

**HOLLISTON FINANCE COMMITTEE
MEETING MINUTES
November 25, 2014**

The Committee convened in Room 105 at Town Hall at 7:04 PM. Present from the Committee were Chairman Ken Szajda, Vice Chairperson Michelle Zeamer, Bill Dowd, Beth Liberty and Brendan Shea. Dan Alfred and Charlie Kaslow were absent.

1. Minutes – Moved by Bill Dowd, Seconded by Michelle Zeamer to approve the minutes of the November 18, 2104 meeting. Five in favor, none opposed, no abstentions, the motion carried.
2. Capital – Ken Szajda reported that he had attended a department head meeting at which the topic of the Capital Template was discussed. He reviewed the purpose and objectives of a Capital Plan and the important first steps of getting a current inventory. Prior to the meeting, Town Administrator Paul LeBeau had circulated the template to DPW, Public Safety and Schools. Others got it after the meeting and have been proceeding, but with questions about such things as the replacement schedule. Ken indicated that the department heads have been asked to complete the inventory side by 12/31/14 and that the issue of replacement timing would be handled during the FY16 budget review meetings.
3. Local Aid impacts of State revenue shortfall – Ken Szajda reported that Speaker of the House Robert DeLeo had nixed any effort to reduce local aid as part of meeting the State's revenue shortfall. The only apparent impact on Holliston is a \$700 reduction in Library support and Charter School reimbursements. Ken pointed out that generally speaking, unless the legislature agrees to other methods, cuts to meet any shortfall in State revenues must come from Executive functions of the State Government. There was a request for an update on Free Cash. Town Administrator Paul LeBeau reported that there was no news. He was still awaiting an explanation from the Department of Revenue. There was a general discussion of the pros and cons of having a Capital Expenditure Fund. Brendan Shea asked Paul to explain the process for requesting and receiving Chapter 90 reimbursements from the State. Paul explained the process and Brendan expressed disappointment with the time it takes for the State to process the checks. Ken Szajda likened the Chapter 90 issue to the local issue of late bills. Bill Dowd took issue with that explaining that department heads have the opportunity to encumber funds that they know they've expended, but have not yet been billed so that when the bill arrives, there are funds to pay it. Ken sought clarification from Paul. Paul confirmed that encumbrances for known obligations near the end of a fiscal year can be obtained, and last for up to a year. Ken noted that was different than he had understood, and expressed his position that those incurring expenses should be taking the steps to encumber the funds, and not letting them fall to late bills. Bill Dowd noted that that was exactly his position for three years now. There was a request for an update on New Growth. Paul reported that based on what he has seen, the Board of Assessors would be seeking certification of an amount in excess of \$500,000. Ken reiterated that actual New Growth in excess of the amount estimated in the model results in a lower property tax levy in that fiscal year, but the full new amount rolls into the next year's levy limit. Paul said the Tax Classification Hearing was scheduled for December 3, 2014 after which the Town's FY15 tax rate would be set. Paul also noted that a new Town Accountant would be starting soon. Her name is Sharon Emerick, she has 17 years experience in municipal accounting, and is currently the Town Accountant in Ashland, MA.
4. FY16 budget planning– Ken Szajda reported that he was pleased to note that FY16 would be the year the Trash Fee disappears. The Selectmen are actually discussing eliminating it this year, but as far as revenue planning goes, the Trash Fee will be \$0 in FY16. Bill Dowd pointed out that while that might be a good thing, he was disappointed that all of the fee levying authorities in Town hadn't collaborated on fee levels. The Trash Fee may be going to \$0, but School fees remain high. Ken pointed out that in past conversations with the School Committee, a hypothetical had been offered

whereby the School budget was increased to cover the fees. When asked if the money would be used to eliminate fees, the School Committee replied "No". Based on that, Ken was not in favor of supplementing the School Budget to reduce fees. Bill reiterated that a community wide conversation would be preferable to the current siloed approach to levying fees. Bill also indicated that he would be proposing a Building Maintenance appropriation within the public buildings budget to handle non-capital building repairs and maintenance. Beth Liberty thought the current capital review process that includes such things was ok with her. Further discussion is needed. Bill also suggested that the method of handling School capital be revisited. He noted that given the broad fiscal autonomy enjoyed by the School Committee, the fall Town Meeting Capital allocation for the Schools is nothing more than a budget supplement. He suggested moving a portion of the annual Capital appropriation to the Schools budget and just let them handle their own Capital needs. Other members were not sure this was a good idea, and so it was tabled for later discussion. Bill also noted that based on having learned that the amount of money received from the School Department to cover the cost of benefits provided to Extended Day staff was approximately \$200,000 in FY14, he believed that process should be revised to be consistent with the way the Water and Ambulance benefits are handled. Currently, the Benefits budgets are voted with no offset for Extended Day staff, and the money received for those Extended Day benefits flows through a Journal Entry and ends up in Free Cash. There is also a need to ensure that the costs of Other Post Employment Benefits (OPEB) get included in the Extended Day benefits costing. There was a brief discussion, but more is needed.

5. Next Meeting – The Committee will meet on December 2, December 9 and December 16 to work through the FY16 guideline statement. Ken Szajda said that he would not be present at the December 2 meeting, but urged members to work through the worksheet model, and come prepared to describe how he/she would state an FY16 budget guideline. The meeting with the School Committee to discuss union contracts has been postponed until January 6, 2015.
6. Other Business – Bill Dowd noted that he had watched Ken Szajda's appearance on the Holliston Cable Access program Just Thinking with Mary Greendale and was concerned that Ken had not made clear that the views he was expressing were his alone. Bill was concerned that a viewer might think Ken was providing a Finance Committee report. Bill thought Ken should have made clear that the views expressed were his alone. Ken agreed. Bill also inquired about a communication protocol he had been made aware of during an inquiry to the School Department. Bill had been told that all questions or inquiries from the Finance Committee to the School Committee were to be funneled through the FinCom Chair – Ken – to the School Committee Chair. Bill indicated that he was not in agreement with such a protocol, if one existed. Ken indicated that in conversation with the School Committee Chair he had agreed that communications from FinCom members to the School Department or School Committee would be copied to him. This was just so that he would be aware of what was being asked or said. It's not that he would be the communicator for the FinCom, but rather, just aware of what was going on. The Committee agreed to copy Ken on any communications with Schools administration or the School Committee.
7. Adjournment – At 8:57 PM moved by Michelle Zeamer, seconded by Brendan Shea to adjourn the meeting. Five in favor, none opposed, no abstentions, the meeting was adjourned.

Approved _____ 12/9/14 _____