

FINANCE COMMITTEE MINUTES

JANUARY 8, 2013

The meeting was called to order at 7:30 PM in the Selectmen's Meeting Room of Town Hall. The following members were present: Ken Szajda, Michelle Zeamer, Charlie Kaslow, Michelle Johnson and Dan Alfred. Kathleen White was absent from the meeting.

Dan Alfred, seconded by Michelle Zeamer, made a MOTION to approve the minutes of November 27, 2012, as amended. Passed 5-0-0. Michelle Zeamer, seconded by Dan Alfred, made a MOTION to approve payment of a bill submitted by Faith Antonioli, for the meeting and minutes for the week ending Dec. 8, 2012, totaling 2 hrs. Passed 5-0-0. Michelle Zeamer, seconded by Michelle Johnson, made a MOTION to approve payment of a bill submitted by Faith Antonioli, for the meeting and minutes for the week ending Dec. 22, 2012, totaling .5hrs. Passed 5-0-0. Michelle Zeamer, seconded by Charlie Kaslow, made a MOTION to approve the minutes of December 4, 2012, as amended. Passed 5-0-0.

Ken Szajda asked FinComm members for comments on the responses received by Ken Szajda and Paul LeBeau on their December 14th meeting with Stone Consulting that were provided to the FinComm by Paul LeBeau's email of January 3rd. Charlie Kaslow said he was disappointed with what was received. He said Stone was late with some of the required data in the latest deliverable, as well as late in the delivery of the final report. Charlie Kaslow stated that they were not yet in compliance with the RFP. Ken Szajda asked Charlie Kaslow if he could be more specific. Charlie Kaslow said that on the third page, the first bullet had not been addressed. On page 4, labeled "specific items", the first bullet, which deals with comparative data for unionized employees says that it is in progress (the teachers' is almost complete) should have been done by now. The second bullet concerns the Highway and Water positions and Stone's explanation of why they did not include the evaluations and market analyses conducted in the Classification and Compensation study which is not a consideration for the town as it was a requirement of the RFP. Paul LeBeau was supposed to contact Stone regarding this and Paul said that he had emailed them. For the third bullet, the second aspect of the project, the total compensation study to cover union and non-union is still pending and Charlie Kaslow asked if there is a schedule as to when the information will be shared with the town. No schedule was proposed for this by Stone Consulting during the December 14th meeting according to Ken Szajda. On Page 6 of the report, it appears that data was not supplied by the vendor regarding benefits (disability and life), despite requests for information. Charlie Kaslow asked if there will be consideration (financial) given the town in the remainder of the bill by Stone Consulting as they have not delivered what was purchased. Paul LeBeau said that there have only been 1 or 2 cases involving this issue in the last 10 years, so there was not a lot of information to use. On page 7, Stone said that it was hard to get other communities to participate in surveys. Charlie Kaslow again asked if there would be consideration for the town for this missing information. Dan Alfred said that he concurs with Charlie Kaslow. Ken Szajda said that he would like Stone to produce a schedule for providing the remaining information they promised to the town and he would like consideration for the town for what they couldn't provide. Michelle Zeamer had questions regarding the Cross-Industry chart on page 8. Charlie Kaslow said the chart appeared to be a half-hearted effort to find comparisons. Ken Szajda said that there are outstanding invoices to Stone – only \$12,800 of the \$30,000 has been paid and the town has received an invoice for \$12,000, which Ken said has been outstanding since November. Charlie Kaslow asked about the

contractual milestone schedule of payments. Paul LeBeau said he needed to check – he has the details of the payments. Ken said that if they pay the \$12,000 due (2nd payment) it would still leave some unpaid. Michelle Zeamer suggested that before paying the bill, they get a date of when the missing data will be provided.

Ken Szajda said that the budget guideline letter going out to department heads is similar to those in the past – present the budget based on the +1.5%, but be prepared for a “0” situation. Charlie Kaslow asked why they don’t prepare a 0 budget also. Ken said that they don’t need to prepare 2 budgets, just one at +1.5% and know where they would cut if they need to go below that. Charlie Kaslow replied that if you tell them +1.5%, they’ll

expect +1.5% “human nature being what it is”. Ken said that a level service budget and a level funded budget are not the same – level funded means a service reduction and level service budget is more than 0%. Charlie Kaslow commented that he appreciated the difference but that level funding does not necessarily mean reduced services. If necessary, they can go down from +1.5% and look at a level service budget. Michelle Zeamer commented that if town workers are told a “0”% increase in salaries, more groups will look to unionize. Ken said that the wage table (which represents about 10% of town employees) is at 1%. Dan Alfred questioned the step raises on the table and Ken said that the majority of employees have maxed out. Paul LeBeau said that step raises are not solely by longevity, that dept. heads must evaluate employees and can withhold for performance issues. Ken then asked if the table should be overhauled to be performance based and said that this would be a discussion to have with the Selectmen. The table has been questioned at Town Meeting as to where it came from. There also needs to be discussions on other forms of compensation – Quinn bill, sick leave. Where are we compared to other towns? Charlie Kaslow said that the table is awkward at best and asked if the Selectmen have formed any conclusions based upon the Stone report and related discussions / meetings. He asked if there is data of employees leaving; are people leaving due to a lower pay rate? Ken Szajda said the Stone study shows that Holliston is not overpaying its employees and the town may not need to make changes. The FinComm and Board of Selectmen need to decide how to proceed. For budget assumptions, they will proceed with the existing wage table. For the budget memo, 1% will be used for the wage table.

Ken Szajda handed out a draft of the budget review schedule. Charlie Kaslow said that he thought that the schedule should have been generated as a group prior to this evening if it was expected to be approved tonight. Ken said that something had to be started on paper and that’s why they were discussing the schedule tonight. Ken said that it has to line up with the Selectmen’s schedule for many of the budgets. Ken asked FinComm members if there were any problem dates and 2/14 is a possible problem. Charlie Kaslow and Dan Alfred commented that they had professional and personal obligations that might make attendance on February 14th a problem. Charlie Kaslow asked to ensure that the FinComm receive the budgets concurrent with when the Selectmen receive the budgets. He requested electronic copies of all files. Dan Alfred would like electronic and hard copies. FinComm decided that the Town Accountant and the Town Treasurer could be moved from 2/14 to 2/28 if it becomes necessary. The smaller budgets can go any time – Paul LeBeau usually presents those.

Michelle Zeamer, seconded by Dan Alfred, made a MOTION to approve the FY14 budget presentation schedule as amended. Passed 5-0-0.

Michelle Johnson said it would be helpful if all depts. use the same template. Michelle Zeamer said it would be helpful if they included information on revolving funds and grants. Michelle Zeamer, seconded by Dan Alfred, made a MOTION to approve the budget guideline memo. Passed 5-0-0.

Bill Dowd, a member of the audience, asked about the \$6000 approved for the Town Clerk's budget at Fall Town Meeting and if this was an extra position going forward. Charlie Kaslow said he thought it was for this year only. FinComm members weren't sure. Ken Szajda said that the Town Clerk will have to justify the need for the continuation of funding for this position during her budget presentation. Ken said that he had questions for Mary Bousquet regarding the \$.25 fee to pay town bills through Unibank. Bill Dowd voiced concern that there is a repetitive behavior among department heads to keep the budget on guideline, when some could possibly be done under guideline.

At 9:20 PM, Michelle Zeamer, seconded by Dan Alfred, made a MOTION to adjourn the meeting. Passed 5-0-0.

Respectfully submitted,
Faith Antonioli, Secretary

Date Approved: February 14, 2013