

FINANCE COMMITTEE

Minutes

March 25, 2010

Regular meeting of the Finance Committee was held on Thursday, March 25, 2010 at 7:30 p.m. in the Finance Committee Room, Town Hall with the following members present: T. Jalkut, M. Kent, L. Donovan, R. Knobel, M. Hickey, J. Muti, C. Lane, M. Boragine, P. Stasiukevicius, L. Pitman, D. Burke, and T. Bowen. Also in attendance 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.

May 3, 2010 Spring Annual Town Meeting

School Budget Discussion – Present was Superintendent of Schools L. Lynch, School Committee Members J. Desmond, N. Gallivan, B. Buckley, B. Walsh, and Assistant Superintendent J. Kenny.

Superintendent Lynch presented an overview of FY11 Walpole Public Schools Comprehensive Budget. Numbers presented are up to date exclusive of revenues from collective bargaining and concessions. Projected expenditures of \$37,902,150, projected revenues of \$36,299,757 leaving a budget gap of 3.5% or \$1,602,393. Revenue estimates have come from the Town Administrator. Possible relief could come from Meals/Hotel Tax, non-union health insurance and employee concessions (unions). School Budget has a built in shortage 1.5 million shortage every year and part of this problem is due to mandates put on school system.

Superintendent Lynch has notified 170 employees that they could be facing termination. Without concessions from the Teacher's Union, there would have been 30/35 students in the classroom, plus additional loss of teachers, guidance, foreign language, custodians and secretaries.

FinCom discussed the need to look ahead, schools need to plan for five years from now. Town is dependent upon the private sector for the funding. Social Security recipients did not receive any additional monies this year. Private sector is going that way.

School Committee Member N. Gallivan spoke to the need to be responsible to taxpayers but also responsible to provide some level of services that are needed. Teacher's Contract has been built up the last two years. They had looked into GIC, and it didn't work. They started working with teacher unions early and decided that they have to be negotiated. They don't have the ability to make decisions, looked at wages, looked at things that have the biggest price tag, health insurance was it. They feel that the proposed

contract was the right thing to do. Education is expensive, had to come to an agreement or go to an arbitrator, arbitrator would look at the total package. They want to provide a quality education and also make the books balance. Mandates require master's degrees and other advanced degrees, plus no child left behind causes increase in salaries. Moving everyone to Rate Savers will save money. She feels that municipal will get the right eventually to change percentage rates but doesn't feel it will happen this year. Rules are stacked against them? Need to look at what can be done with local revenue, trash, meals tax, etc., scrambling for ideas. Have to pay more out of residential tax base and it is scary to look at five year projections.

J. Desmond spoke to feeling that an override would not pass, unsuccessful in the past. They have tried to plan ahead and are trying to reach a consensus on how to move forward, feels that the teacher's contract is very good for the town. Every community is trying to do something for health insurance, Walpole did something, and they plan to keep pressure on the Legislatures. They will be meeting with Selectmen on April 6 for further discussion. Teacher's Contract –Teachers are all going to the rate saver plan, they are in negotiations with the secretaries and custodians. They hope to have everyone in 100% rate savers by Town Meeting. Teacher's are going to a three year contract, concession are not to get reimbursement for course requirements. All new employees have to go to 70/30 rate savers. Contract works out to 6.5% over three years. There are 280 teachers this year, total school personnel are 512 that includes cafeteria, custodians and secretaries. J. Desmond spoke to interested in providing quality education. Leadership tries to solve the problem every year. Hope they can work together with municipal. State has tried to help with meal/hotel tax, etc.

Committee discussed the need to look at where they money is coming from next year, no one is leavings jobs, it is the private sector that funds government. There is no money to fund this increase. No more money from taxpayers.

T. Jalkut spoke to bankruptcy for schools when there are two few teachers. State is not going to back education reform. Towns don't have the ability to lead appropriately, due to working with unions. Labor costs go up 5% each year, step system is the problem. Question is where does the money come from?

C. Lane spoke to the need to be careful, for what we ask for, have asked for prison money, she doesn't feel that will ever come back to Walpole, will go to other communities. We need to shrink our budgets, average person is getting buy on less, all forms of government are going to have to do it.

D. Burke spoke to concerns for students in school system, cpi is down this year, teacher's union is strong throughout the country, but going forward have to realize that they can't continue to get percentage increases, it would have been wise to just have a one year contact. Class sizes will be too high, health insurance more generous than a private

sector. Teacher's have to understand that what took place in the past, can't continue into the future.

Superintendent Lynch, School Budget cuts will be made the middle of April.

Reserve Fund Transfer

Veteran's Services/Benefits

This account is running low due to the number of Veterans seeking benefits. Additional money is needed to get through to July, 2010.

MOTION MADE by L. Pitman, Seconded by C. Lane for approval of a Reserve Fund Transfer for Veteran's Services/Benefits in the amount of \$6,000, Motion Approved, (12-0-0) (12 voting) Unanimous

Police Department – Expenses

Police Chief Stillman spoke to this request of \$12,487 for Police Department Equipment. Cruiser was involved in an accident and totaled by insurance company. Replacement cost of cruiser is \$32,367, insurance will cover \$16,3810, department will use \$3500 from the expense portion, leaving a balance due of \$12,487. They will be purchasing a 2010 Dodge Charger with police package. Officer was at fault, but no one was seriously injured in the accident and there is no liability pending before the Town.

MOTION MADE by C. Lane, Seconded by R. Knobel for Favorable Action on a Reserve Fund Transfer for Police Department – Expenses in the amount of \$12,487, Motion Approved, (12-0-0) (12 voting) Unanimous

Town Administrator

Mr. Boynton spoke to being concerned with legal budget due to dealing with labor issues. Budget is running low.

Committee had questions on whether the Selectmen would go along with meals and hotel taxes. He feels that the vote would be 2-2 at best, they are looking at the amount of trash being put out, possibly limiting people to two bags of trash, this provides the potential of reducing tonnage. R. Chapell is working on the amount of potential savings. He would be reluctant to take the money out of the budget the first year, learning curve with program. You have to rely on the person driving the truck to enforce.

Article motion – He has sent a request to Jon Rockwood to have the Rules Committee look at a motion to indefinitely postpone an action on an article.

Finance Committee
Minutes
March 25, 2010
Page 4

MOTION MADE by R. Knobel, Seconded by P. Stasiukevicius to adjourn at 10:40 p.m., Motion Approved, Unanimous (12-0-0) (12 voting)

Respectfully submitted,

Clare P. Abril
Clerk