

FINANCE COMMITTEE MINUTES
May 6, 2013

The meeting was called to order at 6:37 PM in the Library of Holliston High School. The following members were present: Ken Szajda, Michelle Zeamer, Charlie Kaslow and Dan Alfred. Michelle Johnson was absent from the meeting.

Concurrent with School Committee deliberations prior to town meeting the Fin Com Ken Szajda opened the meeting by reviewing with members the current budget gap between the FinCom's recommendations and School Committee recommended budget. He relayed that liaison discussions with the School Committee has indicated that the School Committee has closed the gap to approximately \$147K. He polled the members present if the sentiment supported reconsideration of the members present to increasing the budget recommendation for Schools by the \$147K to \$29,536,561 was worth considering. The consensus of the members present was that they believed it was worthwhile. Several members commented that the last minute reconsideration to reach an agreement with the School Committee at the last minute was a concern. Selectman Leary who was present commented to the members that this process had a high level of visibility to many of the town employees who worked for departments who complied with the budget guideline and did not come in over budget. He commented that the message would appear that working hard to maintain a tight budget on or under guideline was not rewarded but in fact penalized by the proposed reconsideration. Dan Alfred commented that depending upon how any additional School funding was supported that it would still be possible to support requests like the Council on Aging request for personnel at the Senior Center. Selectman Leary inquired where the FinCom was seeking to fund any additional monies for the School budget. Chairman Szajda advised that the Snow & Ice had come in under planned numbers and had some unexpended funds, Selectman Leary reminded the members that this was "one time" money and that if added to the School would become the baseline for future operating budgets requiring recurring funding. Chairman Szajda responded that the FinCom was covering the cost in the current year. Dan Alfred commented that he hoped it would be a one-time cost as he believed that the current School labor contracts were unsupportable and that the current process was apparent to the School Committee. Discussion in regard to reconsideration and current last minute budget gap negotiations addressed whether the School Committee would be agreeable to commit to inclusion of representatives of the Board of Selectmen and the FinCom at the contract bargaining table. Selectman Leary commented to the FinCom that if you were a town employee who got a 1% raise and complied with the budget guideline and you see the School employees get a 3.5% increase and then force a late change for even more, you would feel like you came up short. Dan Alfred commented that unless the School Committee agreed to having FinCom and Selectman at bargaining table he was not inclined to reconsider or vote any additional funding. The members then discussed the fact that the School Committee could not be required to include others as they along hold the statutory authority. The School Committee could include others in one capacity or another but would be up to their discretion and could not be binding. The FinComm then discussed the unsustainability of the School budget and process in light of the town's revenues and other obligations. Dan Alfred commented that he was frustrated being put in this

position by the unsustainable school department contracts in absence of a plan to fund. The other board members commented that they too were frustrated by the current process and the inequity it dealt to other town employees. Michelle Zeamer commented that the current process and any plan to seek additional funds for Schools from sustainability fund would be seen unfavorably by bond rating agencies with resultant additional future borrowing costs. Selectman Leary asked the FinComm if faced with these facts why would you want to reconsider and provide additional funds? Charlie Kaslow commented that he saw this situation as a parallel to the one prior to fall town meeting with the Fire Department in that the FinComm is considering action in a compressed timeframe that doesn't support as thorough a review as warranted. He commented that the difference being, the fall case with the Fire Department was a fairness / equity issue for a department that met guideline and provided more and asked less. He commented that the Fire Department situation was a lot easier to rationalize than the current situation. Selectman Leary cited the significant annual increases in the School Department that have been funded year over year so that the issue is not that we do not support our schools. He commented that the fundamental unfairness is that the Council on Aging was denied a small increase in funding to support the seniors in town which comprise 25% of the population because of the situation created by the School budget issues.

Chairman Szajda rejoined the meeting after briefly conferring with the School Committee. He commented that they would entertain involving the FinComm and the Board of Selectmen in upcoming labor negotiations. He commented that they realize that they need more help in the process of the labor negotiations. Ken Szajda commented that like other departments they are trying to push their budget as close to the edge as possible and that historically they have been able to cover the gaps by fees or unplanned state / federal funding but that circumstances have changed and they recognize they need help. He indicated that though the current discussions may cause some concern, the risk is even greater if someone on the floor amends the article and votes a much larger increase ahead of upcoming labor negotiations and the message that would send to the unions. Lisa Galeaz-Weber, Chairperson of the School Committee Budget subcommittee, joined the FinCom meeting from the ongoing School Committee meeting in an adjacent area of the library. She commented that she and the School Committee shared the concept of inclusion in the budgeting process and were open to involvement in the labor contract process. She commented that the decision as to precisely who in addition to the School Committee members can be at the table is what remains to be clarified. Ken Szajda, commented that anybody can be at the table as long as it is sanctioned by the School Committee. It was confirmed that Paul LeBeau will be at the table for the next negotiation and has a vote. Lisa Galeaz-Weber stated that the School Committee would hold executive sessions to update the FinCom and the Board of Selectman during labor negotiations. Ken Szajda commented that both the FinCom and the Board of Selectmen were looking for a more "hands on" involvement in the process. Charles Kaslow commented that the current process is clearly dysfunctional where the two groups, the School Committee and the FinCom/Board of Selectman generate and budget independently and then we are surprised when we get to the end of the process and find a large gap in the figures. Lisa Galeaz-Weber commented that she also sought a more functional process. Dan Alfred inquired whether she would be willing to state this publicly during the Town Meeting session. She explained that to discuss these issues

with the School Committee that she would have to go into executive session as they involve labor negotiation considerations. As she had not publicly posted for that purpose in accordance with Open Meeting Law, this was not possible at the time and as a result she could not make such a statement at this time. She commented that she generally agreed but that it was not possible to make that happen in the next 30 minutes prior to town meeting. Selectman Leary commented that it would not be acceptable to come to Town Meeting again without an agreed budget with the School Committee. Lisa Galeaz-Weber commented that this was the first time in eight years that School Committee had come to Town Meeting without a budget agreement with the FinCom. She recommended that meetings this summer with the FinCom would be the plan to start the process early enough to ensure the current situation is not repeated. Chairman Szajda relayed that the new figure that the School Committee had voted to recommend was \$29,536,561 which represented a \$147,000 increase over the FinCom's current recommendation. He inquired whether the FinCom was inclined to make a motion to reconsider and if so to make a motion. Michelle Zeamer made motion to reconsider the School Department budget recommendation for the Fy14 budget. Motion was seconded by Dan Alfred. Vote to reconsider was approved unanimously with no abstentions. Chairman Szajda then inquired of the FinCom, if the additional funding was supported where would it be funded from? He commented that one option would be to use stabilization as opposed to operating budget to fund the Casino Study article which would free that \$100K for the School budget. Selectman Leary commented that he was not happy with this process, several members agreed and commented that they were not happy either. Dan Alfred made a motion to amend the recommended School budget to \$29,536,561. Motion was seconded by Michelle Zeamer. Motion was approved unanimously with no abstentions. Member Zeamer stated that for the record she was not happy with the current situation. Dan Alfred added that he hoped that FinCom, Selectmen and the School Committee would work together in a spirit of cooperation in the future to avoid the current situation. Lisa Galeaz-Weber thanked the FinCom on behalf of the School Committee for working with them to reach an agreement. She asked whether she should make a statement on the floor of Town Meeting that the agreement was achieved with the support of the FinCom. She was encouraged by Charles Kaslow to state the School Committee's position in light of the recommended change and to share that with Town Meeting whatever their position maybe.

Chairman Szajda inquired of the FinCom whether there was a consensus to reconsider the Casino Funding and to take it from Stabilization as opposed to its current funding from operating budget. Charles Kaslow inquired whether not reconsidering the Casino Study funding and taking the \$147K for Schools from Stabilization to minimize the number of changes. Chairman Szajda commented that because the Casino Study was a one-time expense that it would be more appropriate to take it from Stabilization. Dan Alfred made a motion to reconsider article twenty-one for the Casino Study funding, seconded by Michelle Zeamer. Vote was unanimous with no abstentions. Motion was made by Michelle Zeamer to appropriate \$100K for Casino Study from the Stabilization Fund. Motion was seconded by Dan Alfred and approved unanimously with no abstentions. Michelle Zeamer inquired whether the FinCom needed to address the Snow & Ice as a funding source for the Schools, Chairman Szajda commented that no action was necessary in that regard.

Water Commissioner Chairman, Jared Adams and Water Superintendent, Ron Sharpin met with the FinCom in regard to seeking authorization for the purpose of a truck to support daily operations. Dan Alfred inquired about the recent operational issues in regard to fire hydrant's. Chairman Szajda advised that the specific request of a truck and funding needed to be addressed first. Water Department has requested the replacement of a vehicle at cost of \$50K. Chairman Szajda commented that there didn't exist an issue that the money existed to fund the truck existed but that the budget presented to the FinCom had only \$1K remaining in uncommitted funds. Jared Adams commented that it appeared that there would be \$100K remaining. Chairman Szajda requested Chairman Adams to explain the difference in what was presented to the FinCom during review and what is being discussed now. Ron Sharpin reviewed the revenue expectations and current obligations which supported sufficient funds. Chairman Szajda commented that he supported recommendation to purchase the vehicle if the budget numbers being offered now by the Water Department were certified. Michelle Zeamer asked why the purchase could not be deferred until after fall Town Meeting. Ron Sharpin and Jared Adams commented that they were opening two new wells with long access roads that will require delivery of chemicals to support daily operations. Additionally, they commented that the lead time for the delivery of the vehicle would present risk to having before snow fell in the fall. Dan Alfred inquired again about the hydrant issues and that he did not feel he had sufficient information at this time. Charlie Kaslow inquired what the remaining useful life was in the current vehicle. Ron Sharpin commented that they have trucks now that go back to 1995 with over 100K miles. Charlie Kaslow then inquired whether the request was in fact urgent and non-discretionary at this time. Ron Sharpin commented that the truck is needed now. Ron Sharpin advised that three to four months lead time would be required to take custody of the vehicle once ordered. Charlie Kaslow asked the Water Department if in not ordering the truck now would be a risk to the operation of the Water Department as opposed to a convenience. Jared Adams commented that the answer was yes, they now had additional wells (#4 & #7) that required servicing. Chairman Szajda advised FinCom that they needed to adjourn to Town Meeting and polled the members as to what they wanted to do on the Water Department truck request. Michelle Zeamer commented that she supported the request if it was contingent upon certifying that the funds were available by July. Jared Adams commented that if they did not have the money available they would not purchase the vehicle. Members Dan Alfred and Charlie Kaslow reiterated Michelle Zeamer's comment. Motion made by Charlie Kaslow to reconsider article 16 funding recommendations, seconded by Michelle Zeamer. Motion was carried unanimously with no abstentions. Motion was made add recommendation that the town appropriate \$49K for Water vehicle contingent that the purchase would not cause the Water Department surplus to fall below \$15K. Dan Alfred made motion to approve, seconded by Michelle Zeamer. The motion carried unanimously with no abstentions.

Motion was made to adjourn to Town Meeting by Charlie Kaslow, seconded by Michelle Zeamer and was unanimously approved with no abstentions at 7:29PM.

Respectfully submitted,
Charles Kaslow

Date Approved: May 14, 2013