

Finance Committee

Meeting minutes – April 9, 2009

Present: **Committee Members:** Diane Gaspar (Chair), Burke Bero (Vice Chair), Stephanie Cronin, Chris DeSimone, Chris Johnson, Jeanne LeBlanc, George Zacharakis

Guests: Bob Hanson (Town Administrator), Debra Sprat (Librarian)

Also present: Town Accountant Theresa Walsh

Ms. Gaspar called the meeting to order at 6:30 pm.

New Business: On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 1 Town Officers and Committees of the Warrant list was put into motion to be recommended to be discussed and voted on. There was no discussion on this article and it was approved by a vote 7-0.

Upon looking at Article 2 Elected Officials Compensation, which started with the Town Clerk position, Terry Walsh noted that the current Town Clerk would be retiring in April 2010. Her salary is \$61,659 and then there are 2 months at a decreased rate to hire a new Town Clerk, which brings the salary to \$59,471. At this point, the committee decided to table the discussion of Article 2 and the rest of the Warrant Articles. The committee felt it need to discuss the Finance Committees meeting with the Board of Selectmen and the discovery of the \$603,055 overestimate of revenues from property taxes.

Bob Hanson spoke at this point about how this error was made at the beginning of the process. The numbers for the tax levy included the debt exclusion for FY 09. This number should have been backed out before the New Year tax levy calculation. This \$603,055 overestimate of revenues from property taxes now puts the original projected 2010 shortfall at \$1.9 million

Bob noted that the Board of Selectmen was going to have some more tweaking to the Finance Committee's budget. He noted two budgets in particular – the Fire department and the Highway department. He noted that the Board of Selectmen would feel that these two budgets should not be reduced. He also felt that the street light proposal (turning off the street lights) would not go through.

Bob Hanson had a proposal for the Finance Committee that he felt was a procedural, functional one. He felt it would give those departments involved a fighting chance. His proposal is that first to take approximately another \$100k from the retirement fund, then to zero out both the Library budget and the Council of Aging budget, and then to put both the Library and the Council of Aging as Overrides questions. His suggestion is to have them be separate questions, and also have the three additional questions. The three additional questions would be return a police officer, return a DPW employee, and return a third headcount. He recommended that on the ballot, each question would show how much money each would involve. The total of the Library and the Council of Aging total approximately \$500,000.

There was a question about the Board of Health and Nashoba. It was noted that there is a Warrant Article. Jeanne Leblanc commented that there is no extra money per Finance Committee recommendations, so the Board of Health cannot vote in more money from the town budget.

Stephanie Cronin was very concerned that the override would not pass and then the town would lose the Library and the Council on Aging. It was noted that the Library's existing budget is \$436,000.

At this point, Debra Sprat commented that she felt this was a slap in the face since the Library has been the only union that has stepped up to the plate and has been working with the Finance Committee. Diane Gaspar acknowledged Debra Sprats comment and commented that the Library has the town's support.

It was noted that the proposed budget of \$410,000 for the Library was not enough to keep the Library certified.

Stephanie Cronin commented that she feels this is the least complicated solution and that she felt many townspeople felt FinCom at least tried to be equitable. Stephanie questioned if this solution is being equitable.

Bob Hanson commented what else can be done. He commented a town cannot lose a police department or a fire department. The committee felt it was important to try to come up with other solutions.

Stephanie Cronin brought up the parks and commented that if the police department went down by two more headcount then they would still have the same number as last year. She also agreed with Bob Hanson that the town needs more revenue because the town cannot use up all of the reserves. Everyone agrees that the reserves cannot just be used up and that next year or years could be worse.

At this point, Diane Gaspar commented that this could be a blessing in disguise. She said that the town has been using the reserves too much, and maybe this will make the townspeople realize that the override is needed. It has been needed for some time to help with the 2 ½ % increases that has been occurring every year.

Chris Johnson asked if the override went through and the Library did get the \$436k that it needed for its budget (and to keep its certification), then would that keep it going forward, or would the Library be on the block again next year if things were in bad shape again next year. Bob Hanson spoke that morally it would be someone else next year.

Chris DeSimone felt that this proposal was not going to solve the problem. Bob Hanson explained that having money from the override puts the money in the budget and the problem does get solved.

Diane Gaspar spoke several times of what other options are there. The committee cannot go through the entire budget process again. Chris Johnson asked what in the budget could even be touched. Terry Walsh explained that it would be approximately another 10% of the Operating expenses (Line 25). Chris Johnson commented that the budgeting process has already bled everybody, to take another 10% of that would be a killing.

It was noted that the numbers for Bob Hanson's proposal were Library \$436k and Council of Aging \$152k.

Stephanie Cronin questioned how much could be saved if the Library were only open 4 days a week. There was some discussion around this. Chris DeSimone spoke quite a bit that he felt the override would not go through. He felt this proposal was taking the easy way out. He felt find ways like having the library open only 3 or 4 days a week, having the town hall open 1 or 2 days less, and so on would help come up with the needed money. Chris DeSimone pointed out that having the elderly fed for Council of Aging was pretty important. There was discussion about this, but coming up with high enough numbers was not accomplished.

Diane Gaspar felt that having one person explain to the public how the override works at the town meeting was one of the most important things. She felt that Bob Hanson was the best person to do this. Bob Hanson also commented that the override has to be specific on the ballot. He also commented that the Town/Finance committee cannot

spend money on getting word out, but getting word out about the override can certainly be done. Stephanie Cronin commented that the Library has groups, the schools has groups, and so on.

Debra Spratt commented that she would not support having the library open 3 or 4 days a week. She pointed out that there are staff members, including herself that depend on salary to support family. The library would lose its accreditation, and then everyone in Pepperell would not be able to go to ANY library in the state of Massachusetts. By having less hours, there would be less things to even do at the library (services), and certainly any outside groups would not be able to use the library.

Diane Gaspar felt Bob Hanson's proposal is the only way to get the override. It was noted that the override vote would be about 45 days after town meeting (June 26). Terry Walsh proposed using ½ reserves, ½ budgets, and ½ override. George Zacharakis felt that using this approach the override would not go at all. Many committee members agreed – many felt that that the override had the best chance if the budget was zeroed out.

Chris DeSimone questioned what would happen if at town meeting the Library and Council of Aging got the townspeople to vote for a higher budget. Bob Hanson noted that if a department proposed a budget higher than what the Finance Committee had in the budget, the department had to show where the money was coming from.

Burke Bero asked Bob Hanson if there were any assets the town could sell. Bob replied that there were some lots the town could sell, but in this market, it would take a long time and the town would probably not get what they wanted for them.

It was noted again that a zero budget says something. Stephanie Cronin commented that zero is impressive. Chris Johnson noted that people need to know before they go to vote about the budget and the override. George Zacharakis commented that he felt people would vote for the override because would they want to live in a town with no services? It was also noted that having an example right on the ballot so it is not so overwhelming for people might be a good idea.

Committee agrees that Bob's proposal is Option 1, but need to come up with some other options.

Chris DeSimone proposed that the Library be open 3 days a week and the Council of Aging be open 3 days a week. Debra Spratt commented she wouldn't support the small amount of days for the library, she would zero it. When asked about number of patrons, Debra Spratt answered that 65% of townspeople have a library card, but not all can vote.

Burke Bero proposed adding the Community Center to the override. The rest of the committee members agreed.

Jeanne Leblanc noted that some people she knew had asked her about the budget. It was discussed that there is obviously no money in the budget to send a mailing to the townspeople. The best method to get word out is a newspaper article in the Lowell Sun. The committee felt that paper was more widely read than the Pepperell Free Press.

The committee finally agreed that there was no viable option 2.

On a motion from Chris DeSimone, seconded by Jean Leblanc, to vote on a recommendation to the town of a way to handle the \$592,179 deficit by zeroing out the Library budget and the Council of Aging budget, adding the Library as a override \$436,539, adding the Council of Aging as a override \$155,640, and taking the balance out of the retirement –Yes (6) No (1) Abstain (0) – Motion approved.

There was a brief discussion about the Hazel Brooks Fund that had been mistakenly thought to be part of the libraries trustee funds. Debra Spratt brought it up and it will need to be looked into as a possible resource for the Memorial Day events. Terry Walsh looked into it and there is still \$31k in the fund.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 2 Elected Officials Compensation of the Warrant list was put into motion to be recommended to be discussed and voted on. The motion was tabled.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 3 Budgets of the Warrant list was put into motion to be recommended to be discussed and voted on. Article 3 to be voted on next week.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 4 North Middlesex Regional School District Assessment of the Warrant list was put into motion to be recommended to be discussed and voted on. The budget listed is \$10,198,107 and it was approved by a vote 7-0.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 5 Nashoba Valley Technical High School Assessment of the Warrant list was put into motion to be recommended to be discussed and voted on. The budget listed is \$1,032,171 and it was approved by a vote 7-0.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 6 Tennis Court Reconstruction of the Warrant list was put into motion to be recommended to be discussed and voted on. Bob Hanson noted that the town does not own the tennis courts, Varnum Brook does, and it was not approved by a vote 7-0.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 7 New Fire Hose of the Warrant list was put into motion to be recommended to be discussed and voted on. There was no discussion and it was approved by a vote 7-0.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 8 Transfer Station Fork Lift of the Warrant list was put into motion to be recommended to be discussed and voted on. It was noted that the money would be coming out of the Transfer Departments free cash and it was approved by a vote 7-0.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 9 Transfer Station Truck of the Warrant list was put into motion to be recommended to be discussed and voted on. It was noted that the money would be coming out of the Transfer Departments free cash and it was approved by a vote 7-0.

The Article 9 Revolving Fund of the Warrant list is being tabled. Bob Hanson explained that this fund is to be used for restocking of hazardous waste materials from insurance claims. The committee members were concerned with who has dispersal control for this fund and what its statutory limits are.

The Article 10 Nashoba Board of Health of the Warrant list is being tabled. The committee does not feel that this will get voted in. Bob Hanson will discuss this in conjunction with the Board of Health budget. He will discuss the budget first and then propose this.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 14 Conservation Fund of the Warrant list was put into motion to be recommended to be discussed and voted on. It has been reported that the Conservation Fund article will be asked to "take no action."

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 15 Nashua Road Well Design Costs of the Warrant list was put into motion to be recommended to be discussed and voted on. There was a brief discussion about how the time is running out on this permit and if a new permit were to be sought, it would not pass under new regulations because it is too close to the swamp and it was approved by a vote 7-0.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article 16 Sewer Design Costs of the Warrant list was put into motion to be recommended to be discussed and voted on. There was no discussion and it was approved by a vote 7-0.

On a motion from Chris DeSimone, seconded by Jean Leblanc, next article no article number, Police Cruisers of the Warrant list was put into motion to be recommended to be discussed and voted on. It was noted that the money would be coming out of the stabilization account and it was approved by a vote 7-0.

On a motion from Chris DeSimone, seconded by Jean Leblanc, Article x Personnel By-Law Amendment of the Warrant list was put into motion to be recommended to be discussed and voted on. It was discussed when the step increases can be changed and it was approved by a vote 7-0.

The discussion of Highway money was tabled.

Debra Spratt asked what would happen if the override was not approved and the Library was closed, what would happen to any existing money the library had as well as any trustee money. Bob Hanson noted that existing money would stay for a year, but trustee money would never leave. That was entrusted to the library.

Acceptance of Minutes: On a motion from Chris DeSimone, seconded by Jeanne Leblanc, the minutes from April 2 meeting was approved by a vote 7-0, with one minor adjustment.

Other Boards/Commission Meetings: Public Forum – Saturday, April 25th at the Senior Center, time TBA

Upcoming Meetings: Sat, April 11, 2009 – Meeting with Selectmen (8:00 am)
Thu, April 16, 2009 – Finalize any remaining issues
Fri, April. 17, 2009 – Last date to post the ATM/STM Warrant
Sat, April 25, 2009 – Public forum at the Senior Center, time TBA

Adjournment: The meeting was adjourned at 8:20 pm.

Respectfully submitted,
Lynne Henderson