

FINANCE COMMITTEE
MINUTES OF MEETING
THURSDAY, JANUARY 24, 2002
FAIRBANK SENIOR CENTER
7:30 PM

Present: Co-Chair Sheila Stewart, Co-Chair Jim Carlton, Bob Hurstak, Don Hutchinson, Larry Rowe, Mike Grosberg, Rebecca Corkin John Nikula and Tracy Billig. Also present: Kerry Speidel, Finance Director.

Item 1. FY 2003 Budget Presentations- Town, General Government, Culture & Recreation, Debt & Unclassified.

Maureen Valente, Town Manager, made the presentation of the Town Budget under the No Override Scenario. She began with the General Government Division. Under the No Override, the Board of Selectmen/ Town Manager's Budget would be cut \$32,355. Cuts would come from the elimination of the Economic Development position, elimination of overtime and additional clerical hours, and a cut in general expenses, travel and membership dues. The impact of these cuts would mean that peak demand times will be more challenging, compensatory time off would be used in-lieu of overtime pay, momentum on economic development and regional planning would be lost.

Under the No Override Budget, the Assistant Town Manager/ Personnel Budget would be cut \$5,989. Cuts would come from a reduction in clerical hours to assist during busy times, reduction in employee training, and reduction in advertising for vacant positions. Under the No Override Budget, the Law Office would be cut \$17,000. This cut would come from the reduction in hours, from full-time to half-time, for the Legal Secretary position. The additional work caused by this cut would be picked up by the Town Manager's Office. Under the No Override, funding for the Permanent Building Committee would be eliminated and funding for the Documents Preservation Committee would be cut back to \$250.

Under the No Override Budget, the Town Clerk and Registrar Budget would be cut \$6,920. Cuts would come from the elimination of voting machine upgrades and cuts in general expenses and travel. Under the No Override Budget, the Conservation Budget would be cut \$6,800. An additional amount of the Administrator's salary would be paid out of the Wetland Fees Revolving Fund and trail maintenance and travel would be cut. Debbie Dineen, Conservation Administrator, expressed concern over the proposed cuts as they would affect the Commission's ability to steward land and regulate development.

Under the No Override Budget, the Planning & Design Review Budget would be cut \$5,200. Cuts would come from the elimination of the summer intern position, reduction in clerical hours and in professional development. The impact of the cuts would be a decreased ability to work on the Route 20 Visioning Process and Affordable Housing Issues. Under the No Override Budget, the Board of Appeals general expense line would be cut \$150.

Under the No Override, the Finance Department Budgets would be cut a total of \$79,970 the majority of cuts being in the Assessor's and Information Systems Offices. Small cuts in travel and expenses would be made in the Accounting Office. A total of \$4,700 would be cut out of the Treasurer-Collector's Office, eliminating funds for professional development, dues & memberships, and supplies to produce financial documents. A Data Collector position, currently vacant, would be eliminated in the Assessor's Office, making it very difficult to gather and process the information necessary to prepare property tax assessments. In addition, New Growth may not be picked up in a timely manner, resulting in a loss of property tax revenue. \$41,423 would be cut from the Information Systems Office, all in replacement equipment. The impacts of the cuts will be that we will get behind on the periodic replacement of equipment which will necessitate the need to make a large purchase at some time in the future and that if this is prolonged, that department's will begin obtaining equipment on their own and we will lose overall management of technology.

Valente continued her presentation with the Culture & Recreation Division. She introduced Bill Talentino, Library Director, and Hans Lopater, Board of Trustees. Under the No Override, Library Salaries would be cut \$15,000, \$12,100 for the Minuteman Network replacement would be cut, and all other expense lines would be cut to some degree. Director Talentino stated that these cuts had the potential to affect the Library's state certification which would result in a loss of state aid. In addition, it would be necessary to reduce weekend hours, and to cut public training sessions and children's programs. Talentino stated that in the past three-(3) years, circulation has increased 60%, while staff has only increased 10%, resulting in the need for the Library Staff to handle 70% more circulation than staff in comparable libraries. Goodnow Library staff average 22,000 circs per FTE, while the state average is 13,000 per FTE. Hans Lopater, Board of Trustees, stated that he is concerned about the potential of losing state aid. He pointed out that the Library was found a lot of private money to fund many projects and purchases and has only come to the Town for the bare minimum.

Under the No Override, the Recreation Department would be cut \$3,950. The cuts would come from the elimination of the payphone at the Teen Center and 75% reduction in general expenses. Under the No Override, the Historic Districts Commission Budget would be cut \$250, while the Historical Commission Budget would be cut \$3,000. This cut would result in the inability to make needed repairs at the Hosmer House.

Under the No Override, the Atkinson Pool would be cut drastically. Although this is set up as an enterprise fund, it is not self-supporting. An analysis of fees was completed last fiscal year, and as a result, fees were raised. The Town is concerned however, about raising fees too high, because then the Pool's fees will be at the same level as the private clubs. In order to balance the budget, \$50,000 was cut from pool maintenance.

Valente continued with a presentation of the Unclassified & Transfer Budgets. Under the No Override, cuts are proposed in the telephone expense line and in the 4th of July celebration. In addition, \$5,000 was cut from the Reserve Fund.

Valente summarized her budget presentation by stating that the number of positions which must be cut under the No Override represent 5% of the Town's workforce, which is most devastating. She said that she would continue to examine options and try to identify creative ways of addressing the Town's financial problem.

Valente asked the Committee if she could make an additional brief presentation on what she sees as the challenges for the future. The Committee agreed. Valente stated that she feels it is the role of the Finance Committee to:

1. request that wage packages be kept in line with what we can afford
2. request that full costs of packages are provided to you after (union) settlement
3. require that all centers provide a statement of full staff costs to the FinCom with each new hire
4. comply with the forecast model & to seriously address where the budget will be in the future
5. follow town and school spending during the year & ask questions
6. send out a clear message on override issues
7. find ways to reward those who are working toward creative approaches

She further identified what she felt all three-(3) cost centers could do to help in the future and that it would take a lot of work to find a solution.

The Committee thanked Maureen Valente for her presentation.

No action was taken on this item.

Item 5. Follow-up Items and Other Items.

There was nothing to report on Follow-Up Items. No action was taken on this item.

The Committee discussed the need for both school cost centers to be specific as to the impacts of the No Override. They further discussed the percentage splits identified for each cost center under each override scenario and asked for explanation on how they were determined. They then discussed the difficulty in analyzing the town and school budgets since each has different ground rules.

No other items of business were presented.

There being no further business, the committee adjourned.

Submitted by:

Kerry A. Speidel, Finance Director