

FINANCE COMMITTEE BUDGET REPORT

THANK YOU MR.MODERATOR.GOOD EVENING LADIES AND GENTLEMEN
OF TOWN MEETING. MY NAME

IS BARRY BOGRAD. I'M CHAIRMAN OF THE FINANCE COMMITTEE...AND
THIS IS OUR COMMITTEES BUDGET MESSAGE.

THE CORE MISSION OF THE FINANCE COMMITTEE IS THROUGH
THOROUGH DUE DILIGENCE AND EXHAUSTIVE INVESTIGATION TO DELVE
INTO EVERY AREA OF THE TOWN THAT AFFECTS OUR BUDGET....AND TO
ULTIMATELY ADVISE TOWN MEETING OF ITS FINDINGS AND
RECOMMENDATIONS.

THE PROCESS IS TO HAVE THE LARGE DEPARTMENTS SUCH AS FIRE,
POLICE AND DPW PRESENT THEIR BUDGETS TO OUR ENTIRE COMMITTEE,
AND THEN TO FAN OUT IN GROUPS OF TWO TO MEET
WITH EVERY OTHER DEPARTMENT ON THEIR TURF. WE LITERALLY
BECOME EMBEDDED IN EACH DEPARTMENT AND ASK THE TOUGH
QUESTIONS OF WHY AND WHY NOT. WE EVEN HAVE ALSO ASKED FOR
JUSTIFICATION OF DOLLARS ALLOCATED IN THE PAST. TO THAT END, FOR
EXAMPLE WE

HAVE ASKED THE DPW TO GIVE US A QUARTERLY REPORT TO
BENCHMARK THE MANY PROJECTS FUNDED THEM IN THE PAST. IT'S HOW
ARE THEY DOING VIS-A-VIS THE GOAL OF COMPLETION.

YOU KNOW THERE IS A VERY SIMPLE MATH OR PHYSICS MODEL THAT
STATES THAT YOU CAN'T PUT 10LBS. OF DIRT INTO A 5 LB. BAG. IT
REALLY SHOULD BE IMPOSSIBLE. IF WE AGREE THAT THIS AXIOM IS

TRUE...THEN THE PRINCIPLE OF BRINGING IN 4 ½ TO 5% OF REVENUE
FROM PROPOSITION 2 ½ DOLLARS PLUS GROWTH PLUS FEES AND FINES
AND
SPENDING 6 ½ % PLUS - JUST DOESN'T MAKE SENSE. LET ME PUT IT INTO
VERY BASE TERMS; WITH TWO EXAMPLES }
IF YOU OWNED A COMPANY HOW LONG WOULD YOU BE ABLE TO STAY IN
BUSINESS IF YOU BROUGHT IN \$45 DOLLARS A DAY AND SPENT \$65. YOU
CAN USE THE SAME EXAMPLE FOR YOUR OWN HOUSEHOLD..... YOU DO
THE MATH.
THAT'S WHY THROUGH FIN/COM MEMBER LARRY MARSH'S ELOQUENT
PRESENTATION WE
PUSHED BACK AGAINST THE PERSONNEL PAY PLAN – WHICH CALLED FOR
INCREASES IN THE STEPS AND COLA OF 6 1/2PLUS PERCENT. THE TOTAL
INCREASE HAS TO BE TAKEN INTO ACCOUNT. NO MATTER WHAT POT YOU
TAKE IT FROM – YOU HAVE TO ADD ALL THE POTS TOGETHER. TOTAL
COMPENSATION IS NOT JUST DOLLARS AND CENTS!
I HAVE BEEN A HUMAN RESOURCES PROFESSIONAL FOR OVER 42 YEARS.
IT
IS A RARE OCCURANCE THAT EMPLOYEES WHO WORK PART-TIME OR
UNDER 20 HOURS A WEEK ARE ALLOTTED FULL BENEFITS. YET OUR
CROSSING GUARDS (WHO DO A FABULOUS JOB – IT'S NOTHING AGAINST
THEM PERSONALLY) WORK 8 ½ HOURS A WEEK @ \$15-19 AN HOUR (WHICH
IS FINE) RECEIVE A FULL BENEFITIS PACKAGE BRINGING THEIR TOTAL
COMPENSATION (AND YOU ALWAYS MUST CALCULATE EMPLOYEES
INCOME IN TERMS OF TOTAL COMPENSATION) TO \$61+/- AN HOUR.

. THERE'S OUR 10 LBS OF DIRT INTO A 5 LB BAG AGAIN.

THAT IS WHY WE PUSHED BACK ON THAT ARTICLE. OUR MESSAGE TO OUR CONTRACT NEGOTIATORS GOING FORWARD IS – YOU HAVE TO WORK HARDER SO THAT THE TOWN CAN AFFORD THE CONTRACTS THAT YOU ARE AGREEING TO.

IF WE CONTINUE TO COME TO AGREEMENTS AS WE HAVE IN THE PAST...THEN WE MUST BE PREPARED TO EITHER REDUCE SERVICES....INITIATE LAYOFFS...OR VOTE IN OVERRIDES. WE MUST LEARN TO LIVE WITHIN OUR MEANS!!

ENERGY, HEALTH SERVICES, NEGOTIATED CONTRACTS , SPECIAL ED AND TRANSPORTATION, TO NAME A FEW AREAS OF CONCERN

. ARE ALL BUDGET BUSTERS. WE MUST CONTROL THOSE COSTS AS BEST AS POSSIBLE WITH EARLY INTERVENTION PLANS AND POLICIES

COALITION BARGAINING THAT IS EMPATHETIC AND REAL TO THE CHALLENGES,

AND CONTINUALLY WORKING VIGOROUSLY TO PUSH THE STATE FOR MORE RELIEF. SIMPLY PUT, THE STATE IS DOING A TERRIBLE INJUSTICE TO THE TOWN OF FRAMINGHAM. WE MUST HAVE AGGRESSIVE LEGISLATORS

REPRESENTING OUR INTERESTS, WHO HAVE CLOUT TO MAKE THINGS HAPPEN!

OUR APPETITE TO LITIGATE AND/OR TO UTILIZE OUR TOWN COUNSEL'S SERVICES IS

INSATIABLE. WE MUST LEARN TO SCRUTINIZE OUR LEGAL ISSUES AND TO

JUDITOUSLY UTILIZE HIS SERVICES. OUR TOWN COUNSEL HAS 40-50 TOWN OF FRAMINGHAM LEGAL SITUATIONS ACTIVE AT ANY ONE TIME. THAT'S JUST TOO MANY.

WE ARE REALLY NOT SCROOGE NOR THE GRIM REAPER. WE BELIEVE THAT THERE ARE AREAS THAT SHOULD BE FUNDED OVER AND ABOVE LEVEL FUNDING. AREAS THAT HAVE TAKEN IT ON THE BUDGET CHIN FOR YEARS.

WE STRONGLY BELIEVE THAT THERE SHOULD BE A REALLOCATION OF SOME OF THE FUNDS FROM A PERCENTAGE OF BUDGET STANDPOINT. IT SHOULD BE ONE OF THE FIRST EXERCISES THAT OUR NEW TOWN MANAGER SHOULD UNDERTAKE. THIS IS IN LIGHT OF WHAT HAPPENED OVER THE YEARS TO OUR PHYSICAL INFRASTRUCTURE LIKE OUR TOWN OWNED BUILDINGS AND STREETS AND SEWERS THAT WERE NOT ADDRESSED FOR DECADES LEADING TO US HAVING TO ALLOCATE A FORTUNE IN FUNDS JUST TO GET US UP TO CODE. WE'RE DOING IT ALL OVER

AGAIN IN OTHER AREAS///LIKE IN AREAS OF QUALITY OF LIFE WHICH ULTIMATELY ATTRACTS PEOPLE TO OUR COMMUNITY AND MAKES FRAMINGHAM A WONDERFUL PLACE TO LIVE.

IF WE ARE TRULY SERIOUS ABOUT DEVELOPING DOWNTOWN AS A VITAL COG OF FRAMINGHAM'S FUTURE...AND I TRULY BELIEVE THAT WE ALL ARE, THEN WE ARE GOING TO HAVE TO BEGIN WITH THE PERCEPTION AND THE REALITY THAT IT IS SAFE TO WALK AND TRAVEL IN OUR DOWNTOWN AREA. TO THAT END WE SUPPORT THE CFO'S RECOMMENDATION OF A GREATER POLICE PRESENCE ON THE STREETS IN

DOWNTOWN BY ADDING ADDITIONAL PATROLMEN ON FOOT,
WE BELIEVE THAT VISUAL POLICE PRESENCE IS A DETERRENT TO
CRIME.

YOU WILL SEE OUR SUPPORT FOR WHAT THEY ARE CALLING SERVICE
IMPROVEMENT

FOR PARKS & REC. FOR MANY YEARS PARKS AND RECS HAS BEEN ASKED
TO REDUCE HEADCOUNT AND RESOURCES – BUT AT THE SAME TIME WAS
LOADED DOWN WITH ADDITIONAL RESPONSIBILITIES SUCH AS 32 SCHOOL
FIELDS TRANSFERRED TO THEIR JURISDICTION....LORING ARENA....THE
FITTING UP, CONSTRUCTION AND THE MANAGEMENT OF THE CALLAHAN
SENIOR CENTER....TERCENTENIAL PARK JUST TO NAME A FEW. MOST OF
THE ADDED FUNDS JUST GETS PARKS & RECS BACK TO WHAT WAS
STRIPPED AWAY FROM THEM OVER THE PAST SEVERAL YEARS. PARKS &
RECS HAS AN EXTREMELY LOW PERCENTAGE OF OUR BUDGET WHEN
YOU BENCHMARK IT AGAINST OTHER TOWNS IN OUR AREA.

THE FINANCE COMMITTEE ALSO WHOLEHEARTEDLY SUPPORTED THE
WORK AND RECOMMENDATIONS OF THE CAPITAL BUDGET COMMITTEE
OUR RECOMMENDATION INCLUDES THAT THE FUNDING BE THAT OF
BONDING SO THAT WE CAN MAINTAIN OUR FREE CASH POLICY.
THE TOWN HAS A POLICY THAT SPECIFIES HOW FREE CASH SHOULD BE
USED. IT STATES THAT 1.5 MILLION DOLLARS CAN BE USED FOR THE
OPERATING BUDGET WITH THE REMAINDER ALLOCATED AS FOLLOWS:
30% TO THE STABILIZATION RESERVE FUND

30% TO CAPITAL PURCHASES

40% TO BE HELD IN RESERVE FOR EMERGENCIES

AT THE RECOMMENDATION OF THE FINANCE COMMITTEE THE STABILIZATION FUND WILL RECEIVE ITS FULL

ALLOCATION PER POLICY. AS YOU ALREADY HAVE SEEN, THE SHORTAGE WILL THEN BE COVERED BY USING LESS CASH IN THE CAPITAL PLAN. THIS WILL NOT CHANGE THE AMOUNT SPENT ON CAPITAL, BUT WILL INSTEAD INCREASE THE AMOUNT THAT IS BONDED. WE RECOMMENDED THIS CHANGE WHICH THE CFO ADOPTED, DUE TO THE IMPORTANCE OF BUILDING SOLID CASH RESERVES FOR USE AS A 'RAINY DAY' ACCOUNT. IT IS ALSO A DETERMINANT TO THE TOWN'S BOND RATING.

EVERYTIME THE TOWN GOES OUT FOR BONDS, MOODY'S INVESTMENT SERVICES REVIEWS THE TOWN'S FINANCIAL CONDITION, THEN ISSUES A BOND RATING. FOR SOME TIME NOW FRAMINGHAM HAS ENJOYED A AA3 RATING. THIS PROCESS HAS JUST OCCURRED AGAIN AND THE TOWN'S BOND RATING HAS HELD. THE STABILIZATION FUND'S BALANCE WAS CITED AS A FACTOR IN THE EXCELLENT RATING.

IN CLOSING, DUE TO THE LIMITED TIME, I HAVE JUST COVERED AN OVERVIEW OF OUR FINDINGS. MORE SPECIFIC INFORMATION FOR EACH AREA ANALYZED WAS MAILED TO YOU PRIOR TO TOWN MEETING. WE THANK VICE CHAIR

NANCY WILSON FOR HER COUNTLESS HOURS OF COMPILING THAT REPORT.

WE THANK ALL OF THE DEPARTMENTS FOR THEIR COOPERATION AND FOR

ALLOWING US TO DIG, DIG AGAIN, AND DIG SOME MORE SO THAT WE MAY MAKE OUR RECOMMENDATIONS TO TOWN MEETING.

WE THANK THE CFO MARY ELLEN KELLEY AND THE ASSISTANT CFO JENNIFER PRATT FOR ALL THEIR HARD WORK DURING THIS DEMANDING PERIOD OF TIME.

OVER THE NEXT FEW DAYS, YOU WILL HEAR FROM EACH MEMBER OF THE FINANCE COMMITTEE. THEY WILL PRESENT THE RECOMMENDATIONS FOR THE AREAS THAT THEY INVESTIGATED. WE BELIEVE THAT TOWN MEETING SHOULD GET TO KNOW EACH MEMBER OF THE FINANCE COMMITTEE, AND THAT EACH MEMBER SHOULD HAVE THE HONOR AND PRIVILEGE OF PRESENTING TO YOU.

THANK YOU FOR YOUR TIME AND ATTENTION. LET THE PROCESS BEGIN.