

MINUTES

ADVISORY BOARD

MARCH 13, 2006

Approved May 22, 2006

Attending: Doug Boyd, Carol Fitzgerald, Timm Marini, Kathy Pessolano

Absent: Michael Crowley

Also in Attendance: John D Flynn, James Smith, Duane Mosier, Cliff Bombard, Doug Farmer, Bill Olmstead, Larry Forrest, and several residents.

A transfer of funds request was received from Dana Pixley for account 33.1 Tree Warden in the amount of \$400.00. This was unanimously approved by the board.

The minutes of March 6, 2006 meeting were reviewed. Timm motioned to accept them, Doug seconded the motion, all agreed.

Larry Forrest from the Park and Rec Board addressed the Advisory Board in regards to their budget requests. Kathy started by reminding everyone what the Park & rec had requested in their budget (\$9,200 in salaries, \$15,000 in operating expenses, \$5,000 for capital improvements for a total of \$29,200 up from \$0 last year and down from \$37,651). Larry said \$8728 of salaries is for their clerk, Deb House, but they want to have room for a raise and if there is extra work to be done, so that would cover the entire salary budget. Last year they spent \$14,482 on expenses; of that figure about \$3,500 would be deemed operating expenses. Because they weren't funded last year this is what it cost them to operate, but it does include a Peter Pan bus trip (\$9095). Kathy asked if back in October when the Selectmen asked for the 2 budget scenarios – bare bones and full restoration- would it be fair to say that what Park & Rec was trying to do was to get back as much of the \$37,651 without hiring a director, so that they could do other things if they were given the money. Larry said that they are just trying to get the Park & Rec back and he feels that if there is money available we should do things for the kids, give it back to the kids. In regards to capitol improvements, Larry feels they are being conservative asking for \$5,000. They need fences for the baseball field; the main building is need of repairs. Kathy asked if Larry felt that the fees paid for the individual sports were enough to support those programs. He said at this point yes, but you have to wonder were is the cutoff, we don't want to get into a position where we are charging \$120 to allow the kids to play sports in town, then they will probably leave us and go to Wilbraham. We don't want to price ourselves out of sports, right now we charge from \$65 to \$90. Kathy asked if fees would be lower if they got more money in the expense account. We are worried that it's just a matter of time for something to happen and then we are done, we can't continue to operate. Doug asked if the \$3500 figure is for general operating expenses. Larry said it's for phones, dumpster, electricity, filler, ect. Doug

asked where the summer camp fees fit in. Larry said it's not a money maker for them, he thinks they actually lost money on it last year, enrollment dropped off, and there are no pool or real incentives to bring the kids in. Kathy asked if the water park would be up and running this year. Larry thinks that it may be next year.

Kathy addressed the board as to what she hoped to accomplish tonight. Everyone's had a chance to think about what Jim Smith had presented them with at last week's meeting, regarding his belief in the need of an override. The selectmen have not, as a board, reached a consensus on this issue. Kathy said she would like to get sense from the other members of the advisory board as to where their position is on the budget. Kathy said the advisory board members are well aware of her position regarding an override.

Carol said that Jim's presentation last week has made her want to be cautious about what we do for this year, but she doesn't think she could support an override for the purposes that Jim described. She doesn't think the town will support it. She doesn't see how the argument this year is going to be more compelling than it was last year. She feels the people in the town have told them that they want us to operate within certain limits for the operating budget and she feels that we need to try to do that. She also feels that, if we can, we need to restore some of the services in some capacity, but at this point she is unsure as to what level that should be. Carol also feels that the Highway departments needs are of the utmost important and it needs funding.

Kathy said that the selectmen were going to present Dana's budget of \$3,000,000 as being done in stages, and go for a debt exclusion override. Jim said that Dana has a draft plan and the override would be a debt exclusion override, which would have no set schedule as to when the work has to be done, if you have a 10 year bond you can do the work in 5 years, as long as you bonded it the money is there to pay off the bond. We need to put the critical needs up front that's why bonding makes sense, if you go and ask for it individually year after year it usually doesn't work. Debt exclusion guarantees the funding until the completion of the project. Timm asked Jim what his feeling was on something like that passing. Jim said he wasn't sure, people are aware of the infrastructure situation, but he honestly doesn't know. Timm said if the infrastructure deteriorates then the property values go down, is there another way to fund it than asking the taxpayers to fund it. Jim said he sees no other way, our revenue comes from the taxpayers, and the state isn't going to fund it.

Timm said his feelings are, that looking at the overall picture of the budget, we certainly bleed last year. Do we continue that bleeding or do we restore services or do we forget the infrastructure and look for a \$3,000,000 bond override. These are the issues and we also can't forget the school issue that is coming at the back end of that. He doesn't believe an override will pass but he is undecided at this point of what he would recommend we do. He said that Cliff has decreased the figures from about \$260,000 from the first budget we looked at back in October. If that \$260,000 appeared in the budget then he would like to take that and take the draft budget as proposed, and take whatever was left and put it towards the infrastructure.

Kathy said that we have to keep in the backs of our minds, for discussion purposes, that there are warrants articles on the town meeting that will be addressed – one being Dana's truck for \$49,000, and some items are going to be addressed at a special town meeting within the annual town meeting, such as the assessors \$14,000 for field review, and one of the police cruisers, because the selectmen are proposing that there is going to be some additional money available in this current fiscal year that can be transferred to fund these items. This will change some of our proposed and draft budget figures.

Cliff addressed the board regarding his figures. He said that if the board is depending on Cliff for figures, he's going to be conservative. He has been using 80% of the governor's budget in his projections. He said there are variables to be factored in such as growth, which we don't know what that number is, the overlay, in which there needs to be communication with the assessors to see what is available, \$85,000 in snow & ice of which \$60,000 has been spent. These variables will exist probably until October, which is always the case. These are the numbers that Cliff feels comfortable with given past history. Cliff asked where the additional money is going to come from for the special town meeting. Kathy said she was told that it was a result from unemployment compensation, because fortunately most employees found other employment.

Doug said that his concern with the budget this year is that the revenue projections for the school district is high, which lowers the assessment for us, which is the biggest variation in the budget. If we do a budget that suspends what we project, we are going to find ourselves next year with little or no flexibility, because the large part of this restoration is salaries. We need to keep in mind that along with full restoration of salaries comes other expenses such as benefits and other fixed items. Doug said he is in favor of opening the senior center, the library. He feels that we should reserve as much of the budget as possible and if there is money available in the fall for capital projects, then we treat those as separate items outside of the budget, and see where we are next year. He is not comfortable spending up to our projections, he thinks we should shave some of the requests further, create a reserve account, and he understands that that would mean some services don't get restored but he feels that this is the prudent way to do this. Doug emphasized that the large unknown is the school assessment. It's creating a false sense of revenue, it frees up money in our budget that may not be there next year. Kathy said that she is sure it won't be there next year. Doug said if we commit to it by way of an operating budget and then the school budget goes back to its historical averages, then we would be way overextended on our operating budget and then we would need an override or have to cut things back even more.

Kathy said her biggest concern is, and she is not disagreeing with what Jim said last week but, that an override is not going to pass because if everything comes together we won't need an override. Kathy said that to tell people that we can't open the services without an override is not true, we can open them, but we don't know if in 2 or 3 years it can stay open without an override. We may very well need an override next year or the year after. We need to keep in mind that the school district, as we have learned from years past, doesn't get their figures from the state until around July. She feels we need to proceed very cautiously. Kathy then asked the Selectmen what their sense of things are.

Duane Mosier said that they can pretty much guarantee that there is \$45,000 for special town meeting. It won't fund all of the items, but it will fund most. If we are real lucky it could be as high as \$60,000 but no more than that. He gave a list of items that he said could be considered at special town meeting, these are potentials; we would have to choose from these items. \$50,000 would be freed up from FY07 budget. He went back over the last seven years and found that the schools have averaged \$300,000 a year for budget increases, this year they are looking at \$50,000. If you subtract \$250,000 out of our budget this year you are looking at a realistic budget in terms of our revenue, that puts us in an upside down situation. Kathy asked if that was because he was figuring the schools at the \$300,000 level and Duane said yes. In terms of priority, he put together a scenario of these things. He felt personnel need a 2 ½% increase, they have gone long enough without a pay raise and they have been very good to us. He would like to see Conservation Commission, Park & Rec, Town Clerk and Tax Collector get additional hours. We need to make sure the cruisers and the highway truck get taken care of; it's costing us more to maintain them than it would to replace them. If we go for an override we need to consider several things, the stabilization account, street lights, library, ice and snow, police dept, and the highway dept. He personally doesn't see any value in holding the town meeting open in hopes for bigger numbers, because if there are bigger numbers they will put us in a better position for FY08. If we spend it this year we will be in the same place we at next year. We tend to go to special fall town meeting and spend that money, and he would personally like to see the special fall town meeting go away for budgeting reasons, we are using it as an operating method and that is one of the things we need to look at handling differently. He passed out a paper with items that will need a warrant at spring town meeting. He is suggesting creating a dedicated assessors stabilization account due to the fact that they have to do recertification every three years, an interim year adjust between those years and a cyclical inspection every nine years, which the cyclical cost \$45,000 alone.

John Flynn addressed the Board with his views next. John said he agrees with his colleagues, that we don't want to get into a yo-yo situation of hiring people back only to lay them off again the following year. He appreciates the work that the Advisory Board has done this year. He said he agrees with Kathy in that he would be hard pressed to support something, where we have worked hard at saving money and to accommodate restoration inside the budget and not do it. He understands priority, we do need to restore services, and it's what the people are expecting. John said with revenue projections it is good to be cautious. He feels the future looks good, being on the planning board he sees what the upcoming projections are, Mary Lyons project, the over 55 units, and he sees growth in the coming years to be good. He feels it's good to be cautious but don't let that stop you from looking ahead in a positive way. The infrastructure is number one priority. He said to keep in mind that our debt is falling off in November of FY07, and if we target correctly maybe we would overlap for one year and then it should be a wash for our debt structure. He feels that the people would support the infrastructure improvements; they have never not supported well explained projects.

Jim smith said to preface the comments he made last week, he would love to see the services brought back. He feels we have gotten ourselves in trouble over the years by telling the voters that we would cut back on services if we didn't get an override for the past 3 years. The first two years we made other cuts to meet the budget but not to the services. We created a false sense of security, people thought we were bluffing. We finally did what we said we would, we cut services. We do have less expenses this year, but he is concerned that the schools are being aggressive in there budgets this year, we may have a rebound next year if the schools don't get the full state aid that has been projected. It's wishful thinking to think we will grow out of this, that new growth is going to make up for state aid, We need to look beyond this year, we can go to the people and say we can give you services back this year , but we shouldn't do that, we shouldn't commit to something we can't maintain.

Kathy said that she didn't think anyone present would agree to fully restore the services to FY05 funding levels for the very reason that Jim had said, not committing to something that we cannot maintain. But Kathy said that her sense is, in talking to people from October until now, is that some people are saying they didn't think the closings would really happen, that we would find the money somewhere, and other people are saying that they want us to live within 2 ½, and if these services go away, so be it, but we are not passing an override, we are not passing an operational override. So, having listened to the people, she feels if we make opening the library and senior center, ect contingent on an override, then these services will never see the light of day again. She doesn't think an override will pass.

Jim asked Kathy to project that into next year. He said if we provide the people with some of the services and next year we say in order to maintain those services we need an override, the people are going to say here we go again. He feels the people are looking for leadership and looking for an objective review of the numbers and a reality check against those numbers, they are not looking for us to say that the voters really want these things, if they really want these things then they will pay for them. It's not our duty as town leaders to say we can move things around to give the people something for one year, but that next year we can't provide that to them without an override.

Kathy said we have tried unsuccessfully for 3 years in a row to get an override for operating expenses and it had failed each and every year. It failed to a point were the people have said we are not supporting it, close it down.

Duane said if you look at the other side of it, if you look at the cash that is being generated by the town, generally about a 3 ½ to 4 % increase annually. In the fall of '04 we were given a one time infusion of \$60,000, if we had not received that we would have had to cut services then. It was because of this \$60,000 that gave people a false sense of where we were at. Each year, when you put that 4% increase on top of the budget, we end up having to cut our spending to stay within that. He would love to be able to bring the services back, but he doesn't see the figures to support that. He feels we are playing a type of lottery, hoping the money is going to come from somewhere.

Patricia Elhers addressed the board on the issue of the opening of the senior center. She wanted to know where the town was going to get the money to pay the fine for when we reopen it. The board members and the selectmen said they were not aware of a fine. Ms. Elhers said she thought there was a federal or state fine for not keeping the senior center open. Jim Smith said that they have an agreement that, on whatever date we reopen the senior center, we will keep it open exclusively as a senior center for a period of 4 months.

Jim said he would like to reiterate that he would love to have services back to where they were before and not have to raise people's tax dollars. He said when you have X number of dollars, and X plus number of requests, and you meet those requests this year because you have an anomaly that is only good for this year. If we take that money and spend it on operating expenses we are going to regret it next year. He doesn't think it is good management to spend money on operating expenses, which are ongoing expenses that we don't have. People say we shouldn't have any money in savings or squirreled away in the town, but then here's the other people saying look at X community or Y community, they had the foresight to have money put away so that when things went bad they were able to tap into that. We did that too, but we don't have anymore to tap into. He said we need to manage this on a long term basis and not a short term basis.

Carol asked that if Jim presents the override as restoring the services, aren't people going to wonder why, if advisory is saying there is money available to fund them at a minimal level, then how will he explain the balance? Jim said that we need to address things that we have ignored for years, such as highway, highway building, police cruisers, roof for town hall. If we don't get an override then we are going to pay for those things that we have neglected in the past. We are also going to put aside money for a rainy day and we are not going to restore services. Timm asked how many overrides have we passed. Jim was not sure, he said that capitol overrides usually pass, operating ones usually do not.

Kathy said she felt the board of selectmen need to come to a consensus amongst the 3 members, as to what they would like to see in the budget, rather than having both boards all together. Advisory needs to be able to meet and be able to discuss amongst ourselves, after having listened to all the departments come in, where we feel it should go. The override issue has to have a collective decision made by both boards separately and then have the boards come together before we send out our recommended numbers to anyone. We also have public hearing next Monday where we will get plenty of feedback as to what the residents would like to see happen.

John said it's clear that we all agree that we have more needs that we can accommodate with just 2 1/2%. It's a question of how to prioritize them. He said he agrees with Doug, operating expenses should be inside the budget and capital items on an override. The town has never opposed an override for a capitol expense when it has been clearly explained to them. We have to work hard to stay within 2 1/2% or find new sources of revenue. If the governor comes through with more than the advisory board has explained what needs to be taken care of, snow & ice, stabilization, this money would be a one time bonus and we should put it in the bank.

Beth Burger said that they all appreciated the comments and hard work from the board members tonight. She said that she wants the boards to consider that maybe the people didn't realize all that was included in the entire figure of the override last year. Kathy said that she felt that is Jims' position on that but that she herself didn't agree with that. She felt that people who wanted to be informed knew what the repercussion of the override failing would be. She is convinced that people, even today would not pass an override. Beth asked is it because you say you're giving the people choices, but when you give them one big number that is not a choice. Kathy said the problem with a menu override is that things get put into groups and it's not fair to all the services involved. It has to be a quality of life in the community that all can enjoy. It's not fair to say "Well I don't use this service so I won't support it, but I do use this other service so I will support that.

Jim said he would like the boards to come to a collective decision. Kathy said if possible she would like that too. Doug said he felt that the board members are not that far off on their views, it's just a question of capital and operating and where the money has to be spent.

Doug motioned to end the meeting, Timm seconded the motion, all agreed.

Meeting ended at 7:45pm

Respectfully submitted,

Ann Murphy