

Finance Committee

Meeting minutes – March 18, 2010

Present: **Committee Members:** Chris DeSimone (Chair), Chris Johnson (Vice Chair), Michael Landino, Alan Leao Jr., Holly Seiferth, Melissa Tzanoudakis, George Zacharakis

Guests: Debra Spratt (Library Director), Jeanne LeBlanc (Co-President Friends of the Library), Joseph Hallisey (Board of Selectmen)

Also present: Thomas Wilson (Town Accountant)

Chris DeSimone called the meeting to order at 7:00 pm.

Business: Chris DeSimone started the meeting with noting that the North Middlesex District budget was coming in with a level funded budget, which was about \$17,000.00 more than 2009.

Chris DeSimone moved the meeting to discuss the library budget. Debra Spratt recapped the history of the library's budget starting with a large budget cut in 2003. Debra Spratt pointed out how to date 3-4 hours have already been given back and about \$10,000.00 in children's books has never been recouped. Debra Spratt added that by having all of the various things the library had added value to the town which was listed in the Town Report. Debra Spratt listed various stats about the library such as there were approximately 2550 items circulated per week, 600 per day, the web site had over one million hits; and then she added that the web site had an average savings calculation for users for all of the library services.

Melissa Tzanoudakis arrived at the meeting at 7:06 pm.

Debra Spratt noted that her budget was just over \$250,000.00; adding that if she did not make state mandated numbers than she would have to apply for a waiver which there was no guarantee the library would get. Debra Spratt pointed out that it takes several people in the town to apply for the waiver besides the Library Director, the Town Accountant and a Finance Committee member. At this point the Library budget is already \$5,700.00 short and if the waiver is not received, than the Library budget would lose the \$16,000.00 portion of budget that the state funds.

Michael Landino questioned where the funding for the Library budget comes from. Debra Spratt replied that it comes from Town and State funding and book appropriation, adding that grants do not count toward the budget.

Melissa Tzanoudakis questioned if the Library can charge for Library cards and if not who prevents it. Debra Spratt replied that the Library cannot charge for Library cards and that the State prevents it. The Library is considered free to Massachusetts citizens. Melissa Tzanoudakis asked what would happen if the town did charge for Library cards. Debra Spratt answered that the Library would lose its accreditation.

George Zacharakis questioned how many books per day came from other libraries. Debra Spratt answered 3-4 cases per day came from other libraries.

Melissa Tzanoudakis wondered about the possibility of charging non-profit groups for using the library. There was a short discussion. Debra Spratt pointed out that she uses the book find money to help increase the book money, but she may not get that money at town meeting.

Michael Landino wondered about the people doing business at the Library, such as tutors, and could something be done about those people to charge them a fee. Debra Spratt replied that there were very few people doing business at the library, and for those that were, it is technically a place to work for free.

Michael Landino questioned if there was a way to charge for non-books/reference items, such as entertainment, on an item count basis. Debra Spratt replied that they really could not because again, it was a free place. Technically the entertainment items were donated by the Friends of the Library. In order to keep their accreditation, they had to stay as free to the public.

Chris Johnson questioned if he could have some insight into the formula used. Debra Spratt replied that it was based on town appropriated money for an average over the past three years. The population size, the number of days the library was open, the number of nights the library was open, the number of Saturdays the library was open, and the amount to be spend on new items were all things also considered in the formula. George Zacharakis asked what the minimum number of hours was in order to keep accreditation. Debra Spratt answered 40 hours.

Chris Johnson pointed out that there were two outstanding warrants that could be used for books. Debra Spratt answered that she was not sure, but if the Friends of the Library did not come up with the \$10,000.00 that they usually did for books, then she would need money towards the books. Chris DeSimone pointed out that the old warrants were both originally to buy books and that there was about \$9,000.00 available on them.

Chris DeSimone questioned the miscalculation in Salaries, Appointed Positions (100-61100-51112). Debra Spratt answered that this calculation had been wrong for 4 employees. It had the wrong hourly wage for 1 employee that had taken out of state money previously, and for 3 union-qualified employees; the steps had a higher hourly wage which used state aid money to make up the difference previously. Debra Spratt pointed out that with the union raises and contracts the budget was level funded, noting that 3 employees are union. Chris DeSimone questioned if there were cuts in other places in the budget to make up the \$9,300.00 difference. Debra Spratt answered that there were. Melissa Tzanoudakis questioned if the 5% budget had reduced the Library hours from 43 to 40 hours. Debra Spratt answered that yes, noting that in the level-funded budget there was a 1 week furlough. Melissa Tzanoudakis noted that maybe they could have some weeks at 40 hours and some weeks at 43 hours. Chris DeSimone questioned the increase in the Wages Hourly (100-61100-51113) of \$1,639.00 in the level funded budget. Debra Spratt noted that it shows it there in the budget, but it causes the 1 week furlough and the loss of one position.

Chris DeSimone questioned how there was a cut in the Electricity-Building (100-61100-52211). Debra Spratt replied that the amount was based on the previous year. They had an energy audit done 2 years ago and the monthly fee for having that energy audit done is now being dropped from the bill.

Chris DeSimone questioned what the R&M – Building & Grounds (100-61100-52241) for. Debra Spratt answered this was for the cleaning service. They had changed the service company. The weekly trash pickup had been changed to bi-weekly. Debra Spratt noted that both of these saved money for the town. The elevator maintenance contract had to be kept at the same price. Melissa Tzanoudakis asked when the trash pickup service was changed. Debra Spratt replied that the contract was ending in October, and they were changing to Shaw's, which was a cheaper service.

George Zacharakis noted that in the 5% reduction budget there was another \$5,000.00 reduced. George Zacharakis questioned what other reductions she made there could she take. Debra Spratt answered that the \$3,600.00 for the reduction in the electricity was a reduction she could make since it was due to savings.

Chris DeSimone questioned what the Advertising, Legal Notices (100-61100-52306) for. Debra Spratt replied this was for major things, such as hiring for a new job.

Melissa Tzanoudakis questioned what the increase in R&M-Custodial Equipment (100-61100-52250) was for. Debra Spratt answered this was for a vacuum and so on.

Melissa Tzanoudakis questioned what the increase in R&M-Office Equipment (100-61100-52244) was for. Debra Spratt replied this was for copiers. Melissa Tzanoudakis asked if these machines were leased. Debra Spratt answered that they were not, the machines were too old. Melissa Tzanoudakis asked what other machines and repair items were in this line

item. Debra Spratt answered replacing printers, routers, cabling, and so on. Melissa Tzanoudakis questioned how old the wireless system was. Debra Spratt answered that it was 3 years old.

Alan Leao Jr. questioned what the increase in R&M-Heating/Air Cond Equipment (100-61100-52261) was for. Debra Spratt replied this was for yearly parts replaced every year and since the units were so old, it was old mismatched parts.

Chris DeSimone questioned what the Postage (100-61100-52342) for. Debra Spratt answered that this was for mailing overdue notices. They sent emails for first overdue notices so this was for anything later than first overdue notices.

George Zacharakis questioned what the Data Processing (100-61100-52308) for. Debra Spratt noted this was for the network. The fee was based on different factors such as the number of patrons and the number of computers. George Zacharakis questioned what the \$400.00 cut in the level funded budget was based on. Debra Spratt replied this seemed like a little bit of extra money available based on previous years. Melissa Tzanoudakis asked where the network billing came from. Debra Spratt replied that CMARs set it up for all libraries, and they just changed networks from Verizon to another, which was a savings for all towns.

Alan Leao Jr. asked about the fee for printing. Debra Spratt answered that the money collected from printing goes to the town. Debra Spratt added that they had just added fax services with fees; \$2.00 first two pages, \$1.00/page after. The fax fees also go to the town.

George Zacharakis questioned what the Sundries (100-61100-54425) for. Debra Spratt answered this was for things like paper towels, toilet paper, extra ink cartridges if other line items are empty, and library cards.

George Zacharakis questioned why the Data Processing (100-61100-54426) line item was over budget. Debra Spratt answered this was for audio visual materials such as cases, label, and cleaning supplies for audio visual materials.

Melissa Tzanoudakis noted that there were a few line items over budget such as Children's Room (100-61100-54513). Debra Spratt noted that the budget for Children's Room should be \$7,200.00. There was a discussion about how the total of the supplies budget items had to be about \$70,000.00. The Friends of the Library usually contributed \$10,000.00 which brought this budget area down to about \$60,000.00. The materials budget is part of the formula the state uses for accreditation.

Chris DeSimone questioned why the Other Custodial (100-61100-54459) line item was over budget. Debra Spratt answered that since many things were let go, they were trying to do some things to improve the building and grounds. This budget is just for supplies and all of the work is done via volunteers. The grounds keeping items are for things like shovels and brooms. The other custodial items are for things like lumber and paint brushes (for repairing a broken shelf).

Chris DeSimone questioned what the Misc Other Charges & Expenses (100-61100-57799) for. Debra Spratt answered this was for the water cooler.

Chris DeSimone asked what the Mileage (100-61100-57711) for. Debra Spratt replied this was for the mileage reimbursement for training. Any training was usually held in Worcester or Shrewsbury.

Chris DeSimone asked what the Memberships (100-61100-57733) for. Debra Spratt noted this was for three memberships: NiLA, ALA, and Mass Libra. The ALA was for the Library Director only. Debra Spratt noted that they did get some discounts from some of the memberships.

Chris Johnson led a discussion surrounding Books, Lawrence Library (100-61100-54512) and the possibility of using the \$9,300.00 from the old warrants to help fund this line item. Debra Spratt was concerned that if the money was not in the budget, then they would not have the needed \$70,000.00 for the formula.

George Zacharakis questioned what would happen if 5% was cut from the budget. Debra Spratt replied that three hours would be cut reducing the 43 hours to 40 hours, they would lose a staff member, and they would fall short of the

minimum state accreditation. That meant they would have to apply for a waiver, which there was no guarantee. If they did not get the waiver, they would lose the state funded money towards the budget. Alan Leao Jr. asked what libraries have lost accreditation. Debra Spratt replied that Fitchburg had. George Zacharakis questioned if the town lost accreditation, then how that would affect the formula in future years. Debra Spratt replied that it would affect it some, but it was hard to tell. Debra Spratt added that if they lost accreditation, then they could lose more staff due to losing more hours.

Chris DeSimone moved the meeting to discuss the Emergency Management Agency budget. Chris DeSimone questioned what the building was in the line item R&M-Building & Grounds (100-29100-52241). There was a discussion about the building behind the White Hen being the building. Chris DeSimone noted that he would talk to George Ux to confirm.

Holly Seiferth questioned if Uniforms (100-29100-54591) was for auxiliary police uniforms. Chris DeSimone questioned what the Uniform Accessories (100-29100-54593) was for. Melissa Tzanoudakis questioned why there was no budget in Training (100-29100-54515) but there was in 2010 and 2011.

Chris DeSimone moved the meeting to discuss the Animal Control Officer budget. Chris DeSimone questioned what the year-to-date wages were in Salaries, Appointed Positions (100-29200-51112). Thomas Wilson answered \$13,478.00.

Chris DeSimone asked what the R&M-Building & Grounds (100-29200-52241) for. Holly Seiferth noted that there was a building by the dump, but that the Animal Control Officer did not use it. Chris DeSimone questioned why there was electricity and town water for the building if it was not used. Holly Seiferth noted that she would get more information about the building.

Michael Landino asked what services the Animal Control Officer provided. Melissa Tzanoudakis questioned which veterinarian in town was used. Holly Seiferth answered that the Animal Control Officer used both veterinarian in town.

Chris DeSimone moved the meeting to discuss the Law Department budget. Chris DeSimone noted that there was \$5,000.00 reduced from Consult Services (100-15100-52307), which was not needed.

Chris DeSimone moved the meeting to discuss the Board of Health budget. George Zacharakis noted after talking to Bob Lambert that Consulting Services (100-51100-52306) could be reduced by \$7,000.00. On a motion from George Zacharakis, seconded by Michael Landino, to reduce the budget for Board of Health department Consulting Services (100-51100-52306) by \$7,000.00 to \$5,600.00 was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 7(Aye)-0(No) and 0 abstained.

On a motion from Michael Landino, seconded by Alan Leao Jr., to reduce the budget for Board of Health department Wages, Hourly (100-51100-51113) from \$27,113.00 to \$17,862.00 was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 7(Aye)-0(No) and 0 abstained.

Chris DeSimone moved the meeting to discuss the Clinics budget. George Zacharakis noted that the department was looking to have a veterinary run the clinic and charge for it. The veterinary office would then pay for the police detail. On a motion from George Zacharakis, seconded by Michael Landino, to reduce the entire budget for Clinics department (100-52100) by \$1,171.00 to \$0.00 was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 7(Aye)-0(No) and 0 abstained.

Chris DeSimone moved the meeting to discuss the Community Center budget. George Zacharakis noted that there were 2 employees with 19 hours each; in November they had lost 1 employee which explained the reduction in Wages, Hourly (100-63200-51113) of \$16,745.00. On a motion from George Zacharakis, seconded by Alan Leao Jr., to reduce the budget for Clinics department Wages, Hourly (100-63200-51113) by \$16,745.00 to \$12,647.00 was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 7(Aye)-0(No) and 0 abstained.

George Zacharakis explained that for the Solid Waste Disposal (100-63200-51113) the Community Center had switched to Shaw's which reduced costs in the line item. On a motion from George Zacharakis, seconded by Alan Leao Jr., to

reduce the budget for Clinics department Solid Waste Disposal (100-63200-51113) by \$476.00 to \$924.00 was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 7(Aye)-0(No) and 0 abstained.

George Zacharakis noted that he had information about online registration which may help to reduce costs for the future for the Community Center department, in particular the Wages, Hourly (100-63200-51113) line item.

Chris DeSimone moved the meeting to discuss the Summer Playground budget. George Zacharakis noted that the Summer Playground department was already working off of a decreased budget, and they now decreased their budget by 40% with their decreased budget. The Summer Playground department had increased their fees, but it was still a reasonable amount for town people. They went from a 6 week schedule to a 5 week schedule. They had approximately 10 children per 1 counselor. Alan Leao Jr. noted that with 10 children per 1 counselor, that meant they had about 100 children. Alan Leao Jr. thought in 2009 they had closer to 120 children. On a motion from George Zacharakis, seconded by Michael Landino, to reduce the budget for Summer Playground department Wages, Hourly (100-63100-51113) by \$2,000.00 to \$3,000.00 was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 7(Aye)-0(No) and 0 abstained.

Chris DeSimone moved the meeting to discuss the Parks and Cemetery budgets. George Zacharakis noted that when he asked Terry Spaulding how the reduction in wages in the 5% decreased budgets would affect services; Terry noted that it would affect services but the general public would not notice. Terry Spaulding had indicated that these cuts would be the part-time help over the summer. On a motion from George Zacharakis, seconded by Alan Leao Jr., to reduce the budget for Parks department Wages, Hourly (100-65100-51113) by \$3,764.00 to \$58,026.00 was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 5(Aye)-2(No) and 0 abstained.

Chris DeSimone noted that they would look at the Enterprise accounts in the next meeting.

Chris DeSimone moved the meeting to discuss the updated forecast. The Finance Team was working on finding new revenues. There was a \$50,000.00 reduction that had been found that the Finance Committee would get more information on. The Finance Team was aware of the cut in state aid.

Thomas Wilson noted that the Finance Team had balanced the budget creatively. The state aid reduction was expected to be about 4%. The Finance Team had found some other revenue that could be used. They were going to use \$224,000.00 from the retirement fund, \$25,000.00 from the Transfer fund, and \$199,000.00 from free cash expecting that the free cash account would be replenished. The Free cash account would be replenished in different ways including some MEMA/FEMA money that was being returned from last years budget, the Nashoba Valley Technical school district had returned about \$64,000.00 from their 2009 budget, and the unemployment budget was able to be reduced by about \$20,000.00. The Finance Team knew that about \$175,000.00 for warrant articles for town meeting would be needed. John Moak added that if the money was not used, he would give the Finance Committee a list of things cut from the budget in priority order to get added back in. Melissa Tzanoudakis questioned how that put the town for 2011 free cash and bond ratings. Thomas Wilson answered that put the town in pretty good shape. Holly Seiferth questioned the MEMA/FEMA money. Thomas Wilson explained that this was the money that came in after the books were closed so the money had to be applied to the general fund.

Chris DeSimone brought the Finance Committees attention to Peter Shattuck's letter about the Liberty Fire extinguishers.

Chris DeSimone noted that the Finance Committee has now talked to all department heads that have had cuts. For the most part the department heads are okay with things. The Council of Aging department head, Sharon Mercurio, has redone their budget cuts with different line items and will be in next week.

Chris DeSimone moved the meeting back to the Library budget. Melissa Tzanoudakis pointed out that last year every department had taken a 10% cut except for these three. It seemed unfair for these budgets to start off with higher 2011

budgets. Melissa Tzanoudakis felt uncomfortable having some departments not taking cuts in 2011. Melissa Tzanoudakis felt like a 5% reduction would be appropriate. Holly Seiferth pointed out that the Police and Fire departments only had 1% reductions and that was what was voted for those departments. Melissa Tzanoudakis pointed out that she did not attend the meetings where the Police and Fire departments reductions voting occurred. George Zacharakis felt that a reduction higher than 5% was appropriate. Alan Leao Jr. felt that since this was one of the departments that went on the chopping block in the previous year, the maybe some cut but not this high. Chris Johnson pointed out that since there was \$9,300.00 in old warrants that could be used, that money could be used to get books and then they could go to the floor with a bigger warrant. Holly Seiferth thought that the warrant was the accreditation card.

On a motion from George Zacharakis, seconded by Melissa Tzanoudakis, to reduce the entire Library department budget (100-61100) by 7% was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was not approved by a vote 2(Aye)-5(No) and 0 abstained.

On a motion from Melissa Tzanoudakis, seconded by George Zacharakis, to reduce the entire Library department budget (100-61100) by 5% was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was not approved by a vote 2(Aye)-5(No) and 0 abstained.

On a motion from Michael Landino, seconded by Alan Leao Jr., to reduce the entire Library department budget (100-61100) by 2 ½% was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was not approved by a vote 2(Aye)-5(No) and 0 abstained.

On a motion from Melissa Tzanoudakis, seconded by Alan Leao Jr., to reduce the entire Library department budget (100-61100) by \$3,220.11 was put into motion to be recommended to be discussed and voted on. It was decided to wait until next week to vote and to get more information.

Chris DeSimone moved the meeting to discuss Other Town Buildings. Chris DeSimone noted that since they had recommended closing the trailer, the Town Administrator had found a place for the Board of Health in the town hall. The Town Administrator had indicated that they would need an additional \$2,000.00 in the town hall budget to close the trailer and get the heat to the new office locations. On a motion from George Zacharakis, seconded by Chris Johnson, to increase the budget for Town Hall department (100-19200) by \$2,000.00 was put into motion to be recommended to be discussed and voted on. There was no additional discussion and it was approved by a vote 5(Aye)-2(No) and 0 abstained.

Upcoming Meetings: Tuesday, March 25, 7:00pm
Thursday, April 1, 7:00pm
Thursday, April 8, 7:00pm
Thursday, April 15, 7:00pm

Adjournment: On a motion from George Zacharakis, seconded by Michael Landino, the meeting was adjourned at 10:02 pm and it was approved by a vote 7(Aye)-0(No) and 0 abstained.

Respectfully submitted,
Lynne Henderson