

Members Present: Jo Lown, Chair, Judy Lucas, Cliff Watts, John E. Arnold, Michael Meachen, Bill Linnane (arrived 8:10 p.m.), Ian Johnson (arrived 8:10 p.m.), Brigitte Casemyr (arrived 8:10 p.m.). Absent: Christine Hirsch.

At 8:02 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.

### **Committee Work Session**

#### **Fiscal Overview**

Ms. Lown reported that the Chapter 90 funds for FY10 have been determined at \$618,384. The current excess levy estimate is still uncertain. Other local aid and school aid funding from the state is not yet finalized. The state budgeting process begins in January with the Governor's budget and that number is being used in the current estimate. The House of Representatives budget is usually announced in mid-April. The budgets are then forwarded to the Senate. Differences between the House and Senate budgets are settled in conference sessions, and the legislature's final budget is then sent back to the Governor in July, to sign or veto. The state budget process is usually completed by July or August.

Westborough School Committee budget total has not changed, although the School Department is moving expenses from one funding source to another to minimize the cuts needed.

### **Strategies and proposals**

Committee discussed the use of the Finance Committee's reserve fund to manage uncertainties. Committee also discussed specific department budgets.

For the last few years, the AFC reserve fund has mainly been used to pay Snow & Ice budget deficits. Ms. Lown noted that this year the Snow & Ice budget is level-funded rather than the five-year rolling average used in the past. One question is if this budget reflects the actual cost of the service. Another is using the reserve fund to cover it. The Town is legally allowed to deficit spend in this budget. The deficit was around \$300,000 in 2008 and almost \$ 200,000 this year. Mr. Johnson noted that snow and ice deficits can be carried over to the next fiscal year if necessary, rather than being paid from the reserve fund. Ms. Lucas did not favor increasing the budget for this account if it would mean having to lay off employees. Mr. Johnson is comfortable with the amount of deficit spending, which this year did not begin until January. For the last two years there has been a deficit, but three years ago there was a surplus in the account. Mr. Watts wondered if town residents' expectations for snow removal are too high, as Westborough's roads are always better maintained than roads in neighboring towns. Mr. Johnson noted that the costs cannot be closely estimated, as they are based on the weather. Ms. Lown agreed, but past estimates were based on a five-year rolling average for that reason. She requested the numbers for comparison.

Ms. Lown pointed out an increase in the insurance budget of approximately \$300,000 for possible unemployment insurance liabilities. Otherwise, the percentage increase would be lower. The exact need and actual costs will not be known until sometime later. This estimate was based on preliminary projections of layoffs needed to meet budget targets. Mr. Johnson noted that health insurance costs may also increase as spouses who have lost their jobs may need to join the town's health insurance plan. The Committee had questions about the town's unemployment insurance plan. Maryanne Bilodeau, the Assistant Town Manager, will meet with the Committee next week. She will explain the plan and the uncertainties. Voting on this budget will be moved to a later date on the schedule.

Committee discussed stipends in the Police Department budget. Some of the stipends are contractual.

Ms. Lown noted that the fees charged for burial in Pine Grove Cemetery have not been increased for many years. The FY08 receipts totaled \$8,520. Overtime for cemetery workers in FY08 cost \$22,964.

Mr. Watts noted that if the Bay State Common Park is not accepted by the town, some funds budgeted for maintenance should be returned. This would lower the DPW budget request.

Mr. Johnson noted the EMS Recall line item in the Fire Department budget has been fully funded with excess funds from a firefighter retirement. Ms. Lown wondered if the \$1,500 for the Senior Smoke Detector program could be funded, or accomplished in another way. She feels the program should be kept if possible.

Committee discussed funding for mosquito control being taken out of the Board of Health budget and included as part of the Hazardous Waste Day funding Article. Mr. Johnson reminded members that the Commonwealth pays for the main mosquito control program, and this funding is for extra mosquito control. Committee consensus is that this item should be in an Article.

Committee questioned the funding amount needed for new voting machines. Mr. Meachen will ask Nancy Yendriga for clarification on amounts she is seeking for rental and for purchase of machines.

Selectmen's budget will be discussed when negotiations with new Town Manager are completed.

Committee discussed MIS/GIS and whether computer purchases should be in the capital expenditures plan or in an Article rather than in operating budgets. The amount in the MIS/GIS budget is \$20,000. Ms. Casemyr will ask Mark Stockman for information on actual spending, flexibility, and adding inventory. Committee discussed whether equipment purchases and items similar to extra mosquito control should be treated consistently, across all departments. The Committee also discussed if expenses for large purchases (like a police cruisers) compares with the total expense for multiple smaller purchases of computers for planning purposes.

Westborough Youth and Family Services (WYFS) has submitted three budgets: the highest request is level-funded and includes some cuts to all services; the lowest is the Coordinator's Recommendation which cuts staff down to the Director and one counselor; and the compromise offered by WYFS that cuts programs but maintains counseling services. Mr. Meachen pointed to the Police Department referrals for the diversion program as evidence of the need to maintain this service. Mr. Arnold would like to hear Mr. Danis' position, in light of the discussions and improved levy limit estimate. Ms. Lown pointed to a memo from Mr. Danis in members' files regarding his position on the levy estimate. She will invite Mr. Danis to meet with the Committee as well. Committee members noted several letters from townspeople, with only one in favor of cutting services. Mr. Linnane noted that the Recreation Department was given several years to move to using the revolving fund as a main source of funding. Ms. Lown asked if the \$5,000 limit on the WYFS revolving fund would be high enough to allow some programs to be paid through this account. She proposed raising it to \$10,000 or \$15,000. The Committee discussed which, when and how programs might be funded from other sources. Mr. Linnane will ask John Badenhause when expenses for Hot Summer Nights program are paid, and when he would need to know if funding is available in order to hire a coordinator to run the program this summer. The Committee would also like more information on prices charged for the Babysitter Training program.

Committee questioned if providing fish is a core function of the Conservation Commission. This program costs \$3,000.

Ms. Lown noted that \$1000 in the Planning Board budget for Professional Services can be paid with remaining funds from a prior year's Article.

Ms. Lown noted the reduced salary figure of \$3,299 for the Council on Aging, and their request for an additional \$1000 in the expense line for van repairs. The Committee will make the adjustment, after Mr. Linnane confirms this with Alma Demanche.

Ms. Lown reported figures provided by the Town Accountant, the approximate cost of the 2.93% increase in the Salary Administration Plan (Personnel Board Article) for \$1,961,102 in wages and salaries for non-union employees is \$55,825, not including Water, Sewer and Country Club enterprise fund employees. According to the Charter and Bylaws Update History on the Town Web site, the Salary Administration Plan was adopted in the town bylaws in 1979, an Article amending the plan was first put forward at town meeting in 1993 and the plan has been amended every year since. The Committee discussed the step/grade system versus a merit-based system. Mr. Johnson noted this question had also been asked of the Town Manager candidates by Ms. Casemyr. A review of the Personnel Board minutes showed a vote on the 2.93% increase for FY10 was taken at the meeting held November 12, 2008.

Mr. Watts noted that the School Committee is looking ahead two years to probable funding difficulties when the federal stimulus funding ends.

Ms. Casemyr was asked by a town resident if the Advisory Finance Committee is going to begin budgeting to the current tax rate rather than always including the allowed 2½% increase. Some members wondered if this perception is due to the fact that the town has been very close to the levy limit for the past few years. The Committee noted that town meeting voters have the final say on how much is spent. A large portion of the budget is for personnel costs. Contracts determine the pay for individual employees, but Town Meeting determines how much to fund and therefore how many people to hire or retain. Mr. Johnson noted a freeze on town salaries would save \$97,000 this year, not including the School Department salaries.

The Committee consensus is that while this year is difficult, next year will likely be worse. State revenue shortfalls appear much higher than previously estimated, so state aid may be much lower than estimated. The loss of federal stimulus funds in future years could have a large impact. The Committee discussed various scenarios for limiting personnel costs and fairness in dealing with non-union salary and wage rates. The Committee discussed the effects of contractual obligations on managers' discretion and ability to manage their budgets. The Committee discussed several options for funding town services.

#### **Summary -- Action Items**

Mr. Linnane will speak with John Badenhause about timing for Hot Summer Nights, and with Alma Demanche about requested budget adjustment.

Mr. Johnson will speak with John Walden about cemetery overtime and fees.

Mr. Meachen will speak with Nancy Yendriga about voting machines.

Ms. Lown will speak with Maryanne Bilodeau about insurance.

Ms. Casemyr will speak with Mark Stockman about computer replacement planning.

#### **Comments and Concerns of Committee Members**

Ms. Lucas was pleased to see the charts included with the town Real Estate tax bills, and thanked Leah Talbot for preparing this information.

The Committee wished Mr. Watts a happy birthday.

#### **Adjournment**

At 10:00 p.m. Ms. Lucas moved to adjourn the meeting. The vote to adjourn was unanimous, 7 in favor with 7 being present.