

**BOARD OF SELECTMEN/FINANCE COMMITTEE  
JOINT BUDGET MEETING  
10:00 AM**

**April 25, 2009  
SENIOR CENTER  
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**PRESENT:** Selectmen Lyndon B. Johnson, Joseph A. Sergi and Patrick J. McNabb; Robert Hanson, Town Administrator; Peggy Mazzola, Administrative Assistant; Town Accountant Theresa Walsh; Finance Committee members; various Town department heads and employees and residents

The meeting was called to order at 10:05 AM. Mr. Johnson thanked everyone for coming to the meeting, and stated the Finance Committee has prepared a PowerPoint presentation. Mr. Johnson stated he met with the two police unions last night, and the numbers to be presented do not include \$22,000 in concessions agreed to by the unions.

Finance Committee Chairman Diane Gaspar stated she will review the 2010 budget, stressing the importance of getting information out prior to Town Meeting. Currently we face a \$1.9 million shortfall. The FinCom has taken a three-pronged approach to balance the budget: drawing from savings, reduction in services and personnel, and an override attached to three departments. Ms. Gaspar stated we have been drawing down our savings for the last four years and now we have less money to work with. Local revenue is down, excise taxes and fees are down, and projected FY '10 state aid is down; we won't have the state aid number until July, but we try to make projections on what our state aid will be. The Town has lost \$155,000 in the current fiscal year in state aid. At one time the state was contributing 70% for schools; that number is now 40%.

The Town's overall budget is \$22,214,956, of which \$11,230,879 is for schools and \$3,441,392 is for enterprise funds; that leaves a total of \$7,542,683 for all other departments – the \$1.9 million shortfall needs to come from this figure.

Budgets were cut as follows: 12% from General Government, 5.3% from Public Safety, 10.9% from Public Works, 17.3% from Human Services (not including the Senior Center Budget) and 19.5% from Cultural and Recreation (not including the Library or Community Center). The North Middlesex Regional School District budget is up 1.8%, and Nashoba Tech is up 12.3%.

The reductions in General Government included freezing all wages, no cost of living increases, salaries and wages reduced by 10%, and eliminating the printing costs for the Town Report, which next year would be published on the Town's website with limited copies available at the Town Hall and Library.

The reductions in Public Safety included reducing the force by two police officers, eliminating or reducing by 10% all inspector stipends, and cutting fire wages by 10%.

The increase in the budget for Nashoba Tech was due to an increase in Pepperell students. North Middlesex level-funded its overall budget, however due to student percentages and the state household income formula, Pepperell's portion of the budget increased by 1.8%.

Reductions in Public Works included turning off all street lights, the Town Engineer agreeing to renegotiate his contracted salary increase, reducing DPW staff wages by 10% by eliminating step increases, and the layoff of one full-time and one part-time employee in the Highway Division.

Reductions in Human Services included contracting with Nashoba Boards of Health, eliminating the public health nurse and mental health program, and cutting the Veterans' Service Officer's stipend by 10%. These reductions were made prior to any discussion of the Senior Center.

Reductions in Culture & Recreation included elimination of summer playground funding, cutting wages for Parks maintenance by 10% and eliminating Memorial Day funding. Ms. Gaspar noted that the

library union was the only union to volunteer to renegotiate their contract and take a wage freeze. These reductions were prior to any discussion of the Library closure.

Ms. Gaspar noted that the Enterprise Funds do not adversely affect the overall Town budget as expenses are paid by the ratepayers.

Mandatory increases, over which we have no control, include a \$62,000 increase in unemployment insurance, Police Officer, Superior Officer and DPW union contract wages, other contractual employees, though many have offered to freeze wages or make other concessions, health insurance, telephone, heating expenses, etc.

After cutting all the budgets, there is still a shortfall of more than \$600,000; therefore the FinCom is recommending that the Library, Council on Aging, and Community Center budgets, totaling \$646,797 be supported by an override. The override vote will be held on June 22<sup>nd</sup>. Ms. Gaspar noted that the affect on residential tax bills is not as daunting as some may expect, at \$52 per \$100,000 valuation.

Mr. Johnson explained the additional \$600,000 shortfall was due to human error and is deep and involved; he is not looking to point fingers.

Mr. Johnson invited comments from the audience.

Board of Health member Scott Butcher asked why certain departments were included in the override and others, like the Board of Health, were not. Ms. Gaspar stated the recommendation to contract with Nashoba Board of Health is not a new argument; the FinCom looked at how the Town could be more efficiently serviced. There was some strategy involved in deciding which departments to include in the override; the FinCom looked at what Town budgets have significant numbers of supporters so that we would have the best chance at seeing the override pass. It is the Board of Selectmen's call if they want to add departments to the override. Mr. Butcher stated Nashoba Board of Health is only a piece of the puzzle. Mr. Butcher stated it is an act of cowardice to force people to vote on an override for departments that are most important to them. Mr. Butcher felt the FinCom manipulated articles and departments and chose those that are most vulnerable; Mr. Butcher found the process offensive. Mr. Butcher asked how the Board could include the article for reconstruction of the tennis courts.

Mr. Sergi stated the Board of Selectmen determines the items that will be on the override. The Board does not censor out other department's articles; this has been past practice. There is some strategy involved in the override, and the Board is being told that the more we put on the override, the more likelihood it will fail. Mr. Sergi commented he was on Town Field this morning, and in speaking to folks there is support for the override.

Mr. Hanson explained that procedurally, any department or 10 citizens can put an article on the Town Meeting warrant. The tennis court article is not being recommended by FinCom. The process for placing articles on the warrant is set by statute and by bylaw.

Ms. Gaspar stated the tennis courts were never considered for support. The FinCom is looking for success for the override. The Town has been living on savings and drawing down reserves, and we can't keep up with expenses.

Bob Allen stated an override is forever, and is forcing us to pay Town employees and everyone else. Mr. Allen noted that the Town had money from the EPA cleanup, and asked where that money went. Shutting off all the street lights will be a liability to the Town.

Mr. Hanson commented that if residents voted to put money in the budgets without an override, there would have to be a funding source. Regarding the EPA cleanup money, the Town has not received that money yet, but it will go into the general fund once received.

Jerri Bozicas asked how the referendum question would be worded. Mr. Hanson stated it would be a simple yes/no question, with all three budgets in one vote. To avoid any misunderstanding, if voters wanted to have a series of departments seeking money on an override, the vote would have to be separated for almost all of them; it can't be a general question.

Phil Durno stated he is disappointed and feels putting the Council on Aging, Library and Community Center on an override is like putting a gun to his head. He has made up his mind and will vote down the override. He stated the FinCom needs to find other ways to cut spending.

Marge Spence stated she asked the Assessors' office how much her taxes will go up, and was told \$198, and wondered where she would cut her expenses to cover this tax increase.

Caroline Ahdab of 19 Deerfield Drive wanted to see projections for the next few years and what will happen to the budgets looking ahead if the override doesn't pass. Mr. Sergi stated a very difficult decision had to be made regarding the override, and he would welcome other suggestions. Before the calculation error was found we were at the margin of a balanced budget, however the calculation error did not create the deficit. Regarding the out-years, we already know this will be a one-year solution. This is a start. Budgets were cut by \$400,000 in addition to the \$600,000 shortfall and \$750,000 in savings that won't be there next year; we're trying to deal with the present.

Mr. McNabb stated he recognizes this will be a one year solution; the only other solution would be a larger override and further cuts. We are trying to present what people can swallow. He sees next year's budget talks beginning in July or August, and there will either be further cuts or we will need more revenue.

A resident asked why there is a 1.2% increase in the North Middlesex budget with fewer students. School Committee member Arnie Silva stated the school budget is level funded, and the reason that Ppeperell's number is up is because enrollment of Pepperell students is up and based on a complicated state formula. The district is expecting a \$450,000 to \$500,000 decrease in transportation funding from the state and the district is trying to get this money reinstated. We will not have these numbers until late may. Mr. Silva suggested the Town develop a property tax rebate or incentive program for people with limited income.

Ms. Gaspar commented that if a property's assessment goes down, their tax bill goes down. We do have a five year plan. Without the override, there will be an \$800,000 shortfall next year.

Mike Alphonso stated several items could be put off, and the Town needs to adapt, adjust and improvise. The Police Department can wait a few years for their new cars, and the well construction can wait. He urged the FinCom and Board of Selectmen to not take away what makes this community great, and to not take away Memorial Day.

Mr. Sergi stated the tennis court article will be tabled. Mr. Johnson stated the well construction is paid for by the ratepayers, and not added to tax bills. Mr. Hanson stated the Town has a permit from the DEP to construct the well, and we must follow through while we still have the authority. The sewer articles are also funded by enterprise funds.

Lisa Gambazza stated she feels threatened when she sees the posters at the library about the override and closure of the library, senior center and community center and suggested the FinCom go back and crunch the numbers.

Judy Dalton asked Mr. Silva when the school committee members will address cuts at the administrative level, and commented that perhaps it is time to get out of the regional school district so we would have more control over the school budget. Mr. Silva stated the district is reimbursed over \$20 million from the state. There is a big push at the state level for more school regionalization. The Town would have a bigger problem if it got out of the district as the state would not foster this and it would be more expensive for the Town.

Ms. Dalton remarked that when the state approved Proposition 2 ½, the state mandated policy that we can't pay for, and she didn't see why this wouldn't be a good opportunity to get out of the district.

Jeff Sauer remarked that the school budget has no bearing on what we're discussing today and is only confusing issues. No one wants to close the library or senior center, but how will we pay for them when we don't have the money? The override is about keeping them open. Mr. Sauer stated he has sat in on the FinCom meetings for several months, and the FinCom has looked at all the budgets and made significant cuts affecting people's lives, but what else can we do?

Mr. Durno stated the FinCom has done a fabulous job, but he feels there are more things that can be done. The Police Chief is retiring – he can be replaced with the Lieutenant and we would save his salary. The Town Administrator is retiring, and maybe we don't have to replace him right away.

Library Director Deb Spratt stated this is not an easy thing for her to say, but if the Town doesn't vote for the override, the Town won't have these services anymore. You will pay one way or the other, by paying the cost of the override or by having to spend money for books.

Deb Bezanson asked why the Town can't tap into the Enterprise Funds. Ms. Gaspar stated these funds are from the ratepayers, and it is illegal to use these funds for anything other than the enterprise fund departments. Mr. Hanson explained all enterprise fund departments employ union members and contract employees. All bargaining groups were requested to make concessions. Ms. Bezanson asked why all the contracts are not on the Town's website, for instance, the school contracts. Mr. Hanson stated they were just received in the office on Friday and are in paper form; we posted all contracts negotiated by the Town.

Mr. Sergi stated he heard criticism of the police unions regarding the contract postings. In the spirit of trying to be open and transparent, we will make as many documents public as possible. It was never the Board's intent to post the school contracts. That any group is being targeted is incorrect. Mr. Sergi apologized if the Police Department feels they are being victimized, because no one should feel that way. Getting this information out is in everyone's best interest. Conversely, the Board had asked for concessions, and it appears there is movement in that direction with the police unions.

Laurie Hartley asked if the Library had any trust funds, and if so, how much money was in the funds. Ms. Spratt stated the Library does have trust funds that are used in times of expansion but can't be used for operating costs. Even if they used the trust funds for the operating budget, the library would lose certification because of the state's budget requirements. It is important for people to understand that if the library closes, you will not be able to get a library card or use the services of libraries in other towns. If the library is closed it will take 2 ½ years to get its certification back, as there are many hoops to jump through. Ms. Hartley asked what would happen to the trust fund money if the library closed, and how

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much money there is. Ms. Spratt estimated they have approximately \$175,000 in trust funds; the money would be held in trust until the library is reopened. The trust fund money has been used to supplement shortfalls in the budget each year, and the library has never been fully funded.

Roger Pare of 218 South Road asked why the library couldn't be closed two days per week, which he is guessing would save approximately \$247,000. Ms. Spratt stated the library would lose its accreditation because it must be open at least 40 hours per week.

Eric Smith stated that closing the Peter Fitzpatrick School is not a cut. Four administrators' salaries are equal to the amount of the library budget. We built a new school when we didn't need one. If we didn't have that debt service we wouldn't have this problem now. Robotics was added to the high school curriculum at a cost of \$300,000, even though the technical school offers this and does a great job with curriculum.

Mr. Johnson thanked everyone for attending the meeting.

**ADJOURNMENT:** The meeting adjourned at 12:00 noon.

Respectfully submitted,

Peggy Mazzola, Administrative Assistant

**APPROVED: BOARD OF SELECTMEN:**

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Lyndon B. Johnson, Chairman

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Joseph A. Sergi, Clerk

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Patrick J. McNabb

**APPROVED: FINANCE COMMITTEE:**

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Diane Gaspar, Chairman

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Burke Bero

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Stephanie Cronin

\_\_\_\_\_  
Chris DeSimone

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Chris Johnson

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Jeanne LeBlanc

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George Zacharakis