

**Warrant Committee FY06 Meeting Minutes**  
**FEBRUARY 15, 2006**  
**7:30 p.m. Chenery Middle school, Community Room**

*Handout(s) distributed tonight are:*

1. FY06 School 2<sup>nd</sup> quarter Budget Report

Member(s) absent: Allison, Hofmann, Solomon

Also present: Town Accountant Barbara Hagg, Town Administrator Thomas Younger, and Selectman Firenze sitting in for BOS Chair Solomon

**WC Chair Jones called the meeting to order at 7:30 PM.**

***Minutes of 2/8/06*** – Accepted after several changes

**Reserve Fund Policy and possible use of free cash for FY07**

On 6/30/05 our Reserves were at 13.6%. Our target is 10%. The Three funds make up the reserves: 1) General Fund Unreserved Fund Balance, 2) Capital Endowment Fund, and 3) Kendall Fire Insurance Funds. The policy has been reviewed by the rating agency (Moody's). The WC has not been in favor of using Kendal and Capital Endowment in the past. Of the General Fund Unreserved Fund Balance we can only spend the "free cash" that was certified by the state as of 7/1/05. We have already earmarked \$850K of the \$1.7M free cash for the FY07 budget. If we were to allocate another \$700K of free cash, only \$150K would remain for emergencies.

**Level Service Budget for FY07**

Chair Jones agrees that it is important to continue to look at maintenance issues on an ongoing basis rather than in emergency situations. Member Fitzgerald has stated that departments are looking at these issues. There are at least six reports that look at maintenance and energy issues but due to budget constraints these have put on the back burner. Chair Jones would like to see what our true repair & maintenance budget is and should be. He would look forward to input from the CBC. BOS Member Firenze stated that because of the strain on the operating budget, things are being delayed. Major maintenance work is needed at the White Field House. What would it cost to bring us up to the proper level of maintenance and the funding needed to maintain that level. Chair Jones would like to see a condition index for buildings.

Member Bruschi stated that the current capital budget includes repointing of the Police and Town Hall. This years' capital budget includes items that

are really upkeep like painting. This has been neglected for too long. Maintenance on a regular basis saves millions per Chair Jones. Member Paolillo asked if we have a comprehensive listing of all capital assets in the Town and schedule of out maintenance. Attached to this would be a listing of all the maintenance issues so that decisions can be made. These decisions should be made in advance. Member Fitzgerald brought up the roof HVAC units at the High School that had to be replaced in order to keep the building open. Member Tillotson stated that as new buildings are coming on line we are not looking at the old buildings going forward. An example of this would be having a common light fixture for all buildings. We should be taking advice from our building experts. Member Curtis stated that there is no one person that oversees all our buildings. A rational plan for long term maintenance is needed. Younger suggested a full municipal building audit including library, police, town halls, etc. This would provide a blueprint, life cycles and plan for the future. Member Tillotson suggested a maintenance contract on buildings. Member Heigham stated that 20 years ago this was discussed and the BOS wanted to put aside \$1M for sanitary sewers, water, and roads. Sewers were completed but the project stopped before the roads were started. Kelsey did an audit for Town Buildings and another one was done for (ARCADD) schools so we do have a place to start per Member Fitzgerald. Member Brusch stated that these projects cost at least \$50K each. Missal stated that there is a great deal of data that was gathered from the energy audit for all town buildings. The school electricity bills have gone down 18% since December. Further, CBC funded a roof project that redid all town and school roofs. He had hoped that the CBC would now start building envelope work for the schools and other public buildings. Member Brusch stated that the CBC will be able to get back to the WC after 3/16/06. This will be discussed during the first part of the meeting tomorrow evening of the CBC so that they will be able to speak about these issues after tomorrow.

Chair Jones asked Selectmen Firenze about when a budget discussion will be brought to TM. Member Brusch stated that the budget has to be settled before the override. This way everyone will know what they are truly voting for 4/3/06 and what will happen if the override fails.

### **Reserve fund transfer – School department**

Dr Missal was in attendance to discuss the transfer for the Winnbrook underground storage tank. There was a 24 hour order by the Fire Department to empty the tank. The school is expecting a \$300,000 over-expenditure this year's budget due to health insurance and energy costs.

\$200,000 of this will be covered by revolving funds. This \$36,000 transfer is included within the \$100,000. The Education Sub Committee recommends that the funds be encumbered but not transferred until the end of year when the fiscal year is closer to an end & the budget picture is clearer. Motion by Member Curtis: encumber \$36,980 for the benefit of the school department budget and vote to transfer this later in the fiscal year. Member Fitzgerald brought up a 1999 report from a consultant discussing the Burbank Oil tank with a recommendation for upgrading the oil tank at that time to maintain the system. This oil tank was the same as the Winnbrook. The piping was replaced but not the other recommendations. Member Fitzgerald is concerned that the Town continues to forego maintenance in favor of waiting until the situation reaches the level of a capital project. Dr. Missal stated that he was not here at the time of the ARCADD report and the maintenance work would not have fixed the situation for the Burbank Oil Tank. In this situation there was water that leaked from the outside into the space within the double walled tank. The tank however was installed in 1989 and the life expectancy is over. We should be focusing on maintenance, and we never brought the tanks up to code. Member Fitzgerald however was not against the transfer. Dr. Missal will remind the WC at year end. Unanimously voted.

### **Other**

Younger was asked what would be the further cuts. He is still looking at a variety of issues including going down to two cruisers, other small cuts. Member Tillotson suggests that cruiser engines be rebuilt rather than sold. Member Tillotson asked whether subcommittees would be weighing in on various cuts. Chair Jones felt that this would be brought forward by Younger and Holland. Member Curtis wanted to discuss the \$700,000 shortfall now rather than waiting since we are close to the April time frame. Member Curtis stated that if we assume at this point that \$700K is the shortfall we are just delaying the inevitable. He would like to have the health care problem resolved now, confront the issue now rather than later and keep free cash where it is. The School Committee is meeting with the BOS on 2/27/06 in closed session and would want the Town Attorney to be present. There is a reasonable expectation that there will be a cash savings once there have been negotiations. The school will be confronting the health care issue. Curtis stated that once the free cash is used, the pressure to resolve the health issue goes away unless there are consequences. Member Heigham stated at this point we must bring more funds into the system. The Road override would get this done. This gives

us a level service budget and waiting for labor negotiations is not the right decision. Firenze agrees with Member Curtis in that the tenor of the discussion will be markedly different if we go into negotiations with a failed override. Although he is not averse to using some free cash, he would like to use another method of getting to a level service budget. Younger does not feel that unions will agree that the problem is theirs in its entirety. Member Oates feels that the answer lies someplace in the middle where we should use the free cash and continue with the health care discussions. Member White agrees with Member Curtis. There are a number of structural issues on the table: recreation, cemetery, health care, etc. This is not a cash neutral decision. Short term reserves or long term savings are the two issues. Member Widmer stated that we do not know what free cash will be there next year. Member White says yes we do know that there will be \$700K less if this is what we use. Member Widmer agrees that revenues are growing less than expenditures and every year that we delay attacking the problems put us that farther behind the eight ball. The only way to ameliorate this problem is to attack the structural issues. Chair Jones suggested that in March we meet with both the Cemetery Commissioners and the Recreation Commissioners. A discussion of core vs. non core functions needs to be made. This needs to be discussed. One other item that was brought up by the PW sub committee is the transfer station. Member White is working with Mr. Castanino, our Public Works Director, to come up with a good figure for operating a transfer station.

Other input from the WC members would be welcome for discussion. Member Callanan would like to hear more about how departments are doing things differently. Also Member Widmer will be asked to speak about the functional consolidation and how this relates to maintenance. Another subject is the reduction of level services budget, this relates to the non core services. Member Doblin feels that it is premature to look at free cash at this point but that the discussion has been useful. Free cash use should be as a last resort. Member Jones will be scheduling these issues in March. The next meeting is March 1<sup>st</sup>. Member Brusch would like to see the tiered list. This should be a true list. Younger stated that he is already working on this. Missal stated that he can have this ready by March 1<sup>st</sup> as well. Member Paolillo stated that the \$700K could be more based on maintenance issues that are not outstanding. Member Brusch stated that the CBC currently has \$5.7M of non road, non water, and non sewer requests. Younger stated that the Town will continue to work on all the issues whether the overrides go forth or not. April 3<sup>rd</sup> and \$3M will not be the end of the work that his office is doing on the budget. Firenze stated that the report from the Suburban Coalition is worthwhile and he agrees with everything that they have stated. Member Widmer stated that we

have a low risk of having a cut in the state aid that the Governor has recommended because we have not received a large increase as compared to other cities and towns. One of the items in the report was a request to drop mandates for school systems that are over-performing. Our ability to manage our health costs is much more stringent than what the state has.

Chair Jones asked that we look at the FY08 projections. If we are going to the voters with a \$3M override, they should be told what we foresee next year. Member Widmer would like to see on paper what the various options are so that consequences can be seen.

The Mega Meeting will be on March 6<sup>th</sup> at 7:00 p.m. at the CMS. This is a combined meeting of the Permanent Building Committee, Capital Budget Committee, Warrant Committee, School Committee, and Board of Selectmen.

**Motion to adjourn at 9:05 p.m. by Member Heigham.**