

MEETING

ADVISORY BOARD

MARCH 27, 2006

**Approved May 22, 2006**

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

Also Attending: Cliff Bombard, Duane Mosier, and several residents.

Kathy said that the selectmen have run some numbers and they say that if we add six people back the insurance cost is going to go up \$54,000. Kathy didn't think that we were going to be adding six people back, so what she proposed was that we lower the amount on line item 7.2 from \$192,000 to \$180,000 for now, for working purposes. The board agreed to this change.

Doug asked if we are going to do any salary adjustments for the elected officials. Kathy felt that the clerical positions had salary increases but she didn't want to add to the elected officials at this time unless new revenue figures allow that to happen. Doug said that he felt that there should not be a distinction as to whether you are hired or elected in order to be given a pay increase. People are doing a job for the town whether they are elected or hired, and why should someone who is hired get a pay raise and the elected people not. He doesn't feel that it is fair to level fund the officials. Kathy said she would like to hold this issue aside and see where we are with the warrant articles, and then what we have done in the past is, at fall town meeting, if we have money available we have made the pay increase retroactive to July 1<sup>st</sup>. Kathy said that if we increased the elected officials pay, according to Duane that figure is somewhere around \$30,000, but she is not sure she agrees with that. Doug and Carol said we should find out what that figure would be and then we can hold it out. John felt that we have to be consistent and he agreed with Doug, if a step is deserved it should not be an issue whether they are exempt or nonexempt employees. Kathy asked John how quickly the selectmen could get the advisory board a dollar figure as to what the increase would be, because we are trying very hard to get this budget completed, so we can get it to print so we can mail it out in time for the annual town meeting.

Library- Doug said that he is in favor of reopening the library, but that it has occurred to him that if you look at the library and the senior center, which in his mind they are both the same, they both fall under the nonessential category. The senior center budget is broken down, it has line items for their utilities, maintenance, ect. The library isn't broken down, he knows it's part of the town building so it's not easily broken down. We need to give them enough money to be recertified. Doug asked what if we take the library money and reallocate it, so that a portion of that includes the employee benefits, etc. Kathy said she didn't think we could do that because it goes back to that argument

where the state law says we give the school district a lump sum, we give the library a lump sum, they have a board of trustees and it is not up to us to apportion it. Doug said that the true cost of running the library is not \$75,000, it is \$75,000+ because it's not just the salaries it's everything else that it takes to run the library. So if we are looking at trying to get them to their minimum then doesn't it make sense to use the true cost of staffing the library towards their minimum. Kathy said the true cost was the bare bones budget breakdown, except for utilities because that is all included in the town house utilities bill. Kathy didn't feel that we could address that this year but that Doug's point is very well taken and perhaps it's something that we could discuss with the selectmen. Doug said if we are looking at \$75,000 as a budget item and we are keeping all the other items such as retirement and health insurance on another line, then \$75,000+ is what we are really allocating to the library. Now giving where we are with what we think our revenue figures are, we could be talking another \$10,000 or \$20,000 on the employee benefit line. Doug said that his kids use the library as much as anyone else and he would love to have it open, but he would also love to have police cruisers and all the other things we would like to do. This brings us back to the essential and nonessential and can we pay for something this year versus can we afford it. Doug said it makes sense to look at that library figure as a way to free up additional money in the budget, at the cost of the library having fewer hours or fewer staff people. Kathy said that may not allow the library to be recertified. Carol wanted to know what the certification is based on, is it on dollar amount or the amount of hours that it is open. Kathy said that it is both; there is a formula that shows that the town has to contribute a certain amount of funding. Beth Burger spoke up and said that that is correct and that the library has to be open a minimum of 25 hours a week, it has to have a director of a certain educational level, and it has to be free. Doug said he is not out to hurt the library but that he thinks we should treat it the same as the senior center. Michael said that the senior center has cost that are on the employee benefit side too, none of the departments are differentiated. Kathy said that the library is a community resource, anyone can use the library. The senior center on the other hand, has about 90 people from Hampden that use it. This study was done by Jim Smith's father a few years ago, and he came before us and said that there was money that could be saved in the operation in the council on aging and senior center. There is always the potential that more seniors could enjoy the center, but the library is the one thing that all the residents can enjoy. Doug said he is just looking at trying to meet the minimum so that we satisfy the state requirements for accreditation and yet keep ourselves from overextending and getting ourselves in a situation that we have it staffed to a level where next year we cannot afford it. Kathy said maybe 2 or 3 years from now as it slowly starts to climb back up, Doug is right, we may need to visit the issue of an override. Doug is not suggesting an override, he is suggesting that we keep this budget as lean as possible, because the chances of the school district having the revenue next year that they have this year are slim to none, and that leads us back to a school budget that absorbs all our growth. Doug said he is looking to next year and making sure that we can support what we restore. He doesn't see an override happening this year or in the next few years, so we need to squeeze everything out of this budget that we can. Kathy agreed with him. Timm said that the \$75,000 figure was with advisory adding \$6500 to their bare bones budget because we were uncomfortable funding it to the exact amount in case they made an error. Michael asked if they could run it on less. Timm said the original

figure was \$68,394.23 and that was for 25 hours and 3 staff members. Carol said that we can't jeopardize the recertification; we have to make sure that it is open for 25 hours. Carol also reminded the board that John Ramsey had come to one of the meetings and said that if the town made an effort that he would try to help get the borrowing privileges back next year. The board agreed to lower the recommended amount to \$70,000.

John asked to go back to the issue of elected officials' issue. There are 5 elected offices in town and if you increase those offices salaries by 2 ½% it would come to a total of \$2469. The board agreed to increase those salaries.

Town House Maintenance – Doug asked if the roof was included in the \$6,800 figure. John said that no it is not, that it is part of capitol projects and the selectmen will be talking about that on Wednesday. John will get back advisory with a number on that.

The final figure for the budget with the above changes made is \$8,955,397. The estimated revenue figure is \$9,001,529. The difference is \$46,132.

#### Warrant Articles:

Kathy said out of the \$46,132 we could fund the Police 911 for \$12,000, the Assessors cyclical inspection for \$12,000, and the Treasurer/Accountant Software for \$10,000 and put \$12,132 in to reserve. Another option is to bump up revenue projections by \$3,000, and be comfortable with that, and buy the highway truck. But by doing that, it would zero that money out and nothing else could be done. Timm said he would rather do the little things and ask the people for the big ticket items. Doug said he was not comfortable with a zero figure. Kathy asked Timm if he meant asking the people for what? Timm said for the police cruiser, highway truck, etc. John said we could put the highway truck on a warrant article. Kathy said that that is not how the selectmen have it worded, it's not a debt exclusion, they have it worded "to see if the town will vote to raise and appropriate a sum of money to purchase the replacement of the one ton dump truck with plow or take any other action relative thereto". Cliff said that it's not official until it is posted, once it's been returned with the "doings thereof" it's official. Kathy said that her sense is, after having a conversation with Cliff, that come April we will be getting an increase in our revenue projections. What she would like to propose that the advisory board do is, vote the budget as it is and then with any additional money that comes in, we earmark that money for stabilization. Timm said that he is a little confused, we have \$46,000 that we just found in the budget and there is another \$40,000 that has to be spent before June 30,2006. Kathy said that that \$40,000 is in the special town meeting, that's the selectmens call as to how they want to fund that. Kathy said what is left to be funded at the special with the transfer was the correction of the \$2,000 error in the administrative assistant line item for the selectmen and the \$4,000 for retroactive for the police contract and the highway truck. Now the selectmen are saying what they are going to be discussing in their meeting tonight is to use that \$44,000 figure that is left to either buy an additional cruiser, in addition to the one we budgeted for, or the ADA compliant bathroom at TWB.

After some discussion and confusion Kathy announced that the board could not vote on this budget tonight because the board doesn't know what the selectmen are planning on doing this evening. We need to recess this meeting until tomorrow night.

Cliff mentioned that there is \$30,000 left over in the capitol projects fund that has been there for 8 or 9 years unused. It is a perfectly legitimate item to be used at town meeting for the ADA project at the school. Kathy asked John and Duane if they had any reservations against that. John said he had no reservations. Duane said he didn't know at this time, that he would like to reserve comment. Doug asked where the money came from. Cliff said it is left over from the landfill cap and the water project, what was left over from those funds that were never spent. Cliff said the money cannot be used to balance the budget but you can use it for an item that you would normally consider bonding.

Kathy asked the members of the advisory board how they felt about putting this budget to an override. The board unanimously agreed that they were not in favor of an override.

The meeting was recessed until tomorrow night at 6:00pm.

Doug motioned to end the meeting, Carol seconded.

Meeting ended at 6:50pm.

Respectfully submitted,  
Ann Murphy