

FINANCE COMMITTEE

Minutes

March 9, 2009

Regular meeting of the Finance Committee was held on Monday, March 9, 2009 at 7:30 p.m. in the Finance Committee Room, Town Hall with the following members present: T. Jalkut, M. Kent, J. Muti, M. Boragine, M. Hickey, L. Donovan, C. Lane, T. Bowen, P. Stasiukevicius, S. Kelliher, R. Knobel, M. Barry, S. Connell, M. Gallivan, 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.

Capital Budget Committee

Capital Budget Members: R. Connolly, J. Johnson, C. Lane, and M. Comiskey

MOTION MADE by M. Boragine, Seconded by L. Donovan to continue the appointment of Carol Lane as the FinCom Representative to the Capital Budget Committee, Motion Approved, (14-0-0) (14 voting) .

J. Johnson spoke to needing some direction on where the Committee wants to go with the Capital Budget. Town Administrator is recommending spending up to \$600,000 from Free Cash for capital projects. Capital Budget Committee hasn't taken any votes on any requests, up to this point, but anticipates that they will begin voting on March 10, 2009

T. Jalkut spoke to the FinCom looking at monies from prior years that haven't been encumbered. Things have changed in the tough economic times, and some would not be approved today, it is a different time and different circumstances. If the monies that Town Meeting approved haven't been spent, they couldn't be as much a priority as previously thought.

J. Johnson is speaking to all departments and questioning why they haven't spent the money that has been approved.

School Department Radios (\$38,200) School Department is still undecided on whether or not they want to use the monies for the radios.

School Computers (\$150,000) Schools did not purchase the computers but leased them (\$450,000), Capital Budget Committee was unaware that they were being leased and didn't know it was a three year commitment. Finance Director spoke to if it was know that they were going to be leased, monies could be borrowed at a lower rate and it would

be required to go before the Town Meeting for approval to borrow and Board of Selectmen have to sign all leases.

Pools/East Walpole Community Center – The monies that have previously approved for the pools and the East Walpole Community Center. They have not been spent due to everything being put on hold pending further information. Recreation Director is preparing a report on these facilities and will meet with the FinCom and Board of Selectmen.

School Radios - Committee questioned whether the need has vanished, voted in May, 2007 and hasn't been done. This was a request of the previous school administration. Acoustical panels were voted in May, 2007, there doesn't appear to be the need for them at the moment. School Committee had requested this to soundproof a room, and Committee is waiting to see if the student has moved on. They don't know whether there has been an IEP done.

Town Administrator spoke to \$600,000 being the baseline for Capital Budget this year. The items on the list to be funded from Free Cash are as close to immediate need as you can get. Capital Budget Committee is looking for guidance from FinCom and Selectmen, it takes down the reliance on Free Cash to use for snow and ice. Interest income is down.

\$30,000 for the installation of roof snow guards was questioned by the Committee and why they weren't originally installed. Mr. Boynton spoke to work being incorrectly designed. .

Article 13 - \$200,000 by borrowing for various street improvements This includes overlay, and crack seal. This borrowing does affect the Debt Budget and will have an impact on the operating budget and impact for five year's over the life of the project. Mr. Boynton spoke to feeling that the Town is falling behind on Chapter 90 monies. He is looking for feedback from the Committee on the project, affects the debt budget This will impact the operating budget. This \$200,000 helps but doesn't solve the problem. Chapter 90 funds are eligible for State funding, these streets are not eligible. This is short money, it saves money in the long run.

Committee questioned how to make the money go further. Town Administrator said the Town is now using the Pavement Management System and it works well.

M. Gallivan spoke to being against stopping infrastructure improvements, some things have to be kept moving along, the longer we wait on the repairs to the roads, the more they deteriorate

Blackburn-Fire Prevention/Sprinklers - \$60,000 being requested, there has been a quote of \$51,000. Building is a fire safety issue and was brought to their attention by the Deputy Fire Chief M. Laracy. Building is getting used and it is strongly recommended

to do this work. They are looking to get a price on doing the entire building and not do it piecemeal. Building should be protected.

Town Administrator

East Walpole Community Center, building is used six out of seven days. Total revenue for programs is \$13,435. This provides an alternative spot to hold programs. It costs approximately \$4,000/year to maintain this facility. On a question from the Committee, Town Administrator doesn't know whether or not there is a deed restriction or whether or not the building could be sold or not.

Some members felt budget cuts should be spread more evenly, and what the average budget cut would have to be if doing it across the board. 1.26 million on municipal side, added back cuts and took out snow and ice, town report, weights and measures, reserve fund, bottom line and spread out the 1.26 million, it would have to be 8.3% off each budget. It would require shutting doors, requiring more layoffs and have an impact on salaries. This is not the right way to do it. Money can be moved around.

C. Lane spoke to budgets being cuts and moving money out of salaries and putting it into expense line item. Hardship is not as great as it appears.

Stimulus - Committee questioned whether there is any money for the Town. Town Administrator feels that the cities will receive it, communities are fighting with the state.

Town Administrator has spoken to the Superintendent of Schools and he feels they will receive money from the stimulus and is it perceived for schools only. Will the money be required as a supplement to money already in place or an additional amount. He will be looking to sharing and the breakdown 66/33. Town Administrator spoke to not recommending making any changes in the formula. Additional monies might become available from savings in property, casualty and worker compensation. Norfolk Retirement is an issued till 2011, budget is up this year, next year will be worse. State Pension system is a huge debt, an unfunded liability.

Town Administrator spoke to the three major concerns are revenue, local receipts and the state numbers. Concerns with the Library losing the accreditation and the public safety cuts. He expressed concerns on the amount of cuts on the municipal budget, Assessors/ Collectors and Building Maintenance, he would also like to restore some money to Animal Control/Veterans position and the Council on Aging position.

There is a proposal pending before the Legislature for an increase in meals and motel taxes. Town Administrator doesn't feel this will work, restaurants are going out of business and no one is using the hotels.

Finance Committee
Minutes
March 9, 2009
Page 4

Town Administrator has been talking to different groups and questioning a way to avoid laying off people. He has had informal discussions discussing the 30/70 split on insurance or rate saver plan and possibly offering incentives to employees to not take the town's insurance. . Town employees understand that the problem is going on universally, they have had discussions on a pay freeze, this could be seen as a temporary measure. They feel that once the health benefits are given up, won't get them back, also talked about taking a day off without pay. . He is meeting with unions on March 24, again

9:20 p.m. – Meeting adjourned.

Respectfully submitted,

Clare P. Abril
Clerk