

**PRESENT:** Selectmen Joseph A. Sergi, Patrick J. McNabb, and Joe Hallisey; Robert Hanson, Town Administrator; Peggy Mazzola, Administrative Assistant

The meeting was called to order at 6:02 PM.

**REORGANIZATION OF THE BOARD:** Mr. McNabb stated it is a tradition of the Board to select the senior member to serve as chairman, and the second senior member to serve as clerk. Mr. McNabb stated he feels confident Mr. Sergi can fulfill the duties of chairman. On a motion by Mr. McNabb and seconded by Mr. Hallisey, it was unanimously voted to have Mr. Sergi serve as Chairman for the ensuing year. Mr. Sergi expressed his appreciation for the vote of confidence. Mr. Sergi nominated Mr. McNabb to serve as Clerk, commenting that Mr. McNabb has done a great job over the past year and has shown leadership abilities on the Town Administrator Search Committee. Mr. Hallisey seconded the nomination, and it was unanimously voted to have Mr. McNabb serve as Clerk for the ensuing year.

**Discussion – with Sharon Mercurio, COA Director:** Ms. Mercurio was present to “clear the air” regarding accusations from other departments that the Council on Aging intends to go to Town Meeting and motion to have its budget taken from other departments. Ms. Mercurio stated that is not their intent, and they realize their budget is part of the override. In addition, rumors that Mr. Hallisey made promises to the voters are inaccurate, since Ms. Mercurio stated she had never seen him at the Senior Center. Mr. Sergi thanked Ms. Mercurio for her comments, noting that he has heard rumors over the last week. We are in trying times, and the rumor that the Board of Selectmen is trying to pit one department against another is false. Another rumor, that the Board intends to hire an interim Town Administrator, is also false. He is hearing that if the override fails, there are dollars out there – and there are not; we have already cut \$400,000 from the budgets. Mr. McNabb thanked Ms. Mercurio for coming to the meeting, commenting that everyone needs to keep a level head. These are tough times, and we will do our best to get through. As for the rumors, Mr. McNabb chose not to address them. Mr. McNabb stated he went to the Senior Center on Wednesday and spoke to the seniors about the override.

**Discussion – Town Meeting issues:** Mr. Hanson stated he has been advised by Town Moderator Scott Blackburn that certain parties intend to address the budget line item by line item and make cuts to fund the senior center and the library without an override, and it may be a long Town Meeting.

Mr. Hallisey stated he is in agreement with Mr. McNabb, and we are all in this together. Mr. Sergi stated what Mr. Hanson speaks about is very dangerous, and will put our department heads against each other on Town Meeting floor. Mr. Hanson stated it is unreasonable for a person who has no direct knowledge of a department to put a number to something, and we have no way to look at that. There are legal restrictions in some departments. Mr. Sergi stated that Mr. Blackburn has agreed to allow this, and the department heads will appear unprepared, with the perception being they don't need the money because they can't justify it on Town Meeting floor.

Mr. Sergi suggested a resolution outlining the things that the Board is in agreement on; we need an override, and budget modifications are not in the best interest of the Town long term. Mr. Sergi asked for a motion that the Board of Selectmen does not support action by party/parties to attempt to change budgets as recommended by the Finance Committee. Mr. McNabb made the motion, Mr. Hallisey seconded, with all in favor. On a motion by Mr. McNabb and seconded by Mr. Hallisey, it was unanimously voted to endorse the override as presented in the warrant.

Mr. Hallisey commented that people need to realize that a huge effort went into the budget cuts to get us to this point. Mr. Sergi remarked that the override is only a one-year fix. Mr. McNabb agreed, stating it will be a challenge again next year. No one wants a tax increase, but there's not much in reserves and this is where we are.

Mr. McNabb stated the Board had previously voted to support 1/12 budgets for the Council on Aging, Library and Community Center, but the FinCom had left \$5,000 in the Community Center budget to maintain the building. Given the money is there for the Community Center, Mr. Hanson asked if the Board is in agreement to drop the community center from the budget proposal. The Board agreed. Mr. Hanson stated the funding will come from Free Cash, with \$14,387 for the Council on Aging and \$35,962 for the Library. Mr. Sergi asked what the balance was in Free Cash. Mr. Hanson stated there is approximately \$270,000. Mr. Hanson stated the Board of Health is going to motion to reinstate their budget subject to an override if the Nashoba Board of Health article fails. Given the small amount of money involved, Mr. Hanson proposed that Free Cash be used as a source of funding. The Board of Health is looking to restore \$9,250 for the Board of Health budget, \$30,774 for Nursing Services and \$5,000 for Mental Health Services. The total amount to be used from Free Cash including all of the above, the street lights and Memorial Day, is \$117,000. There is some reasonable expectation that there will be additional money added to Free Cash from departmental close-outs at the end of the year. Mr. Sergi remarked that money from FEMA is also expected. Mr. Hanson stated the Board doesn't need to take any action relative to the Board of Health.

Discussion – Police Union Offer: Mr. Sergi thanked Sgt. Mandy Herrera and Officer Fabrizio Vestri for giving the Board additional time to review the offer from the police unions. Mr. Sergi read the offer from the police unions. Mr. Hanson remarked the proposal was confusing regarding clothing allowance, as the offer doesn't say what is being offered. Sgt. Herrera stated each officer's clothing allowance will be reduced by \$350 for FY '10 and FY '11. Mr. Hanson provided the Board with a review of the existing contracts and cost implications. Mr. Hanson stated the \$20,683 savings does not include the clothing allowance concession; the offer includes a 2% pay increase for FY '10, no increase in FY '11 until the final day of the fiscal year, when they will receive a 2% increase, and the contracts will be extended for one year. At that point a new contract would be in order, with negotiations to begin in January. The unions put themselves in the exact position as if the contract ended in 2010, and preserves earnings while saving some money for the Town. Negotiating practice has been to put Pepperell in the "middle of the pack" relative to wages. Given the short time to research, Mr. Hanson could provide only limited information on wages of other towns; however one could argue whether the information is truly comparable, as benefits may not be comparable across the board, or some towns may be lower in wages but higher in benefits. Mr. Hanson stated in his opinion there are no hidden agendas or surprises, and acceptance of the offer would be a benefit to the Town. There is no guarantee that ending the existing contract will find any benefit in negotiating a new contract, and could take years without a final agreement and the potential to end up in litigation.

Sgt. Herrera stated the savings to the Town for clothing allowance is \$5,250 per year. Mr. Sergi noted the savings to the Town would be \$26,000 in FY '10 and \$5,250 the following year. Mr. Hanson stated it is possible the one-year extension may cover a time frame when the economy turns around. Sgt. Herrera stated the membership worked to help the Town, and they hope the Board will accept the proposal.

A lengthy discussion ensued relative to the timing of the offer, and whether the deadline imposed by the unions was artificial. Sgt. Herrera stated if the Town is struggling in FY '11, the police unions would be willing to talk. Mr. Sergi stated he is a little reluctant to extend the term of the contract, but

at this point he is willing to accept the proposal and thank the unions. Any concessions made equates to immediate savings for the Town. Mr. McNabb thanked Sgt. Herrera and Officer Vestri, stating that he obviously has more concerns than Mr. Sergi, but the \$20,000+ savings is tempting. However, he feels it would be short-sighted to accept their offer now, and thinks we have not done enough research. Mr. McNabb would like more time, and believes the Board should reject the proposal. Mr. Hallisey remarked that he didn't see how comparing us to other towns affects our negotiations, and whether the unions give concessions or not, he doesn't see how knowing how their wages compare to other towns helps us. Mr. Hanson stated the only question on the table is whether the comparables presented urge you to negotiate immediately or later.

Following further discussion, and on a motion by Mr. McNabb and seconded by Mr. Hallisey, it was voted, with two in favor and one opposed, to accept the police union offer to the Town dated April 24, 2009 as discussed.

Discussion – School Administration salaries: Mr. McNabb stated the Board had discussed this issue the other night, and he asked if the Board still wanted to do this, and what percentage cuts would the Board ask for. Mr. McNabb proposed a 10% cut in administrative salaries, stating we asked our departments to cut 10%, and they should share the pain. A 10% cut in administration salaries would equal \$200,000. Mr. Sergi asked if the entire savings would benefit Pepperell. Mr. McNabb stated it would be distributed proportionally among the three member towns. Mr. McNabb remarked if the Board did not want to act now that was fine and it probably would not make a difference for the upcoming Town Meeting anyway. Mr. Hallisey remarked that it wouldn't hurt to ask, and we have nothing to lose by doing so. Mr. McNabb remarked that everyone has to be a part of this and something from the Town would reinforce our feelings. Mr. Hanson stated if you want to ask for 10% reduction, he wouldn't need a dollar amount. He will have something ready for the Board for Monday.

**ADJOURNMENT:** On a motion by Mr. McNabb and seconded by Mr. Hallisey, it was unanimously voted to adjourn at 7:55 PM.

Respectfully submitted,

Peggy Mazzola, Administrative Assistant

**APPROVED:**

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Joseph A. Sergi, Chairman

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Patrick J. McNabb, Clerk

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Joe Hallisey