

Selectmen's Meeting February 17, 2000

Attendance: Charles J. Sisitsky, Valerie W. Mulvey, Esther A. H. Hopkins and John M. Kahn.

Mr. Sisitsky called the meeting to order at 7:30 p.m. and reviewed the agenda for the viewing public.

Public Participation

Ginger Esty, Board of Public Works, raised the issue of hiring an independent engineering firm to address MWRA sulfide concerns. Ms. Esty asked the Selectmen to consider issuing an RFP for this purpose.

James McCann, Precinct 14, rose to compliment the Public Works Department.

Mr. McCann asked the Selectmen if they addressed the issue of having a hearing on the municipal policy of plowing church parking lots.

Secondly, Mr. McCann asked the Board if it was possible for the town to set a policy asking that union labor be hired for construction projects within the town.

T. Buff Franchi raised the issue of downtown traffic. He reported that trains and trucks blocked traffic for almost twenty minutes recently. Mr. King was asked to check with the police regarding time limits for blocking the crossings.

Woodstuff Furniture noted that J.C. Penny would now be housed in the Woodstuff store, which will bring more shoppers to the downtown.

Hearing – RCN/Beco. Com – Installation of Telecommunication Conduit

Barry Maffini, representing RCN came before the Selectmen to request permission for the installation of telecommunication conduit.

Mr. Maffini requested that the hearing be continued until February 24th since there were some errors in the plans. Mr. Sisitsky asked if the corrections could be made prior to another hearing. Mr. Maffini agreed to the Chair's request.

Motion:

Moved by Ms. Mulvey, seconded by Dr. Hopkins, to continue the hearing until February 24, 2000. So voted, unanimously.

Audit Report – Melanson Heath & Company Auditors

Patricia Squillante of Melanson Heath and Company came before the Selectmen to present the annual audit report. Also present were Mark Rees, CFO, Richard Howarth Town Accountant and members of the Audit Sub-Committee. Ms. Squillante reported that many of the prior year's suggestions had been implemented, however, she did note that the undesignated fund balance of \$700,000 was small given a budget of \$125 million and could be problematic.

Mr. Kahn asked if a complete audit of all town funds was conducted. The management letter indicates that only a test audit is conducted. Ms. Squillante stated an audit was only conducted in the areas of high risk, which included the Treasurer's Office and other offices taking in receivables. Additionally, an in-depth study is conducted in larger departments. The Chief Financial Officer has initiated internal audits.

The audit included the examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management.

The audit report pointed out several departures from generally accepted accounting principles. They are:

- General fixed asset acquisitions (non-enterprise) are not capitalized in a general fixed asset group of accounts.
- The Town does not report the total accumulated employee compensated absences as a liability.
- The Town established a separate Arena Enterprise Fund and Water and Sewer Enterprise Funds which did not include certain assets and certain expenses such as depreciation have not been recorded as required by generally accepted accounting principles.

Management Letter

Ms. Squillante reported that the current year issue is:

Reconciliation of school ledger records to general ledgerPrior Year Issues:Decrease Reliance on Free Cash to Fund Operating ExpensesEnter Cash Activity in Treasurer's OfficeReconcile and Update Tailings Account

Mr. Kahn mentioned that the management letter did not include a review of the internal audit system and he would like a report from Melanson Heath on this system.

Mr. Kahn then asked about the enterprise funds and un-reported compensated absences. Ms. Squillante felt that compensated absences should eventually be accounted for, but she did not express great concern about this matter.

Mr. Sisitsky asked if the town's responses to the management letter were satisfactory to the auditors. They are.

Mr. Rees emphasized that revenue estimates were not met in 1999 and cautioned the town that this could present a problem. In addition, Mr. Rees noted that the expenditure of free cash to balance the budget was imprudent and he stressed that free cash should only be used for a one time capital outlay.

Mr. Rees presented the Board with a comparative statement of revenues, transfers, expenditures and changes in fund balances. He pointed out that 1999's budget was balanced by transferring money from the stabilization fund. This practice is not considered sound.

Mr. Taylor, Audit-Subcommittee, reported that his committee was pleased with the thoroughness of the audit and felt that issues are being adequately addressed by the administration and that the town is continuing to move in the right direction.

Mr. King thanked all participants on the Audit Sub-committee, as did Mr. Kahn.

Report on Trash Privatization:

Mr. King stated that both municipal and school administration reviewed three services for the potential of alternate methods of delivery. Among them was a study conducted on trash privatization. Mr. Rees reviewed the findings of the trash privatization study, which he reviewed for the Board. The town cost with all variables figured in would be \$1,090,986. A draft RFP indicated that contractors would charge the town more.

Mr. Kahn asked what new sanitation equipment would cost the town and if depreciation was factored into the costs. He was told that depreciation is factored into debt service. Mr. Kahn asked if merging town and school functions could be done. CGR Consultants indicated that a merger could achieve no substantial savings. He then asked if recommendations from the CGR report were being implemented. Mr. King has tasked Mr. Rees, Mr. Joy and Mr. Egan to report on potential savings if the recommendations were adopted.

Mr. Kahn felt that the CGR report was helpful and he emphasized that he felt it was a mistake not to distribute the results of the reports to Town Meeting members. Mr. King agreed, was waiting for the final report from the school department and would provide the report to Town Meeting members.

Mr. Sisitsky noted that increasing recycling would help reduce costs and asked if in-house recycling could be done. Mr. King said that administration was not currently looking at this issue but he would pursue this avenue. The BFI contract is up for renewal in 2003. Mr. Sisitsky felt the fees would rise from BFI in the near future. Mr. King was asked to review the matter.

Ms. Esty, Commissioner of Public Works, noted that the trash trucks are also plow trucks and do save the town money. She stated that the Town of Wellesley burned trash to generate electricity and hoped Framingham might consider doing the same.

Secondly, Mr. Kahn asked if the trash privatization report was provided to the Finance Committee and Ways and Means Committee. Mr. King said it was not, but results of the reports will be made available to Town Meeting in March.

The report concludes that it is less expensive for the town to continue collecting trash with municipal employees than by privatizing because the private contractor is subject to the prevailing wage law for that service. Secondly, in 1999, the Board of Public Works recommended to Town Meeting that the service be privatized. Town Meeting rejected the proposal but cut the funding and the department was forced to downsize. This policy has been successful.

Dr. Hopkins noted that Framingham did not meet recycling goals and asked if a program to change this might occur. Mr. King felt that educating the public and possibly implementing a "pay as you throw" program would address these issues.

Presentation of Budget – George P. King, Jr., Town Manager

Mr. King prefaced discussion of the budget by saying he was pleased to report that the potential \$5,000,000 shortfall for this year has been diminished to the point that he is able to recommend a balanced budget. The major changes are as follows:

- A reduction of projected retirement expenses by an estimated \$1,000,000
- A reduction of approximately \$1,000,000 in health insurance
- An increase of over \$1,000,000 in Chapter 70 aid
- A reduction of over \$1,000,000 in requested school spending and \$500,000 in municipal

spending

Budget Highlights

- Maintains Current Services
- Reserves Money for FY 2001 Contracts
- Limits Stabilization Use to Teacher Pay Deferral
- Does Not Recommend an Operational Override
- Maintains funding for Police Cruiser replacement
- No Municipal Program Expansion
- Total Increase 5.13%

Projected shortfall

\$1,000,000 reduction in retirement expenses

\$1,000,000 reduction in health insurance

\$1,000,000 increases in Chapter 70 aid

Reduction of \$100,000,000 school spending

Reduction of \$500,000 municipal spending

Revenues:

- Statutory Increase of \$2,331,901
- New Growth projection of \$2,100,000
- New growth is highest projected number in history
-

Local Receipts – overall reduction

Reduction of interest on investments

Medicaid Phase 2 program not funded

Building permit fee decrease

Excise and room taxes increasing

-
Increases in state aid are as follows:

Cameron School reimbursement \$1,132,290

Chapter 70 increase \$1,000,000

Increase in Lottery Funding

Increase in State Owned Property

Budget Risk – Governor's cut \$600,000 proposed

Mr. King indicated that FY 2001 **revenues** are projected to increase just over 5%. Categories anticipated to increase include property taxes, local receipts, state aid and enterprise fund revenues with a projected increase of **7.82%**.

Expenses continue to be demanding. Municipal departmental budgets yield small-recommended increases and a net of zero new positions with the total increase recommended of **1.33%**. The **school department** is requesting an increase of 6.21% or \$3,704,103 before collective bargaining costs are considered. Presently, this budget recommends an increase of **\$2,443,180 or 4.10%**. The difference is **\$1,260,923. Increases:**

Public Works	2.44%		
Police	0.13%	Park & Rec.	0.71%
Fire	1.47%	Library	1.59%

Budget change – General Government 1.76% decrease

Education

Keefe Tech -less than 4% increase

Public schools increase is recommended at **4.10%** - school is requesting **6.21%**

Difference of \$1,260,923

Risk Factors

Insurance increase is minimal - 7%

Debt Service increases of nearly \$2,000,000 (\$700,000 funded by state for Cameron School)

Workers Compensation and Unemployment reduced

Salary reserve for increases of \$1,500,000

Governor's Additional Assistance Recommendation

Motor Vehicle Excise projection is substantial

\$230,000 is budgeted for supplemental lottery aid

Policy Considerations**Town Administrative Reorganization**

Mr. King recommended eliminating the stand-alone position of Chief Procurement Officer and replacing it with an Assistant Town Manager who will have procurement as a duty. The clerk's position will also be eliminated and replaced with a purchasing assistant.

Refuse Disposal

Costs for trash disposal will have risen nearly 50% per ton in just over three years. Mr. King is asking that the Director of Public Works reviews the sanitation operation and reports to the Board in November.

Special Education

Mr. King recommended that the School Committee undertake a professional review of our special education operation.

Mr. King noted that additional information would come to light. The budget includes \$350,000 for the Learning Center for the Deaf, which is a risk. Also, the motor vehicle excise tax projection is substantial. Furthermore, only \$230,000 is budgeted for supplemental lottery aid. This figure is not firm. The budget does not allow for new programs but is presented as balanced.

Discussion

Mr. Sisitsky asked if any lay offs were projected. They are not. As far as reduction in services, the

school department will have to address this matter. Mr. Sisitsky asked why building permit fees were not projected to increase given the high level of new growth. Mr. Rees felt that the \$2.1 million dollar figure should be met.

Mr. Sisitsky asked why the Cameron School funding was not factored in. Mr. King explained that the money is factored in as debt service.

Mr. Kahn asked about the 90% reimbursement for Cameron School. Mr. Rees stated that the School Building Assistance Fund did not give the full reimbursement until an audit was conducted.

Mr. Kahn complimented the CFO and Town Manager for their role in administrative restructuring. Mr. Kahn then asked about the statutory increase of \$2.3 million and questioned how new growth was factored into tax revenues. Mr. Kahn noted that new growth moneys come from taxpayers, which is born by both residential and commercial property because of increased levy.

Mr. Sisitsky asked if state law obligates the town to obtain permanent financing for Cameron School. Mr. Tosti, Fleet Bank, noted that debt would be realized in the future.

Both the Town Manager and the CFO were heartily complimented.

Presentation – Alan Tosti, Fleet Bank Financial Advisor

Mr. Tosti of Fleet Bank has been the town's financial advisor for many years. His primary role is to assist us in bringing bonds to market in the most beneficial manner possible. Additionally, he helps create the "official statement" which forms a large portion of the prospectus for our bond issues. Sometime in March, the town expects to float bonds for nearly \$20,000,000. A portion of the bond sale is the assignment of a credit rating from Moodys. The higher rated the bond issue, the lower the interest rate. Framingham had Aa3 bond rating for many years.

Mr. Tosti stated that a one-year up or down change does not affect the bond rating. Factors that do affect the town's bond rating include economics, finances, debt and management. A town's rating helps with interest factor risks and is an indicator of how well the town is doing.

Mr. Tosti went on to say that Framingham's finances were on the weak side. He noted that a stronger Town Manager and the addition of the CFO were a great improvement and one that rating agencies liked to see. Moodys reports that a moderate debt position is mitigated by substantial state aid.

Mr. Sisitsky asked how often the town was rated. Mr. Tosti stated that ratings occurred on a yearly basis. Mr. Sisitsky asked about the goal for the town. Mr. Tosti stated that he felt it would remain the same.

Dr. Hopkins asked how improvement could be achieved. Mr. Tosti felt that the use of the stabilization fund and free cash was a significant issue and reserves should be reinforced. Dr. Hopkins then noted that bond ratings did not reflect service delivery. Mr. Tosti agreed but still felt that reserves would protect future services.

Dr. Hopkins asked if bonds ever sold trickle back to taxpayers. Mr. Tosti stated that they could.

Mr. Sisitsky asked what the effect would be on interest rates if our bond rate increased. Mr. Tosti thought about ten percentage points.

Mr. Kahn raised the issue of free cash in terms of how it was generated. He felt that if expenditures

were managed carefully the town would be less likely to have free cash. Mr. Tosti thought that conservative management was an important factor in the free cash picture. Mr. King concurred with Mr. Kahn noting that an effort should be made to budget reserves however the demand for services continues to increase greatly.

Town Manager's Report

Common Victualer License

Mr. King stated that the Selectmen had requested that all new common victualer licenses be issued only after a public hearing before the Board. Mr. King asked Jack Walsh to outline his suggestions, which has been done. Mr. King would like the Board's feedback before officially formalizing the policy.

The new policy requires the applicant to submit floor plans and equipment, a copy of Bill of Sale or Lease Agreement, sign-off from the Building Department, Board of Health and other related departments particularly the Treasurer's Office to insure that all taxes, fees, fines, etc. have been paid to the town. Additionally, a Business Certificate from the Town Clerk's Office may be required. CORI checks may be added to the list of requirements and sample menus may be requested.

Mr. Sisitsky wanted to make certain that all fees and fines are paid and that abutting properties should be delineated in order to determine traffic impact. He would also like an indication of whether entertainment is proposed and who the manager of record is.

Mr. Kahn asked if Town Counsel reviewed the policy. He has not. Mr. Kahn noted that the statute authorizing Common Victualer's licenses is vague. He would like more information about standards for applicants. In addition, Mr. Kahn felt it important not to duplicate the efforts of other boards. Finally, he noted that if someone wants a license for a proposed business the applicant must provide an estimate of the projected costs. He suggested this category should be added and a time limit set during the construction period.

Dr. Hopkins thought that an entire construction season could go by without a license being used and asked why the Board was pursuing this route on Common Victualer license applications. Mr. Sisitsky felt that the Selectmen should review these licenses to protect existing neighborhoods. Mr. Moore asked how many Common Victualer's licenses exist. Mr. King will determine this for the public.

Mr. King reported that the MWRA held a meeting of area officials to discuss the sulfide problem. Mr. Call felt that the approach was much more conciliatory than it had been in the past. It does appear that the specific sulfide limit will not be placed on our permit as of July 1, 2000 and will be held off until at least January. Mr. Sisitsky pointed out that samples will be necessary and the MWRA is being asked to undertake this project.

WMEX

Alex Langer, owner of WMEX radio met with Mr. King this week. He reported that the radio station has resolved most of the interference problems. Mr. Langer will be invited to a meeting in March to be introduced to the Board.

Fire Safety

Mr. King reported that a fire drill was held in the Memorial Building this week and all employees and customers promptly vacated the building.

Mr. Kahn asked Mr. King if a letter had been sent to the State Ethics Commission regarding the Permanent Building Committee matter. Mr. King stated that the PBC was invited to appear before the Board. Mr. King has written to the State Ethics Commission and will make copies of his letter for the Board.

Mr. Kahn reported that the Capital Budget Committee requested that the Town Manager prepare for the proposed bylaw change regarding the PBC. Mr. King stated that he would present his findings to the Selectmen next week and that the motion to fund the school project will be made by the CFO.

Mr. Kahn said that Mr. Amarello made some promises about the Rt. 135 project. Mr. King stated that he would determine the start up date of the project.

Mr. Kahn asked what the status of the kennel project was. Mr. King stated that meeting would be held in the very near future.

Selectmen's Reports

Mr. Kahn reported that he served on the United Way committee and mentioned the need for social service agencies (Framingham Community Partners) not to duplicate efforts.

Mr. Kahn announced that the Crispus Attucks bridge dedication would occur on March 5th. Dr. Hopkins was designated to appear on behalf of the Board.

-
Ms. Mulvey reported that MPO meetings have occurred weekly regarding the regional transportation plan. A forum will be held in Framingham on March 28th in Nevins Hall.

Ms. Mulvey announced that Metro West Growth Management would be holding a meeting at the Natick Public Library on March 8th. Municipal finance and various other topics will be discussed.

Ms. Mulvey noted that Las Vegas Tercentennial Night would be held on February 25th in Town Hall. There will be a raffle, games and refreshments, with a Country Western event held on the following week.

Mr. Sisitsky announced that three Framingham Firefighters received the Firefighter of the year award. He attended the ceremony with Chief Smith.

Mr. Sisitsky attended a taping sponsored by Citizens for a Strong Framingham. He urged everyone to watch the program.

Dr. Hopkins discussed the regulation of cell towers and asked if Framingham was involved in the legislation process. Mr. King will report his findings to the Selectmen.

Mr. Kahn requested a list of locations of existing cell towers in Framingham. Mr. King will provide this for the Board.

-

Action Items

Approval of minutes of January 13, 2000 and January 20, 2000, open and executive sessions.

Motion:

Moved by Dr. Hopkins, seconded by Ms. Mulvey, to approve the executive session minutes of January 13, 2000. So voted, unanimously.

Motion:

Moved by Ms. Mulvey, seconded by Mr. Kahn, to approve the open session minutes of January 20, 2000. Clarification was provided on Ginny Marino's title. So voted, unanimously.

Motion:

Moved by Dr. Hopkins, seconded by Mr. Kahn, to approve the executive session minutes of January 20, 2000 with the provision that a typographical error "on the say is corrected to on to say." So voted, unanimously.

Approval of one-day license – Brazilian Americans

Two detail officers and three certified bartenders are required for the event.

Motion:

Moved by Ms. Mulvey, seconded by Mr. Kahn, to approve the request of the Brazilian Americans for a one-day license on February 26, 2000 subject to the. So voted, unanimously.

Ms. Mulvey would like Lt. McCarthy to report to the Board on revisions to our local alcohol policy.

Motion

Moved by Ms. Mulvey, seconded by Mr. Kahn, to move into executive session to discuss collective bargaining, bargaining with non-union personnel and an ongoing police investigation. So voted, by roll call. Mr. Sisitsky yes, Ms. Mulvey yes, Dr. Hopkins yes, Mr. Petrini yes and Mr. Kahn yes. Motion carried unanimously.

Mr. Kahn asked Mr. King if a letter had been sent to the State Ethics Commission regarding the Permanent Building Committee matter. Mr. King stated that the PBC was invited to appear before the Board. Mr. King has written to the State Ethics Commission and will make copies of his letter for the Board.

Mr. Kahn reported that the Capital Budget Committee requested that the Town Manager prepare for the proposed bylaw change regarding the PBC. Mr. King stated that he would present his findings to the Selectmen next week and that the motion to fund the school project will be made by the CFO.

Mr. Kahn said that Mr. Amarello made some promises about the Rt. 135 project. Mr. King stated that he would determine the start up date of the project.

Mr. Kahn asked what the status of the kennel project was. Mr. King stated that meeting would be held in the very near future.

Selectmen's Reports

Mr. Kahn reported that he served on the United Way committee and mentioned the need for social service agencies (Framingham Community Partners) not to duplicate efforts.

Mr. Kahn announced that the Crispus Attucks bridge dedication would occur on March 5th. Dr. Hopkins was designated to appear on behalf of the Board.

Ms. Mulvey reported that MPO meetings have occurred weekly regarding the regional transportation plan. A forum will be held in Framingham on March 28th in Nevins Hall.

Ms. Mulvey announced that Metro West Growth Management would be holding a meeting at the Natick Public Library on March 8th. Municipal finance and various other topics will be discussed.

Ms. Mulvey noted that Las Vegas Tercentennial Night would be held on February 25th in Town Hall. There will be a raffle, games and refreshments, with a Country Western event held on the following week.

Mr. Sisitsky announced that three Framingham Firefighters received the Firefighter of the year award. He attended the ceremony with Chief Smith.

Mr. Sisitsky attended a taping sponsored by Citizens for a Strong Framingham. He urged everyone to watch the program.

Dr. Hopkins discussed the regulation of cell towers and asked if Framingham was involved in the legislation process. Mr. King will report his findings to the Selectmen.

Mr. Kahn requested a list of locations of existing cell towers in Framingham. Mr. King will provide this for the Board.

Action Items

Approval of minutes of January 13, 2000 and January 20, 2000, open and executive sessions.

Motion:

Moved by Dr. Hopkins, seconded by Ms. Mulvey, to approve the executive session minutes of January 13, 2000. So voted, unanimously.

Motion:

file://C:\DOCUME~1\ADMINI~1\LOCALS~1\Temp\ELF59\feb17.htm5/23/2006

Moved by Ms. Mulvey, seconded by Mr. Kahn, to approve the open session minutes of January 20, 2000. Clarification was provided on Ginny Marino's title. So voted, unanimously.

Motion:

Moved by Dr. Hopkins, seconded by Mr. Kahn, to approve the executive session minutes of January 20, 2000 with the provision that a typographical error "on the say is corrected to on to say." So voted, unanimously.

Approval of one-day license – Brazilian Americans

Two detail officers and three certified bartenders are required for the event.

Motion:

Moved by Ms. Mulvey, seconded by Mr. Kahn, to approve the request of the Brazilian Americans for a one-day license on February 26, 2000 subject to the. So voted, unanimously.

Ms. Mulvey would like Lt. McCarthy to report to the Board on revisions to our local alcohol policy.

Motion

Moved by Ms. Mulvey, seconded by Mr. Kahn, to move into executive session to discuss collective bargaining, bargaining with non-union personnel and an ongoing police investigation. So voted, by roll call. Mr. Sisitsky yes, Ms. Mulvey yes, Dr. Hopkins yes, Mr. Petrini yes and Mr. Kahn yes. Motion carried unanimously.

file:///C:/DOCUME~1/ADMINI~1/LOCALS~1/Temp/ELF59/feb17.htm5/23/2006