



## **CITIZENS FINANCE ADVISORY COMMITTEE**

### **Citizens Committee**

Robert Wynne, Chairperson

Karin Chavis

Michael Herbert

John Macero

Marc Wallerice

Jan Twombly

Barbara Flavin, Secretary

### ***MINUTES OF AUGUST 16, 2010***

ATTENDANCE: Robert Wynne, Karin Chavis, Jan Twombly, John Macero and Marc Wallerice and Barbara Flavin.

ABSENT: Michael Herbert

The Meeting opened promptly at 6:30 PM.

A Motion was made by Karin Chavis to approve the Minutes of August 9, 2010, seconded by Jan Twombly. Motion passed unanimously.

Bob updated John Macero and Marc Wallerice of the discussion of the five year Financial Plan that was discussed at the previous meeting of Citizens Finance Advisory Meeting on August 9, 2010.

John M. brought up the state reimbursement of full time kindergarten. The Town can recover more than we have been. This should be looked into further and discussed with the school department.

Mike Bertino joined us and discussed some of the Local receipts issues: Medicaid, Real Estate Tax and Cemetery Lots Funds.

The Town Manager joined us at 7:00 PM. to discuss the development of a financial plan for the Town. Some of the key issues facing the town include:

- 7 labor contracts that have to be negotiated
- the uncertainty of state aid
- the cost of employee benefits, particularly health insurance
- increases in fixed/non-discretionary expenses

Jim believes that new revenues should be used for: the building of Capital Reserve fund, Capital Spending and Collective Bargaining. New revenues will come from several sources including the rental of cell tower space, adjustment in local fees, efficiencies in spending and budgeting and free cash.

Jim is looking for policy advice from the Town Council, particularly as respects contract negotiations. He is looking for honest and achievable goals to take into the negotiations.

The Town Manager pointed out that he is going into contract negotiations with unions that have not had pay increases for the last three years. There may be a retrospective element to any new contracts. He considers these contracts as an unfunded liability.

Jim would like our committee to help in the process (as we volunteered to do); to work with him and provide our input to the Council. The Council has to give him guidance, per the Charter, in November of each year. Jim would like our thoughts on both a short term and long term basis: how to deal with funds that are now (or may become) available for appropriation as well as a longer term financial plan. FY '10 year end information should be available in mid-late September. Jim would like us to ask questions and understand the economic landscape. Interim FY '11 information and we would also like to have town wide Gifts and Grants information be available.

We discussed the need to better understand the school revenues and expenditures, especially those that do not run through the Town's general fund, grants and direct state/federal aid. It was suggested that we meet with the school committee/administration.

The GIC (health insurance) was discussed. We would like to get more information on Winthrop's experience vs the GIC rolling average. This would come from Mike B.

The Town Manager believes that a Human Resource Person or outside resource along with the necessary funding should be a top priority going forward.

Next meeting August 30, 2010 @ 6:30 PM.

Motion to adjourn @ 8:30 PM by Jan Twombly and seconded by Karin Chavis.

Respectfully submitted,

Barbara Flavin, Secretary