

## **FINANCE COMMITTEE**

### **Minutes**

**January 15, 2009**

Regular meeting of the Finance Committee was held on Thursday, January 15, 2009 at 7:30 p.m. in the Finance Committee Room, Town Hall with the following members present: T. Jalkut, C. Lane, M. Gallivan, S. Connell, L. Donovan, R. Knobel, S. Kelliher, M. Kent, J. Stadtler, @ 8:00 p.m. T. Bowen. Also present was Town Administrator M. Boynton, and Finance Director M. Good.

7:30 p.m. – Quorum being present, the meeting was called to order by the Chairman T. Jalkut.

#### **Snow and Ice Deficit**

Request dated 1/7/2009 from R. O'Brien, Director of Public Works requesting permission to deficit spend the snow and ice budget as authorized by MGL, Section 31D As of today, the deficit is \$201,000 actual and it is projected to be \$400,000.

**MOTION MADE** by C. Lane, Seconded by S. Connell to grant permission to R. O'Brien, Director of Public Works, to overspend the snow and ice budget as authorized by MGL, Section 31D for FY 2009., Motion Approved (9-0-0) (9 voting)

Town Administrator spoke to taking steps to increase the snow and ice budget next year. He is unsure whether there will be any money left over for snow and ice.

#### **Town Administrator Budget Update**

Mr. Boynton spoke to the FY2009 budget in trouble and FY2010 has problems, he does not anticipate that there will be any help from the legislatures. He does not feel that they or the Governor get the message to put permanent revenues in place. There is the need to recover money to go from one year to the next. He anticipates a 10% reduction in local aid. January 13, 2009, he held an emergency department head meeting. He has instituted several changes: Emergency/contractual spending, all purchase orders over \$100 to be reviewed by Town Administrators, Scheduled overtime (non-public safety) needs to be approved by Town Administrator, Finance Team to review all existing FY09 accounts for possible reallocation, Personnel and Assistant Town Administrator to review Insurance Accounts for projected surplus, Department Heads to review operations and recommend any additional cost saving opportunities. He is also limiting the use of town vehicles and they are not to be taken home by six departments. They are looking for savings in health insurance costs, but these numbers can change. They are attempting not to fill positions, Superintendent of Building Maintenance position was filled in house. This person's position will not be filled. Animal Control/Veteran's Agent Secretary's

position will not be filled. They are looking into the Town Clerk's Office taking over dog licenses, everyone will be taking on additional duties.

He has spoken to the Board of Selectmen as the policy setting board and in preparation for the February budget meeting. He is projecting a deficit in interest income and motor vehicle excise. If there is no more snow, there is a potential deficit of an additional \$200,000. He has no idea on the Governor cuts, anticipated that there will be a 2.5 Million deficit but has no idea how it will be disbursed. Town Administrator might need to use monies from the Reserve Stabilization and Reserve Fund, and possibly some requests for Capital Budget will have to be sacrificed.

In 2003, Governor Romney made immediate budget cuts. Walpole's cut was \$280,000 and the Town was able to utilize surplus money, went into a spending cut back, and there was limited impact. There were monies in Overlay Reserve, that doesn't exist this year, Chapter 70 monies have gone up over the past couple of years, DOE has been bumping us up as we have been underfunded, We don't know the foundation number adjustment or how it will be figured. \$1,000,000 in lost revenue equals a \$2,000,000 cut. There doesn't appear to be any interest in reinstating the Prison Mitigation monies. He feels that the \$750,000 is gone. On an answer from the Committee, he feels it is remote to try to use the ambulance service to the prison as a leverage tool.

FY2010 Budget – He has reviewed the budget numbers and has cut \$300,000 from the budgets, deficit including schools is no less than 3.9 Million. He has attempted not to cut personnel. It has been discussed what could be done to cut this gap, one option would be no raises.

8:00 p.m. – Committee Member T. Bowen

Health Insurance – They are looking into the 70/30 requirement for all employees and mandating joining the Rate Saving Plan through West Suburban Health. This discussion has to be on the table, he is going to get together with Superintendent and department heads, meet with each individual union president and meet with the employees and lay all the options on the table, he anticipates that Town could lose 70 employees with the cuts from the State. He does not feel he can recommend an Override and increase in fees till the employees step up to the plate, it all needs to be discussed. He recommends staying with West Suburban Health rather than joining the State program. He feels there is more control with West Suburban

Town Administrator spoke to his budget recommendations being conservative, he feels he has to be more realistic and doesn't want to be caught off guard. Aid to the cities and towns was not part of the stimulus package, it is only for the state. Unless it is guaranteed to be a continuing revenue source, he doesn't want to put it into the budgets. State is already \$20,000,000 in deficit for roads and bridges. They need to overhaul the pension system and look at the different groups. Worker's Comp problem with police

and fire needs to be fixed. Cities will have cuts but he doesn't anticipate it will be what the towns will get. State will protect the cities more.

Committee members spoke to asking the employees to reduce hours, cutting hours back to 30 hours/week, maybe doing a furlough. Town Administrator spoke to the work load doesn't decrease. He won't speak to the employees till after the Governor's budget is released. He has spoken to the department heads on potential cuts. He doesn't anticipate any professional changes, services will change, work still has to be done. They have to address public safety, parks and maintenance. He won't wipe out a department. He has attempted to take a little from each department. Municipal cut is 34%. If School Department uses the reserves for 2009, it will mean massive cuts for 2010. There is the need to set aside money for unemployment costs.

Library, Recreation, Police and Council on Aging all will be affected, not everyone department will lose a position. There are no plans on changing the formula for sharing for the schools and municipal. He can't control any of the external factors. None of this should come as a shock, Commonwealth should have seen it coming, putting people out of work doesn't help the economy. He doesn't see any increase in local aid. Things are not good at any level, it is international. Trash Fees – Selectmen have no appetite to implement trash fees, but are willing to have a conversation. Town Administrator feels need to look into different programs.

### **Minutes**

**MOTION MADE** by R. Knobel, Seconded by S. Connell to approve the Minutes of October 16, 2008 meeting, Motion Approved (9-0-1) (J. Stadler abstained) (10 voting)

Town Administrator will present his budget message on February 2, 2009. Governors' numbers will be out before the Town Administrator presents his budget. It will be up to the Finance Committee to evaluate the budgets. Final call is the Finance Committee.

9:00 p.m. – Meeting adjourned.

Respectfully submitted,

Clare P. Abril  
Clerk

