

Members Present: Jo Lown, Chair, Bill Linnane, Cliff Watts, Ian Johnson, John E. Arnold, Brigitte Casemyr, Michael Meachen. Absent: Judy Lucas, Christine Hirsch.

At 7:00 p.m. Ms. Lown called the meeting to order in the Selectmen's Meeting Room.

Open Forum

Mr. Watts noted the passing of Alan Dodd, former Town Counsel. The committee observed a moment of silence in his memory.

Approval of minutes – Meetings No. 9, November 3, 2008, and No. 10, December 8, 2008.

- Mr. Johnson moved to approve the minutes of meeting No. 9, November 3, 2008. The vote to approve the minutes was 7 in favor, with 7 being present.
- Mr. Johnson moved to approve the minutes of meeting No. 10, December 8, 2008. The vote to approve the minutes was 6 in favor and 1 abstention, with 7 being present.

FY10 Budgets, State and Local Finances

Ms. Lown noted information in members' folders from Leah Talbot, Town Accountant, giving latest revenue and expenditure estimates for FY10 and local receipts. Stabilization Fund balance as of November 30, 2008 is \$1,653,338.86. The Stabilization Fund is held in investment account at Smith Barney.

While there have been announcements that local aid could be cut by as much as 10%, there is no information at this time on where or how such cuts would be applied. Currently, a 10% reduction in total state aid would be approximately \$640,000, and a 10% reduction in lottery aid would be approximately \$130,000.

Henry Danis, Town Coordinator, answered questions on the current financial situation.

- *Question from Committee:* Members have received copies of the Budget Memo to Departments asking for 2 Budget options. One of the questions was whether a balanced budget option will be presented to Town Meeting - either by the Level Funded Budget or a third budget. Would a level-funded budget come within the Prop 2 ½ cap?
Henry Danis answered yes, Ms. Talbot's projections show a level funded budget even with levy capacity. A level service budget results in a deficit. Mr. Danis will review level funded budgets to see the impact before making any decisions. Some budgets cannot be level funded, including fixed costs such as debt. Water and sewer budgets are also excluded, as they are fee-based. Road repairs come from the Capital Budget. Budgets from Departments are due 1/16/09.
- *Question from Committee:* If next year's Local aid is cut, an underlying concern is that departments have sufficient time to prepare (cuts and impacts to services) before meeting with the AFC.
Mr. Danis felt enough time would be given as the Governor puts out the House I budget at the end of January, and the legislature has historically not lowered the Governor's budget.
- *Question from Committee:* What mechanisms have been determined for continuity & transfer of knowledge during transition to a new Town Manager?
Mr. Danis replied that this is not his area, and that information on this would come from the Board of Selectmen.
- *Question from Committee:* What strategies are available in subsequent years if the economic downturn continues, or worsens?
Mr. Danis will present a budget in February. 80% of the costs in the budget are personnel. Impacts will be evaluated by the Board of Selectmen. Impact is presented to Mr. Danis by Department heads.

Mr. Danis will pass this information on to the AFC in some form. Mr. Danis would prefer not to discuss budgets until they have been presented to the Board of Selectmen.

For FY09, the Governor cannot cut budgets unless the legislature grants 9C powers, which was last done in 2003 for Governor Romney. Mr. Danis does not expect the meals tax proposal to pass. Possibly the telecomm proposal (tax on poles and equipment) will pass which would be regular income of about \$600,000 per year for Westborough. 80% of the budget is personnel, so there are few cuts to make. Controls available at this time would be reduced working hours or layoffs.

The town electric contract is guaranteed at \$0.124/KWH with a load response program which pays \$40,000 per year for the School Department and \$40,000 for the Treatment Plant. This requires town use of generators during periods of peak demand. Delivery charges are not fixed.

The decrease in gas and oil prices will save some funds, but FY09 budget estimate used \$3.87 per gallon, not \$5.00 per gallon.

Salt and sand budget still has \$293,000 as of 12/26/08, not including the last storm. Using a rolling 5-year average has helped budgeting. Small storms can be costly also.

Short- and Long-Term Financial Projections / Planning

Joe Harrington, Town Moderator, discussed the Tri-Board Proposal by Tim Dodd, Selectman, to form a committee consisting of full membership of Advisory Finance Committee, Board of Selectmen, and School Committee.

- Mr. Harrington agreed that long-range planning is good, but the proposed committee does not include the Capital Expenditures Committee. Revising section IV. D. to read "Presentation by Capital Expenditures Planning, and by selected department heads, if necessary." would resolve this issue.
- Mr. Harrington questioned if there were other purposes for which this committee may be used, such as short-range planning. Would this be the place where the school and non-school pieces are put together? This could co-opt AFC review authority and compromise Board of Selectmen and School Committee authority. A possible revision would be to add section VII. Limitation on Powers of the Board to read "No votes will be taken on financial matters that will come before the town meeting. Each of the three boards shall preserve its independence in every respect, and shall make its decisions relative to budgets and articles at its own posted meetings."
- Mr. Harrington noted that this committee is strongly selectmen controlled. They set the agenda and time of meetings, and chair meetings. He suggested revising the last sentence of section VI. Meeting Frequency to read "The meeting(s) shall be called by the Chairman of the Board of Selectmen with the prior agreement of the Town Coordinator, the Chairperson of the School Committee, and the Chairperson of the Advisory Finance Committee."

Mr. Johnson and Ms. Lown agree that the Capital Expenditures Planning Committee mostly collects information and puts it together on a spreadsheet. Mr. Johnson questions the size and timing of meetings. Too many participants may limit the effectiveness. Mr. Arnold is not sure if it is well enough understood to have an impact this year. Town Charter Article 6 details method for developing budgets and most is in the hands of the Town Manager. The current bylaw on the Joint Meeting with the Board of Selectmen, Advisory Finance Committee, and Capital Expenditures Planning Committee could be used to perform the same purpose by inviting the School Committee to attend and holding more than one open meeting. Mr. Arnold would support this on an Ad-hoc, try it out basis, which could be accomplished by inviting the School Committee to the Joint Meeting.

Ms. Lown discussed the AFC desire for a 3-year Planning Tool to aid in the decision-making process. This would not be for making predictions, and would not come up with perfect numbers, but might be useful in

evaluating whether or how current decisions could affect options that would otherwise be available in future years.

Mr. Harrington asked who would create this. Mr. Meachen believes the AFC could, using the expertise of the members of the committee. Mr. Arnold asks if there is a purpose for using this for an advisory board, as it seems to be more executive than legislative. Ms. Lown would like some idea of where the town is headed, and feels it would be useful even if it could not be used to make predictions, or be valid enough to give accurate numbers, but would be a broad tool to provide a snapshot of where the town is going. Ms. Lown emphasized that this would be used as advisory only, to determine possible short and longer term impacts of decisions. Ms. Casemyr noted that expenditures are readily available from the town, but there are many unknowns which may make this difficult. She feels it would be useful to see how other AFCs have handled assumptions. Mr. Linnane likes the concepts of both the Tri-Board and the Planning Tool. How they are implemented may need to be different. Mr. Meachen feels this is doable, although he doesn't want to do it if another committee is also doing it to avoid having competing numbers. Assumptions can be stated explicitly and so can be used. Mr. Linnane noted that one assumption made about available growth may not be taking into account redevelopment that occurs when undeveloped property is scarce. Mr. Arnold suggested looking at expenditures voted at town meetings for the past 4 years to determine which departments are growing at what rate, which could be presented in a pie chart. Ms. Lown agrees that may be the first step.

Ms. Lown moved to begin developing a planning tool using budget expenditure projections (history from Town Meetings) and possibly capital expenditures projections (from Capital Expenditures Planning Committee reports), then bring back to the committee for review.

Vote to approve the motion was 7 in favor, with 7 being present.

Ms. Lown reported that Maryann Bilodeau will attend the AFC meeting scheduled for 2/2/09 to discuss GASB-45 and insurance options.

Information to and from Voters

Mr. Meachen pointed to the need to encourage people to participate. Mr. Arnold feels that when we see the budget we will know if there is a need to speak more directly to voters before the town meeting booklet is produced. After the Joint Meeting we may have something to say. Mr. Watts would like agendas posted when presentations are scheduled. Mr. Johnson would like to send information to townspeople explaining who we are, what we do, when we meet, and where to find information. Mr. Johnson will draft a column, to be published after the Joint Meeting.

Liaison Updates

Ms. Casemyr reported on the WWTP progress. There was a meeting held 12/4/08 with EPA and DEP. EPA response is that since project is moving forward they are satisfied. They were also hopeful that some part of an Economic Stimulus package for infrastructure may make funding more available. There is a Public Hearing scheduled for Wednesday 1/7/09 in Boston, hosted by DEP and EPA, on the IEP for this project.

Ms. Casemyr reported that the town has hired a Director for the MIS/GIS Department.

Ms. Casemyr attended a public meeting with State Representative Carolyn Dykema and State Senator Jamie Eldridge, and reported that both of them are very aware of the WWTP situation.

Mr. Arnold reported that the Government Study II Committee has met twice to discuss Human Resources functions.

Mr. Arnold also reported that in November a drainage issue developed in the old section of the Library building. The DPW was able to fix the drywells so the drainage has been under control.

Mr. Watts noted that Assabet Valley Regional Technical School District has a new superintendent, Mary Jo Nawrocki, as of mid-December. Mr. Watts also reported that all local schools have been discussing the possible impact of budget cuts.

Mr. Watts also noted the upcoming joint meeting with Governor Patrick, the Senate, and the House.

Ms. Lown pointed to the Personnel Board minutes provided with the announcement of the new MIS/GIS Director.

Adjournment

At 8:55 p.m. Mr. Watts moved to adjourn the meeting. The vote to adjourn was unanimous, 7 in favor with 7 being present.