

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

At 7:05 p.m. Ms. Lown called the meeting to order in the Selectmen's Meeting Room.

Open Forum

There were no requests to address the Committee.

Approval of minutes – Meeting No. 11, January 5, 2009.

Mr. Arnold and Ms. Lown proposed changes to the draft minutes. Mr. Johnson moved to approve the minutes of meeting No. 11, January 5, 2009 as amended. The vote to approve the minutes was 6 in favor and 1 abstention (Lucas), with 7 being present.

Assistant Town Coordinator

Maryanne Bilodeau appeared before the committee to report on the GASB-45 audit and the Commonwealth's Group Insurance Commission plans.

- **Insurance**

The Commonwealth Group Insurance Commission (GIC) offers several choices in health insurance for employees and retirees, although these plans include higher co-pays and deductibles so coverage would not be comparable to current town health insurance plans. The Board of Selectmen would need to negotiate with unions through a Public Employee Committee (PEC) set up for this purpose. The PEC consists of a representative from each collective bargaining unit and the city or town's retirees. Each representative holds a weighted vote according to the number of healthcare eligible employees that unit represents in the community, with the retirees' representative holding a fixed ten percent of the vote. The GIC determines all plan design. The percentage of contribution/payment is decided by the town. No Blue Cross plans are offered. The town loses the ability to negotiate rates with insurers while in the GIC. This option works better for small communities who do not have the number of employees to enable them to negotiate rates. Employees and retirees must pay the same amount within each plan. New employees must wait 60 days from their date of hire for coverage. GIC determines what information is sent to employees. GIC requires a three-year commitment from the town upon joining the plan. If the town decides to leave the plan it is difficult to get claims experience for the period covered, which would make negotiation with insurers difficult.

The Massachusetts Department of Revenue web site gives a percentage increase (or decrease) in the cost of insurance provided by each town, but it does not give the number of employees covered by each town or the GIC, so can't be used for accurate comparison.

- **GASB 45 (Government Accounting Standards Board Statement 45)**

Currently town health and life insurance liability is funded on a "pay-as-you-go" basis. This Statement requires towns to account for future payouts while the employee is actively working. Westborough underwent an audit as of July 1, 2008. Liability was estimated to be \$75,000,000 if the plans are not pre-funded, and \$50,000,000 if pre-funded. The audit uses several "worst case" assumptions:

- Figures are based on retirement at age 55 after 10 years of service, or any age after 20 years of service
- Assumes that all current employees will retire from the town and continue to use town health insurance benefits. Currently, 75% of active employees take town health insurance.

The audit is required to be done every two years, and costs \$9,000 per audit. There is currently no requirement to fund this future obligation. The Governor recently signed a law allowing towns to start a trust fund for the purpose of funding these obligations. The audit will give each town a baseline measurement to create a level playing field for Bond ratings. The information is not currently used by rating agencies but may be used in the future. Massachusetts General Law Ch. 32B requires towns to pay a minimum contribution of 50% of all municipal employees health insurance. Westborough currently pays 75%. There are no balloons or bubbles in these long-term obligations seen at this time.

FY10 Fiscal Update

The Governor's FY10 budget was announced on 1/28/09. Members were provided a copy of the Cherry Sheet. The Legislature has given the Governor 9C powers to cut the current (FY09) budget. For Westborough the reduction is \$140,543, to Lottery and Additional Assistance Funding only.

The Advisory Finance Committee will next meet on 2/19/09 (Thursday), and then Monday and Thursday each week beginning Thursday 2/26/09, as needed until Town Meeting.

Liaison Updates

Ms. Casemyr reported that the Capital Expenditures Planning Committee has met with the DPW and the Fire Department. The Wastewater Treatment Plant (WWTP) board has held additional meetings, but there have been no real changes. She has scheduled a meeting with the new MIS/GIS Director.

Mr. Arnold has met with the Country Club Operating Committee and is reviewing their budget. The Government Study II Committee is beginning to draft recommendations on Human Resources.

Mr. Johnson reported that he, Ms. Casemyr, and Mr. Linnane met with John Walden and Joan Provost of the DPW. For next year, the Snow & Ice budget is level-funded. The Water & Sewer budget is an Enterprise Fund and not under the level-funding mandate. The DPW budget presentation has been completely revised and is much easier to review. The FY09 Snow & Ice budget has only \$11,000 remaining and will need to begin deficit spending soon.

Ms. Lown reported that the WWTP is looking at putting a solar energy component into the plans in hopes of getting new funding for this. This project is shovel-ready and so has been put on the state's list of projects for possible federal stimulus funding, which may be a grant rather than a loan.

Ms. Lucas distributed the School Committee's budget goals and noted that they have added the goal of "To develop a school budget that will be guided by academic excellence for all students and the financial ability of the Town of Westborough." The Committee will be meeting weekly beginning in March. Dr. Towle has said everything is on the table for reductions.

Mr. Linnane has met with all departments for which he is Liaison. All of them will need to cut salaries to get to level-funding. The Council on Aging has a level-funded budget due to the retirement of one employee. The Conservation Commission would like to have a full-time agent in the future, but will not budget for this now. The Historical Commission has no increased financial requests. The Recreation Department is level-funded, partially by putting to good use gifts that have been given to them. Mr. Linnane has asked the Recreation Department and the Council on Aging to speak about the gifts they have been given at the AFC presentation.

Comments and Concerns of Committee Members

Mr. Watts requests committee members begin looking at old ATM Articles to see if any have funds remaining.

Ms. Lown noted items given to each member: a memo from Dr. Towle; Snow and Ice budget reports; and Appropriations report. Ms. Lown also requested comments on the Annual Yearly Report of the AFC which is due Friday.

Mr. Johnson is still working on two items from the last meeting, and will send them out shortly.

Ms. Casemyr reported that she and Mr. Meachen have started to work on a Planning Tool. They are pulling data from state web pages. She has also called Dexter Blois to discuss any possible Warrant Articles from the Municipal Building Committee.

Adjournment

At 8:25 p.m. Ms. Lucas moved to adjourn the meeting. The vote to adjourn was unanimous, 7 in favor with 7 being present.