

Warrant Committee Meeting Minutes

April 5, 2005

Handout(s) distributed tonight are:

1. *Capital Budget Committee FY06 Departmental Requests (Excel spreadsheet)*
2. *TOB Budget Worksheet as of April 5, 2005*

Member(s) absent: Callanan, Doblin, Heigham, Oates, Paolillo

Also present: Acting Town Administrator Rebecca Vose, Selectman Will Brownsberger, Selectman Angelo Firenze, School Director of Finance & Administration Dr. Gerry Missal, School Superintendent Dr. Peter Holland, and Town Accountant Barbara Hagg

Chairman Widmer called the meeting to order at 7:38 PM.

FY06 Budget Discussion

Member Brusch reviewed the process for Capital Budget requests. Because of the way the budget process worked this year and the range of capital requests, the Capital Budget Committee reviewed the spreadsheet (*Handout 1*) item by item. The Capital Budget Committee decreased a few items, such as the Financial Software consultant. Three major items need to be considered: the financial software package (\$500K or more), the purchase of the Concord Ave. property, and the emergency at the hockey rink. Major work is necessary at the rink. There is a need for two compressors totaling \$70K. The testing price alone for repairing the underground pipes is \$27K, but the mechanic is pretty sure the system is shot. DPW Director gave the Capital Budget Committee a memo with different levels of correcting the rink problems. This new system would give us the piping, sand on top which will freeze, and then ice would be made on top of that. Anytime there was not an ice surface, the surface could not be used. However, Recreation uses the concrete floor during the summer months. Also, there would not be hockey if this problem were not corrected. For the School Department to rent ice time, the cost would be \$126K (transportation and ice for all the teams) per year. One of the things the Capital Budget Committee discussed at length is borrowing for the funding for those three main. For FY06, the Capital Budget would take that debt on. For the software and rink, it would be \$200K-\$300K for next year.

Vice Chair Jones noted that we have known about this rink problem for a long time.~ Is there a plan to include some locker space with the rink?~ Member Brusch answered that the Capital Budget Committee is thinking \$50-\$75K would take care of a feasibility study for that area.

Member Fitzgerald said the ESCo Committee has looked at the rink's boiler issue. They have also considered replacing the lights at the rink and some schools. He offered to have the ESCo Committee look into this project to see if savings are available.

Member Curtis asked for the normal mechanical life span of the new equipment. Member Brusch answered there were different life spans for the different items. He is concerned the major capital projects on the horizon do not allow the rink to be a logical fit at this time.

Chairman Widmer suggested putting those three items in for a capital override. They are all legitimate needs covering both Town and School issues. Another possibility would be the borrowing and pay the debt service out of priority two of the Capital Budget (software and rink) Committee's recommendations. We could afford the debt service on the two projects within priority two. Once we consider all three projects in the FY06 timeframe, we then have to dip into some of the priority one recommendations or operating funds. If we were to do priority two, then we would have to find operating cuts in the magnitude of \$284K, and we wouldn't have the full capital budget either. Then we would have the same borrowing issue for the life of the bond. Town Accountant Hagg said we could do a BAN to avoid interest or allow a 6-month interest instead for FY06. Equipment purchases could only go out for five years.

Member Brusch said if we do this as a capital override, we would have that \$2 million on the base for next year, which would make FY07's problem a little easier. Member Hofmann is concerned with having two overrides back to back. He thinks a debt exclusion would be easier to sell to the public. The politics on this are tough no matter how you look at it.

Dr. Missal added if we can extend BANs to this summer, the first bond payment would come due in FY07, and we would just be looking at interest for FY06.

Member Fitzgerald said if it's a choice between looking at the rink or looking at the Wellington School, it comes down to a matter of priority in terms of how we spend the Town's money. It's a lot of money and we have many projects already on the horizon. Will people get upset about bumping this up the priority list over other capital projects?

Member Curtis thinks the role of the Finance Committee is finding the right structure for the Town's finances. We should raise the tax base so we can maintain the things we have. It is right to think about the override as the appropriate thing to do.

1. Debt Exclusion/Override– Widmer, Jones, Curtis, White, Fitzgerald, Tillotson, Hofmann, Miller, Brusch
 2. Short-term Borrowing –Solomon, Hobbs
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1. Override – Widmer, Solomon, Jones, Curtis, White, Fitzgerald, Tillotson, Hofmann, Brusch
 2. Debt Exclusion – Hobbs, Miller

Selectman Brownsberger suggested another alternative – have a capital override for \$3 million in which \$2.2 million use for capital and put the \$800K remaining in a stabilization fund. As we go into FY07, we would have the \$2.2 million base increase

plus the \$800K. We may not need an override in FY07. We would have more money in our capital funds than currently. Every year Town Meeting would have to vote to fund it.

Member White clarified that it frees up \$2.2 of capital for operating in future years. Selectman Brownsberger added that in FY06, it would be a capital item. In order to change the purpose, we would have to go back to Town Meeting.

Member Hofmann likes the concept. He asked the mechanics of how this would happen. Chairman Widmer answered that we could have a June vote for FY06. If we had to spend money in May, we could do a BAN.

Town Accountant Hagg added that it is a 5% increase on a tax bill right off the bat. She is concerned that it will be added to the Senior Center, Wellington, and other things on the ballot. The voter will have a lot on their plate.

Vice Chair Jones would like to see a fairly strict definition of capital in order to ensure that items would not shift from operating to capital, such as computers. If the override does not pass, the BAN would have to go under the 2½ cap.

Member Brusch does not think the \$3 million will be palatable to the voter. She will support it, but has a concern that \$3 million will be a no vote while \$2 million may pass. Member Brusch added the Capital Budget Committee discussed raising the \$10K floor for capital requests.

Chairman Widmer asked Selectman Brownsberger the logistics of this kind of override. In this model, it would be a nice consensus to get endorsement from Town Meeting before it goes on the ballot.

Member Brusch wondered if we should give Town Meeting two budgets (A and B), one with and one without the override. Chairman Widmer responded that early in May, we could discuss a “B” budget.

Chairman Widmer said we still need to have a discussion on what the “A” budget is, assuming the \$3 million override. To carry this proposal forward, Selectman Solomon thinks we should talk to Town Counsel about how to implement it. Vice Chair Jones and Members Curtis and Hobbs will work on language regarding this proposal.

Warrant Committee took a straw vote on recommending the \$3 million capital override – *Widmer, Jones, Curtis, White, Fitzgerald, Tillotson, Hofmann, Miller, Brusch, Solomon, and Hobbs (unanimous of the Warrant Committee members present)*

Member White thinks this makes sense. He has not seen any clear commitment of the Warrant Committee or Board of Selectmen to move forward on the structural issues of regionalization, health care, pay-as-you-throw, retirement health care fund, and other serious issues. The case to the voters this year should also address those topics. Chairman Widmer thinks we as a Warrant Committee should have a very focused agenda

on those things and long-term asset management planning – things that will make a long-term impact.

Tomorrow night, we will focus on completing Budget “A” - \$284K in capital, cuts or not in Town/School, and/or use of this \$3 million override. That will get us to the point we want to be at for Town Meeting.

Other

Chairman Widmer asked the Committee to review the Warrant draft before tomorrow night’s meeting.

Member Hofmann made a motion and it was unanimously voted to adjourn the meeting at 9:19 PM.

Respectfully submitted,

Kristina Frizzell, Recording Clerk