

PRESENT: Selectmen Lyndon B. Johnson, Joseph A. Sergi and Patrick J. McNabb; Robert Hanson, Town Administrator; Peggy Mazzola, Administrative Assistant; Finance Committee members Diane Gaspar, Chris DeSimone, Burke Bero, Stephanie Cronin, Chris Johnson and Jeanne LeBlanc; Town Moderator Scott Blackburn; various Town department heads and employees, and the general public

The meeting was called to order at 10:00 AM by Mr. Blackburn. Mr. Blackburn explained the format for the meeting.

Finance Committee Chairman Diane Gaspar thanked everyone for coming. Ms. Gaspar explained that we are currently looking at a \$1.3 million deficit for FY '10. The Town Accountant updates projections throughout the year, and it's possible the deficit could be higher based on what the Town receives for State aid; we won't know that number until late spring. The Finance Committee's mandate and guidelines called for level funded budgets. Some departments have contractual obligations, equipment commitments, etc. The Finance Committee is in the process of looking at each budget and meeting with department heads. The Finance Committee makes recommendations to the Selectmen, the Selectmen will prioritize and then the voters get the final say on the budgets. More cuts are inevitable; the decision will need to be made as to whether we should draw from savings, which was gutted to \$600,000 last year, or attach over-rides to some budgets – everything depends on dialog between the Finance Committee, Board of Selectmen and Town departments. The schools' budgets are totally separate from the town-side. We have difficult work ahead of us to submit a balanced budget.

Mr. Johnson stated the Board of Selectmen is facing difficult times, but this is cyclical and we will get through this. The Board needs input to help it make decisions, whether the result is cutbacks, elimination of services, cutting hours or personnel layoffs. Mr. Johnson thanked the school representatives for attending, and stated he hopes the stimulus package will benefit the Town.

Mr. Sergi stated many people have been following what's going on at the local, state and national level. The overall deficit could be \$1.5 million. It's important to inform folks. The school district is in the midst of setting its budget which is a huge part of the Town's budget. They are trying to hold the line. The Board is looking at reducing the deficit by \$500,000, but this will result in reductions in services. As a Selectman and resident, Mr. Sergi stated he is not sure an over-ride is a viable option; lots of people are facing layoffs, people are having trouble paying their mortgages and utility bills.

Mr. McNabb stated the Town has been through difficult times before, and the Board has difficult decisions to make. We will do our best to get through this. Mr. McNabb stated he agrees with Mr. Sergi; it's hard to ask people to pay more. On Wednesday the Board will discuss various options, including staff reductions, layoffs, or possible over-ride.

Dr. Maureen Marshall, NMRSD Superintendent, stated there are many here who say if the schools do their part, everything will be okay; she didn't believe that was the case. The Finance Committee has asked the district for a level-funded budget, and the district will do that, but it will change the way we deliver services to your children. We will see reductions in staff in all personnel areas. There are few that can be taken care of through attrition so layoffs will be inevitable. Dr. Marshall stated she suspects superintendents everywhere are saying what she's saying. Students may not have access to some things, but will have access to high quality

teachers. As we look at what our budget will be, there could be changes in the Town's assessment, which is based on the State's formula; the district can not make the state change that. The state says that Pepperell is richer in land and income than Townsend and Ashby. The district's budget will be close – level funded or less. The district needs the Town's support; the administration will recommend aggressive changes, and some people may be unhappy with those changes. The district will do its share, but it may not be enough. There are those who believe it's the school's fault that the Town is facing such a huge deficit. Ms. Gaspar made a comment that the Town needs to stand with her – Dr. Marshall stated she will stand with Ms. Gaspar. The district is committed to the children, and the Town needs to stand with the district.

Dr. Judith Klimkiewicz, NVTHS Superintendent, stated she didn't have much better news. The only advantage she sees is that they are below the minimum school spending, which may mean additional Chapter 70 aid for the district. The district had a 16% increase in students from Pepperell this year. The main increase for Pepperell is in the minimum assessment from \$653,697 for 107 students to \$782,966 for 124 students; in reality the cost per student decreased, resulting in a 3.3% increase. The total assessment to the Town will result in a 2.4% increase over level funded due to contractual issues. They have made a request to the union president to freeze raises; the same request was made in 2002 and 2003 but was voted down by the union. The increase for 2010 as of today is \$113,467; however this is a draft, tentative budget, but includes the 16% increase in students.

Mr. Blackburn opened the floor to questions and comments from department heads.

Library Director Deb Spratt asked if she will be given a percentage or dollar amount to cut from her budget. Mr. Johnson stated the Board hasn't decided that yet; the Board had looked at across-the-board cuts, and will look at each department to decide whether to make the cuts in hours, days open or staff reductions. The Board will work with the departments and welcomes input. Ms. Spratt stated she would like to be able to make the decision on whether to decrease hours or cut personnel, and to be afforded the flexibility to provide the best services to the Town. Mr. Sergi remarked that personnel reductions will result in additional costs such as unemployment, and must be considered.

Council on Aging Director Sharon Mercurio stated that one scenario presented was to close the Senior Center. She stated the Senior Center is more than bingo games and the thought of closing the center would be devastating. Ms. Gaspar stated they had to start some place and were presented with various scenarios prepared by the Town Administrator's office; it is up to the voters to decide what is important to the Town. She stated she does not want to see rumors gain speed. Mr. Bero commented that the scenario prepared by Mr. Hanson included the fact that only about 25% of the budget can be cut.

Mr. Johnson stated we have a lot of people before us; the Selectmen are divided on the over-ride issue. Mr. Johnson would hate to see facilities like the Senior Center close; the voters need to decide what services they want to continue. The budget can be balanced by taking as much as possible from stabilization and free cash, a full over-ride or a partial over-ride. If the board decides not to put forth an over-ride then major cuts would need to be made.

Mr. Blackburn opened the floor to comments from those in attendance.

Bob Allen of Lowell road asked if the plowing and grounds work at Nashoba Tech could be done by the Army Corp of Engineers as a training project. Dr. Klimkiewicz stated there are very

capable students at the school that can do much of this work. A concession stand was built by the students, though it did take three years to complete. The school needs its custodial staff for plowing, shoveling and grounds maintenance. They are also looking into having solar panels installed, at no cost to the school that will save money in electrical costs.

Phil Durno of Chestnut Street stated he is not against police, fire, highway, or town services, and feels we have a well run town. He is also not against the school department, but we're in hard times and they have to realize this is no joke. We have to make tough choices, like hiring freezes and wage freezes. We got ourselves into this trouble, and it is up to us to get ourselves out.

Arnie Silva, NMRSD School Committee Chairman, stated there is no good time to look at an over-ride. He would like to see the town put out a survey with a range of options. Dr. Marshall has offered to help put together a survey for the Town's website.

Bernie St. Laurent of Oak Hill Street praised the DPW for their hard work during this tough winter, and the Town should keep that in mind when making cuts. He stated there is not a good representation of teachers living in town at this meeting, and noted a school department union in Maine voted to not take raises to avoid layoffs. Our teachers need to take a step back because there are a lot of people out of work.

Dick Aubin of Heald Street stated the Town budget is being eaten up by the unions, and they have to make adjustments and be more agreeable.

Mr. Allen stated he does not feel that any cuts should be made to the Senior Center. He asked what the capacity was for the schools in town. Dr. Marshall stated that 80% of the classrooms are being used. Mr. Allen asked about the buses. Dr. Marshall responded they are 75% filled. Mr. Allen asked about special needs. Dr. Marshall responded that the schools can't do everything in house as they are not equipped. Mr. Allen asked if the Town had considered a debt exclusion. Mr. Sergi stated that can't be done for the Town's operating budget. Dr. Marshall stated that because North Middlesex is a regional school district and is reimbursed 80% of transportation costs by the state, they can not charge a fee to ride the buses. They can charge a fee for students who live less than a mile from the schools; the district provides transportation for these "courtesy riders" due to the lack of sidewalks and safe walkways.

Kim Green of June Street stated that the teachers may not be at this meeting, but they are with our kids every day and still care.

A resident of Townsend Street remarked that he had read an article in the Lowell Sun regarding proposed local aid cuts and asked if anyone has spoken to our representatives regarding the cuts. The article stated we stand to have a 40% cut in local aid, while more affluent towns, such as Westford, will only have a 4% cut in their local aid.

Mr. Sergi stated the Board has asked the unions to attend its next meeting and the Board will asked the unions about wages freezes.

Chris DeSimone stated we anticipate a \$1.3 million shortfall; the Town Accountant put together a document with this projection, which is updated throughout the year. There are still unknowns, such as what our local aid will be; the Town has had its state aid cut for this fiscal year. What the schools are proposing to do, by level funding their budget, is a tremendous help to the Town. However their busing contract is up for renewal and enrollment figures are unknown. Regarding a possible over-ride, the Finance Committee and Board of Selectmen have to plan as if there will

be no over-ride. We will do our job and make the best possible recommendations we can and have to prepare for the worst. If the schools level fund their budgets, our \$1.3 million deficit may only be \$800,000.

Sue Boswell of Heald Street stated we must look at long range impacts, if we don't want to lose services it will take the community coming together to solve the Town's problems.

Richard Baldwin of Brick Pond Way stated the over-ride failed by an overwhelming majority last year; the people in his neighborhood are upset with the Planning Board and Zoning Board of Appeals. When they called the Board of Selectmen they were told it was not their jurisdiction. The only way to get back at the Town was to vote down the over-ride. Mr. Baldwin commented on the Town's unfunded liability, and wondered how this is being handled; tax abatements are also not being discussed. Ms. Gaspar stated the auditors came in to the Selectmen to discuss the most recent audit; the Town's unfunded liability will be looked at in FY '11 by bond assessment people and at the moment there is no place to put this on the balance sheet.

Charlotte Bennett commented that the Town is spending too much on schools and she doesn't think the students are learning what they should be learning.

Jeff Willett of Mill Street asked if the voters will have a say on the union wage increases, and commented that if we vote yes for something and then realize we don't have the money we should rethink our voting.

George Farmer of Tarbell Street asked where cuts were being made to Town departments. Mr. DeSimone stated the budget process is ongoing and the Finance Committee meets every Thursday evening; it is premature to say which departments will be cut. We have put proposed cuts on paper and are working on the budgets now but nothing will be definite until we have final numbers.

Mr. Farmer asked if the school committee has reached an agreement on their budget. Dr. Marshall stated she has directed the school committee to level fund the budget but will have to wait for final numbers, just like the Town.

Mr. Farmer suggested changing the date of Town Meeting from May to March. Mr. Blackburn stated the date of Town Meeting is set by the Town's bylaws. Having Town Meeting in March would not work as we won't have numbers from the state.

Allan Wilayto of Orion Road stated he has lived in Town since 1982. He encouraged everyone to patronize our local businesses. He commented that many of the school teachers are on a trip to Louisiana with students. Mr. Wilayto stated if we make too many cuts to the school budget we will lose students.

A resident asked what the average salary was for the school teachers. Dr. Marshall stated entry level teachers earn \$38,000 with a master's degree; the top salary is \$55,000 after 15-16 years of service. A teacher with a doctorate and 20 years of service earns \$65,000. These salary figures are low for this region. The teachers are due a 2 ½% increase. Teachers must now have a master's degree which is very costly with little tuition reimbursement.

Leann Phoenix of Longmeadow Road stated teachers are hard-working and underpaid. She feels that a survey would be helpful. Ms. Phoenix questioned why the over-ride had to be linked to a specific department, which makes the issue too emotional. Ms. Gaspar stated the way the budget

structure is, the Town votes on the budget by department and the over-ride must be attached to specific departments. The current sentiment is that there will be no COLA for bylaw employees, though there may be step increases. Mr. Hanson stated an over-ride vote must be for a specific amount for a specific purpose.

Paul Raike of Shattuck Street stated the changes in the community have been positive, and both the schools and Town services have made significant progress. Part of the reason for the growth in the Town is because of the school system; the school budget is an investment for the Town, as are all the Town departments. A COLA is based on the increase in the cost of living, but we may actually see a decrease in the cost of living.

Mr. St. Laurent commented he has three members of his family who are school teachers, and they work in the summer because they can't get by on their salaries.

A resident of Deerfield Drive commented that it may be beneficial to break down the budget in dollars and cents, for example 10 cents for the senior center, 10 cents for the schools. She read in the paper that budget cuts may force the Town Hall to close one day per week, and suggested that should be Monday due to the number of Monday holidays. Home values have taken a huge hit.

Mr. Durno stated he is not against the schools, but was upset when the budget presented at town meeting changed and the district hired more principals. He asked how many aides there are working for the district. Dr. Marshall stated there are 97 para-professionals, some have teaching degrees, some have associates degrees, and some have high school diplomas. The school committee reduced the budget 24 to 36 hours prior to Ashby's Town Meeting after working with Ashby to lower their assessment so they wouldn't have to make cuts in the Town. Of the \$100,000 that was cut from the school budget, \$40,000 was cut from Pepperell's assessment, which amounted to 48% of the budget reduction. The idea that this was a "bait and switch" scheme is inaccurate, and the principal position was in the budget from the start and critical to the success of the high school.

Mr. Silva stated that in the short tenure of Dr. Marshall he has seen tremendous changes at the high school. He ran for school committee because of the rumors that Mr. Durno mentioned. He is passionate about living in this community. Education is what we owe to the community. He doesn't want to see any cuts, and would like to see what voters will say about an over-ride.

George Zacharakis of South Road stated times are tough with the Town, and if he saw that the Town was willing to make cuts he might vote for an over-ride. He asked what the impact would be to his taxes. Mr. Johnson stated the average tax increase on a \$300,000 home with a \$1.3 million over-ride would be \$350 per year.

Mr. Sergi stated it is premature to talk numbers, and holding the line will impact those numbers. We have to look at all parts of the budget, and the schools should be applauded for holding the line. We will work on a survey.

Mr. Johnson commented that the Board doesn't always see eye to eye. There has been tremendous growth in the Town, and he doesn't want to see us go backwards and lose what took years to build up. He hopes people will look at the tax structure and see the value for their dollars. The residents get an awful lot without paying a lot. It would cost the residents less than \$1 a day to maintain current services.

**BUDGET MEETING
10:00 AM
SENIOR CENTER**

**February 14, 2009
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Mr. Johnson thanked Mr. Blackburn and everyone for attending the meeting, and stated the Board of Selectmen is here to help everyone. He appreciated seeing representatives from both school districts at the meeting.

Mr. McNabb stated the Board will meet on Wednesday to talk to the unions. He stated his position on the over-ride is that this is a difficult time economically, and we need to look hard in every budget because every budget has some fat. We need to roll up our sleeves. A lot of people can't afford an over-ride, and he disagrees with Mr. Johnson.

ADJOURNMENT: The meeting adjourned at 12:00 noon.

Respectfully submitted,

Peggy Mazzola, Administrative Assistant

APPROVED:

Lyndon B. Johnson, Chairman

Joseph A. Sergi, Clerk

Patrick J. McNabb