

Members Present: Gary Wells, Chair, Ed Behn, Jim Driscoll, Hank Rauch, Tara Howard, Beth Blumberg. Absent: Phyllis Jaffee, Jim Tepper, Lisa Blazejewski

At 7:01 p.m. Mr. Wells called the meeting to order in Memorial Hall of the Town Hall.

### **Open Forum**

There was no one present to address the Committee.

### **Approval of Past Minutes**

Mr. Wells wanted to hold off on approval of the minutes from February 22, 2016 until after Town Meeting.

### **Budget and Warrant Article Review / Votes – Continued**

#### **Reports & Recommendations (R&R) Book for ATM – Review**

Mr. Behn mentioned that he sent Mr. Wells a more compressed version of the Index of Articles and Summary of Recommendations. There was a discussion about the format. Mr. Behn noted that he moved the vote count to where the articles are listed. Mr. Wells pointed out that the shorter version decreases the index by two pages. Ms. Blumberg suggested moving the editorial note on to the same page as the Message to the Voters. Mr. Behn felt it was more convenient to open the R&R book and see the index on two pages with everything in one place. Mr. Wells said that he would re-format the R&R book using the compressed version of the index and also move the editorial note to the bottom of the page where the Message to the Voters appears. He'll also shift the note about the Town Manager's statement to immediately follow the "Recommendations of the Advisory Finance Committee" on page 7. Mr. Rauch pointed out that not all of the articles were voted unanimously, and some were a split vote, and asked where that appears in the R&R book. It was noted that the vote count is under each individual article. Mr. Rauch was concerned that initially we recommend the "Town so vote" and then on a later page it shows a split vote. Ms. Blumberg proposed having a note to voters that they need to refer to each article to see the vote count. There were suggestions about what could be written to point out where the vote count is located in the book. Mr. Wells said that he would come up with something. He asked Committee members if they approved of the Index of Articles and Summary of Recommendations and also the Message to the Voters. Mr. Wells pointed out that Ms. Blazejewski has been double checking content, grammar, and punctuation.

Regarding the financials, Mr. Wells noted that all the numbers are correct and match the Town Accountant's without discrepancies. He mentioned that in the latest draft of the R&R book the Average House Tax Bill increased from \$280 to \$304 per household since Town Moderator, John Arnold, isn't going to allow the change to Article 8B. Mr. Wells mentioned that the AFC proposed a raise and appropriate of \$40,000 and a transfer from free cash of \$210,000 for the \$250,000 needed for the AFC Reserve Fund, however, the whole amount of \$250,000 is now required to be through a raise and appropriate since that is the way the article is written. Mr. Rauch pointed out that the tax rate isn't set until October. Mr. Wells noted the discussion from the last AFC meeting regarding water and sewer numbers. He was concerned with the difficulty in explaining these numbers so he recommended going back to the more compressed version. Mr. Wells referred to his handout for the Financial Revenue & Expenditure Estimates for FY2017 and mentioned that revenue and expenditures now match for the Enterprise Funds. Mr. Driscoll suggested making note of using this version in future years to cut down on confusion. Mr. Behn referenced page 4 in the R&R book where it showed free cash balances in the bottom table and pointed out that these amounts match the free cash transfers listed above on that same page. There was a discussion about transfers from reserve funds and Mr. Behn stated these figures should be shown in the negative and referred to past reports. It was noted that six funds were shown in this section, with the status of those funds. Mr. Behn proceeded to explain that this part of the reports was designed to show the balance in these funds after subtracting transfers from these funds via articles and reserve accounts. Mr. Wells stated that maybe this report

has always been incorrect. Mr. Wells suggested pulling out this section and only show balances in the General Fund and the AFC Reserve Fund.

Mr. Wells wanted to discuss article 20E regarding the Residency Requirement and pointed out that the AFC voted to defeat this article. Ms. Blumberg felt what was currently shown in the draft version of the R&R book was confusing since the AFC proposed a new motion and it looked like the BOS voted not to support the AFC's amendment. She felt that we should state that the BOS hasn't voted on the AFC's amendment in the book. Mr. Behn wanted to show the wording for this article as it appears in the warrant with a strike through and the change that the AFC is recommending.

It was noted that Article 20Q for the Action on the Budget was similar to 20E where the AFC was offering an amendment. Mr. Behn is suggesting changing the timing of the joint meeting for the budget from January to February. Mr. Rauch wanted to stay consistent with the AFC's message and show a strike through for January and add February. Mr. Rauch also mentioned deleting the editorial comment under 20Q since we didn't provide one for 20E. If there are any questions, he noted that it could be discussed on Town Meeting floor. Mr. Wells also added that the BOS did not vote on this amendment proposed by the AFC either, which he will note in the R&R book so it's not confusing to residents.

Article 8B for the AFC Reserve Fund was again mentioned. Mr. Behn stated that the wording for this article does not allow a combination of a raise and appropriate for what was spent, along with a transfer of free cash from what was returned for FY16. He pointed out that Town Moderator, John Arnold, is not going to allow this change since it is out of scope. Ms. Howard asked if an amendment can be made on Town Meeting floor and Mr. Wells said there cannot be an amendment due to the way the article is written. Mr. Behn suggested asking for less money now and then requesting additional money in the fall through an article. Mr. Behn noted that he would only make that request if the Board of Selectmen (BOS) agreed. He pointed out record cash reserves and said that they could do a raise and appropriate now for \$40,000 and then ask for a transfer from free cash in October for \$210,000. Mr. Behn stated that the AFC would have \$40,000 in their Reserve Fund to cover the months of July, August, September, and half of October, which should be sufficient since the AFC mostly uses the Reserve Fund to cover snow and ice removal. Mr. Wells was concerned with only having \$40,000 to react with for three and a half months. If something came up, he noted that they'd have to call a special town meeting. Mr. Rauch suggested waiting until Town Meeting in October and using free cash to fund expenses so free cash is brought down to an acceptable level. Mr. Behn noted that we are currently at about 12% for our total reserves relative to the operating budget and the BOS asked for a goal of 7-10%. He felt there should be a conversation with the BOS to see if there's a good reason to be at 12% and whether that is fiscally responsible. Mr. Behn pointed out that we are requesting the same thing – if the AFC returns \$210,000 to free cash then he thought we should be able to take it back out to replenish the AFC Reserve Fund for the following year. Mr. Behn reviewed what was taken out of free cash last year. Mr. Rauch was concerned with the School Department coming back looking for money due to over capacity. Mr. Driscoll noted that we should have this conversation with the BOS. Mr. Wells agreed and felt that we need to leave Article 8B as is for now and craft an article for Fall Town Meeting to rebalance. Mr. Wells was concerned about getting caught short of funds and having to call a special town meeting. Ms. Blumberg noted that financially she would prefer to use free cash; however, she understands that we've tried to get voters used to raising and appropriating what is needed for the AFC Reserve Fund to help balance the budget if needed. She agreed that perhaps we could wait until the October Town Meeting to correct it. Mr. Wells mentioned that the total amount being requested through a raise and appropriate for this Annual Town Meeting is \$271,000, with \$250,000 designated for the AFC Reserve Fund. Mr. Rauch asked if the group was ready to entertain a motion. Mr. Behn didn't think a motion was needed yet since the BOS write the warrant. He noted that in order to add an article to the warrant they would need 100 signatures. Mr. Rauch felt that the AFC was in a collaborative relationship with the BOS. Mr. Behn said that he was more concerned with keeping the tax rate down and not necessarily that our free cash being too high. Mr. Wells had two thoughts on this issue. He felt that the AFC Reserve Fund shouldn't be a free cash generator. Mr. Wells also thought that the AFC should have a tool available to reduce the tax rate and that the Reserve Fund could be considered a management tool for the AFC to

utilize. There was a discussion on this topic and it was noted that the AFC voted on February 29<sup>th</sup> to support the amendment where a blend of free cash and a raise and appropriate was utilized. Since this change is not being allowed for Town Meeting, Mr. Wells said that he will add this subject to an agenda for a future AFC meeting.

Mr. Behn made a motion to approve the Advisory Finance Committee booklet as amended and edited at tonight's meeting, with the provision that typographic and formatting changes – including verifying the consistent and correct use of amounts – which do not impact the substance can be made by the Chairman, Vice-Chair, and his or her designee. Voted: 6-0-0.

Mr. Behn wished to discuss another item. He referred to Article 20I regarding the Appointing Authority of Appointed Boards and mentioned that the change being proposed would move the appointing authority for the department head from the various boards to the Town Manager. Mr. Behn pointed out that this change would affect the Council on Aging, Recreation Department, Youth & Family Services, and the Board of Health. He noted that the AFC voted 4-3 to recommend that the Town so vote. Mr. Behn spoke with Town Moderator, John Arnold, about amending the motion. Mr. Behn suggested having the Town Manager decide who is appointed but each department would also have their say. He mentioned that most boards have been against this change and he wanted to make sure Town Meeting is able to deal with this issue in an orderly way rather than having residents come up with motions to change it on Town Meeting floor. Mr. Behn felt this way was more organized and wanted to know if the AFC supported his amendment. If not, he would bring it up as an individual on Town Meeting floor. There was discussion. Mr. Behn wanted to present his motion to the Town Moderator in advance before other motions are presented on Town Meeting floor. Mr. Rauch didn't think it was the AFC's role to change the motion and pointed out that there was a liaison from the AFC on the Charter Review Committee who we should support. Mr. Rauch said that he would feel more comfortable if one of the department heads or members of the boards affected presented this change. Ms. Howard pointed out that the AFC vote was split. Mr. Driscoll agreed with Mr. Rauch and felt it wasn't the AFC's role. Mr. Behn mentioned that he would take this up outside of the AFC and work with an appropriate person that can step forward.

Mr. Wells informed the Committee that he is canceling the AFC meeting scheduled for Thursday, March 10<sup>th</sup>. He will send out and post the AFC's agenda for the Annual Town Meeting on March 12<sup>th</sup>. Mr. Wells requested that AFC members arrive at the high school cafeteria around 12:30 p.m. He asked the Committee for their feedback on the number of copies he should order for the R&R book and mentioned that we typically get 300 copies. Mr. Wells reviewed pricing. Mr. Behn suggested ordering 500 copies and the Committee agreed. Ms. Blumberg asked about the glossary and Mr. Wells said that he would have the Town Clerk's office print some of these booklets since there's not a lot of money left in the AFC's budget.

#### **Committee Liaison and Department Liaison Reports**

None

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

None

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

Reminder to residents about the Annual Town Meeting this Saturday, 3/12/16, starting at 1 p.m. at the Westborough High School.

#### **Adjournment**

Mr. Behn made a motion to adjourn the meeting at 9:04 p.m. The vote to adjourn was 6-0-0 in favor, with 6 being present.

#### **Document List**

Financial Revenue & Expenditure Estimates for FY2017 – G. Wells

Respectfully submitted,  
Jessica Thomas, AFC Administrative Assistant