Charter articles and said that these articles are long and contain subsections. Mr. Malloy briefly ran through the warrant and highlighted some items and anticipated costs. He mentioned a new roof for the DPW building where they store their equipment. Mr. Malloy said that the cost for the new roof could range from \$50,000 to \$600,000 depending on how long we want it to last. He noted another big expense is for the water purification system. They will need \$150,000 for an engineering study. Mr. Malloy said that they need to start replacing water mains and pipes, along with sewer mains. Mr. Malloy mentioned that the 300th Anniversary Committee is looking for \$25,000 for a fireworks display. Some other highlights were adding a seat to the Economic Development Committee for the Fire Chief and \$23,000 for dam repair. Mr. Malloy noted that there may be one or two other articles that come in between now and next Thursday. He plans on closing the warrant at the end of February. Mr. Malloy felt that this Town Meeting will be busy since we have the Forbes Building, Charter review, and the State Hospital land. Mr. Behn asked about the cost for renovating Forbes and Mr. Malloy thought it would be around \$14.5 million but he is still trying to get costs for leasing and moving. Plus he is trying to figure out what's included and not included in leasing space. Ms. Blazejewski asked about the holding cells if the Police are relocated and Mr. Malloy said that we will use another town's cells. Mr. Malloy said that bookings will be done in Westborough and then move to another town such as Shrewsbury or Northborough to house. Mr. Malloy said that they usually don't lock up more than one person at a time. He also pointed out that our cells right now routinely fail inspection so they don't use them since we are liable if something happens to someone while in lock up. He noted it is a huge expense if we are found negligent. There was a discussion about temporary holding cells.

Mr. Malloy mentioned that he will post his slide presentation on the Town's website, along with the budget. Mr. Wells requested a table and chairs for upcoming meetings so departments can sit, since they may have books and computers associated with their presentation.

Mr. Behn referred to page 3 in the budget book and said that under the five year forecast he thinks there is a typo under local receipts. Mr. Malloy pointed out that the number in the text should match the number in the table.

Committee Liaison and Department Liaison Reports

Gibbons School Building Committee: Mr. Tepper mentioned that he didn't have an update. He will provide a report at the next AFC meeting since the Gibbons School Building Committee will meet over the course of the next week.

Charter Review Committee: Ms. Blazejewski reported that the Charter Review's plan is to present their changes to the Board of Selectmen on January 26th and then hold a public hearing on January 27th at Memorial Hall. Ms. Blazejewski will send an email to AFC members once those dates are confirmed.

Capital Expenditures Committee: Ms. Blazejewski noted that the Capital Expenditures Committee is done meeting for now.

Pre-K to 3 School Building Committee: Mr. Wells informed AFC members that this Committee was just formed and there hasn't been any substantial progress quite yet. They may have a warrant article for architectural services to explore possible options for renovations to the Pre-K to 3rd grade elementary schools. Mr. Wells noted that this Committee is meeting next Thursday prior to the AFC meeting.

Town Clerk – Ms. Howard reported that the Town Clerk may have additional expenses related to elections and voting. Town Clerk, Wendy Mickel, hasn't received directives yet from the State Secretary so she isn't sure what

the impact will be on expenses. Ms. Howard wanted to bring this issue to the AFC's attention since it will affect this year's financial spending.

School Department: Mr. Wells reminded the AFC that Tuesday's meeting will be with the School Department and School Committee. If AFC members have any questions, Mr. Wells asked that they be submitted in advance so he can forward them along in preparation for next week's meeting.

Comments and Concerns – Committee Members

Mr. Wells mentioned the Drop Box, and that AFC members should have received an invitation to join so they can view documents. Mr. Behn added that he posted the school budget on the Drop Box and will follow up with a revised copy. Mr. Behn reported that he met with MIS/GIS Director, Mark Stockman, about file storage and noted the AFC's needs for storing current documents, as well as archiving documents. Mr. Stockman gave some options such as Google docs; or a share point service, which is included as part of the hosting through the Town's portal; along with having shared storage. Mr. Stockman is checking in to these options further to see how they work and who is authorized to view files. Mr. Behn mentioned that with the Drop Box, presentations could be emailed to the liaison, Chairman, or Administrative Assistant for dropping in the Drop Box.

Public Reminders for Viewers

None

Adjournment

Mr. Behn made a motion to adjourn the meeting at 9:53 p.m. The vote to adjourn was 9-0-0 in favor, with 9 being present.

Document List

FY17 Budget and Capital Plan – Jim Malloy

Unspent Appropriations Report as of November 2015 – Gary Wells

Respectfully submitted,
Jessica Thomas,
AFC Administrative Assistant