

FINANCE COMMITTEE MINUTES

Open Session

December 10, 2013

The Finance Committee meeting was called to order at 8:05 PM in the Selectmen's Meeting Room of Town Hall. The following Finance Committee members were present: Ken Szajda, Michelle Zeamer, Charlie Kaslow, Dan Alfred, Beth Liberty and Bill Dowd. Brendan Shea was absent

At the opening of the meeting, School Committee Chairwoman, Erica Plunkett requested and received approval of Chairman, Ken Szajda to offer public comment. Erica Plunkett stated that:

- The Holliston public school system reflected favorable performance metrics as compared to other school systems in state.
- That currently, parents of students are paying / subsidizing fees that should be taxpayer funded.
- That as stated previously in public meetings, the Holliston public school system sought to lead not follow.
- That the proposed 1% guideline was not sufficient for operation of the school department.

Chairman Szajda discussed a late amendment to meeting posting for the committee to enter executive session. Dan Alfred made a motion, seconded by Michelle Zeamer to enter executive session to discuss matters relating to collective bargaining strategy, and that following the executive session the committee would return to open session.

Roll Call Vote:

Alfred YES

Kaslow YES

Szajda YES

Zeamer YES

Dowd YES

Liberty YES

Chairman Szajda stated that a public discussion could have an adverse affect on the Town's bargaining position. The committee entered executive session at 8:12PM. School Committee Chairperson Erica Plunkett and Town Administrator Paul LeBeau were also present for the Executive Session.

The committee returned to open session at 8:28PM.

- Dan Alfred requested the chair to address revenue assumptions and recommendations for use of free cash.
- Beth Liberty inquired whether free cash was part of omnibus, Chairman Szajda responded that yes it was, and explained the funds flow.
- Beth Liberty then inquired what the town's borrowing limits were and what its impact on our rating might be.
- Town Administrator, Paul LeBeau responded that the actual debt load was approximately \$3M and that the town owes approximately \$50M out to 30 years.
- Beth Liberty then inquired the 2014 variance to budget by departments.
- Chairman Ken Szajda stated that the committee had a majority 1% recommendation and a potentially different rate for schools.
- Chairman Ken Szajda inquired what member recommendations were for schools?
- Committee conducted extensive discussion on individual member recommendations for the operating budget, stabilization, capital and free cash to reach a consensus on budget recommendation.
- Dan Alfred made a motion seconded by Charles Kaslow for a 1% recommendation except for schools.
- Selectman Leary inquired of the committee what drove the 1% recommendation figure?
- Bill Dowd commented that his opinion was driven by funding capital and stabilization.
- Chairman Szajda inquired of the committee what should be recommended for the schools?
- Bill Dowd commented that the committee should not necessarily be utilizing an across the board recommendation and that Holliston is a "school" community and that the schools produce a good "product" and value for the funding provided.
- Michelle Zeamer commented that using a different rate for the schools was not fair or equitable.
- Dan Alfred commented that he agreed the town should support the schools and has done so over time.
- Bill Dowd commented historically, the committee has not done so but rather has revised recommendations at the last minute.
- Chairman Szajda commented that the decision on a guideline percentage for the Schools may be academic as 11th hour changes would likely happen as before.
- Chairman Szajda asked School Committee Chairwoman Erica Plunkett did budgeting earlier than January and suggested that school recommendation be deferred until January at least.
- On Dan Alfred's motion, 4 in favor, 2 opposed (Szajda and Zeamer), no abstentions, the motion carried.
- Bill Dowd made motion to recommend 1.5% for schools which was seconded by Beth Liberty. Debate followed on the recommendation and whether school percentage should be same as other departments as a matter of fairness and equity.

- Michelle Zeamer made a motion to amend the motion on floor to adopt a 1.5% guideline across all departments, which was seconded by Dan Alfred. Five in favor, one opposed, the amendment carried. On the amended motion, six in favor, none opposed, no abstentions, the motion carried.
- Bill Dowd made comment that the committee should have budgets nailed down by March 15th. Bill Dowd inquired of Paul LeBeau about posted costs for OPEB and pensions. Paul LeBeau explained the situation.
- Dan Alfred proposed that the following be agreed:

Stabilization	\$0
Capital	\$650,000
Free Cash	\$375,000

- Chairman Szajda discussed the committee's approach to capital planning / funding.
- Committee discussed various strategies for funding in light of past performance by department heads wanting to take free cash. Discussion continued to consider funding plans and strategies and to move to \$375K in free cash in the model.
- Town Administrator Paul LeBeau recommended that free cash be used for unusual and one time events / needs and that the prioritized list should be agreed as a matter of policy.
- Dan Alfred made motion seconded by Michelle Zeamer to renew the secretary posting to January 7, 2014. Vote to approve was unanimous with no abstentions.
- At 10:58 PM, Dan Alfred made motion to adjourn the open session, which was seconded by Michelle Zeamer. Vote to approve was unanimous with no abstentions.

Respectfully submitted,

Date Approved: January 28, 2014

Charles Kaslow, Clerk