

**Warrant Committee FY06 Meeting Minutes**  
**March 8, 2006**  
**7:30 p.m. Chenery Middle school, Community Room**

*Handout(s) distributed tonight are:*

1. Operating statement for the 8 month period through 2/29/06, 2/29/05, 2/29/04
2. Letter from Peter Castanino regarding snow deficit
3. Draft for discussion of override treatise prepared by Selectman Firenze and WC Member Dianne Hobbs

Member(s) absent: Allison, Paolillo, Widmer

Also present: Town Accountant Barbara Hagg, Town Administrator Thomas Younger, and Town Treasurer Floyd Carman

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

***Minutes of 3/1/06*** – Accepted after several changes

**Roadmap of FY07 Budget**

After the meeting last week, the \$700K shortfall rose to \$2.5M due to shifting of costs presented by the CBC. Chair Jones along with Member White had met to discuss some ideas of how to manage such a shortfall. Younger stated that tiers of add-ons have been prepared on the town side. The end result will be less than the originally prepared budget. He recommends that turn backs from the capital budget be used for additional capital items or maintenance items that had been removed from the capital budget.

Chair Jones suggested that looking at the \$700K shortfall if the override passes would mean a cut of \$350K on both the town and school sides. Or the school could potentially use their revolving accounts. The \$1.5M from the CBC which is switched back to the town side would still have to be dealt with. Then some combination of free cash and borrowing would be used to deal with these issues. This could potentially get us to a balanced budget. What is the time line? Member Bruschi had suggested two separate budgets to make an informed decision at the polls. This would have to be ready by 3/22 in order to be seen by the voters. School Committee Chair Gibson stated that the school tiers should be ready within several days. Member Bruschi stated that these budgets have to be thought out ahead of time because we will be living with any cuts if the override fails. Member Heigham reminded the body that town funds cannot be used for any expenses pertaining to the override. Member White feels that we should decide in broad terms of where we are.

Tonight he suggests that we go through the broad categories (not the detail). Chair Jones suggested that the free cash use should be one of those issues. Member Curtis feels that it is too early to take these positions. After Friday afternoon we should have a better idea of the school revolving funds and clarity of those available funds. Member Hobbs would like a discussion of core services on the town side. The BOS had already made some large decisions about the COA and Youth Commission add-backs that take a large portion of the new funds that have been identified for the FY07 budget. If there continues to be a \$1.5M gap on the capital budget Chair Jones asks what will have happen to those. Member Brusch explained that the CBC would prioritize. Member Brusch stated that the \$250K of redundancy request will be on a STM warrant and is hopeful that the town will be able to "find" those funds from other available monies. Maintenance items would have to be foregone. Although the CBC may shift their priorities, the software for the financial system continues to be one of their top priorities.

Treasurer Carman was asked the cost of a \$1M borrowing in FY07. The short term interest cost would be \$50K in FY07. The Treasurer stated that the town just went out for a bond offering and the rating agency was showing some concern about the build up of debt. Our rating was reaffirmed at triple A. The treasurer was asked for his recommendation for the debt level. He was not prepared at this time to make a recommendation on the debt level. He stated that 10-11% for reserve level would be safe; he does not recommend that we drop below that figure. He has asked Chair Solomon or Selectmen Firenze to join the next conference call with Moody's. Chair Solomon will be distributing a draft policy that was prepared by Selectmen Firenze & he will be soliciting comments from WC Members Hobbs and Heigham. This is a factual statement about the override. This also discusses issues that will be coming down the road as well as subjects being researched for cost containment.

There will be Letters to the Editor for advocacy of the override. It is too late to form a Committee. The BOS has not made any firm decisions on what further work will be done. Chair Jones expressed concern about the passage if the BOS is not unanimous and there is disagreement within the WC. This would suggest that further time should be spent on the budget should the override fail.

Burbank school repointing, network redundancy, software licenses, and financial software are identified right now as key issues per the CBC.

What would the no override budget entail? Member Hofmann is concerned about the snow budget shortfall again this year.

Chair Jones is concerned that problems from 20 years ago are still here now and it may be time for the WC to make suggestions to the departments and if the suggestions are not carried forward, then cutting the budgets before they are submitted to TM. As an example the Senior Center has a bus and a car for transportation. A suggestion for vouchers was made. The private sector has such equipment and this could result in savings. Although this is not a big item, these examples of outsourcing are easy to quantify and there are much bigger targets. Member White suggests that we should explore in a systematic way.

BOS Chair Solomon feels that the WC already has such authority and can cut budgets as they see fit. Member Bruschi stated that recommendations are made each year and the next year departments fail to enact those changes and continue to follow their prior practices. More tenacity is needed to have departments enact suggestions. Member Hobbs feels that this would put the WC into a position of changing line item by line item. Member Callanan stated that this will change our future Saturday morning meetings. Member Doblin had asked that outsourcing be explored before any new highway/public works facility be considered. Member Hofmann stated that suggestions made several years ago about cutting vehicles was never followed through. This meant pooling cars and cutting back on vehicles going home. Another issue is the continuing overruns in the Recreation department. Before this is discussed, the WC Chair would like to have the Recreation Commission meet with the WC. This could have some final remedy and has been dragging on for many years. Another item would be the building maintenance. This may have additional cost in FY08 but would address some items. The Recreation Commission taking stewardship of the rink and pool and funding those maintenance costs through the fees may be worth looking at.

Member Hofmann asked about the Benton Branch library. Can it be used for other town purposes or sold? Younger stated that the building can be sold. Member Heigham reminded the WC however that the building is nonconforming (setbacks etc) and can not be used for housing without a lot of votes from different bodies.

Without an override on the school side there would be a cut of ten additional teachers and on the town side there would be positions that will remain unfilled. In a non override situation the capital budget would be compromised. Whether this would be a cut to the existing \$1M for roads that had been set aside for the Trapelo Road and Pleasant Street

road work (totaling \$500K) or other road work is unclear. Mr. Jones would like to ask Mr. Clancy whether a half million dollars would be sufficient to do any roadwork in FY07.

Member Doblin asked about the "pay as you throw" project. Member White stated that this is still being looked at. The estimated savings could be as high as \$1.5M if we move to a transfer station. The savings for pay as you throw would not show savings in the first year. BOS Chair stated that the private committee that looked at this showed an environmental savings but not a financial savings. Without a substantial increase in recycling the savings are not there.

The street lighting would be cut back if the override were to fail. These would be shut off with input from public safety.

There was some discussion regarding a bylaw for a Recreation Commission change that would have the Recreation director report directly to the Town Administrator.

Reports have to be in by mid March for the Town Report. This has to be submitted to the TM members 7 days prior to TM. The CBC also will have to prepare a report. But a draft from each subcommittee should be prepared at the latest by two weeks from tonight suggested Member White. It was decided that these will be due by 3/22/06. Last years' report will be sent to all WC members

Member Brusch asked for a draft list of what is on the TM warrant list that pertains to the WC. Chair White suggests that these items should be discussed in April after the budget is prepared. If the override fails we have 3 meetings 4/5, 4/12 & 4/19 to prepare a budget.

BOS Chair asked if the WC would agree to meet with the BOS on 3/20 or 3/21 to discuss the tiered cuts and adds. This would allow the Education Subcommittee to meet with the BOS. Member Curtis is available on 3/21 but will be coming to the WC on 3/15 to discuss that meeting.

The library aides have been restored to the level service budget for the school department.

Member Heigham motioned adjournment at 9:00 p.m.