

**TOWN OF ASHBURNHAM
BOARD OF SELECTMEN MEETING - MINUTES
JANUARY 5, 2009
VON DECK LECTURE HALL – OAKMONT**

This meeting was aired live on local cable television Channel 8.

PRESENT: Chris Gagnon, Chair, Jonathan Dennehy, Member, Maggie Whitney, Clerk Kevin Paicos, Town Administrator and Sylvia Turcotte, Assistant to the Town Administrator.

I. APPROVAL OF AGENDA: At 7:00 p.m., Gagnon read the agenda. Dennehy motioned to approve the agenda as read and was seconded by Whitney. Motion carried.

II. PRESENTATIONS, REPORTS & CORRESPONDENCE

Gagnon began by sending out congratulations to the towns of Westminster and Princeton on their 250th Anniversary. He also welcomed the new Town Accountant, Nancy Haines.

A. Review of Year to Date Revenue & Expense Reports

Jim Shanahan, the Interim Town Accountant gave an overview of this report. He noted that the revenue had exceeded expenses in November but expenses exceeded the revenue in December by 6% and that this has caused a cash flow concern for the Treasurer.

Shanahan stated that at this time the Town had reserve fund balances of \$175,793. He noted that the overall revenue is down \$125k based on last year's projections and that general revenue trends are heading downward. He also mentioned that the ambulance fees were a concern with \$138k outstanding and that there should be more aggressive collection.

Shanahan stated that only 30% of fees had been collected so far this year and that they should only see between 70-75% collections this year. He noted that licenses and permits collections to date were down and he didn't see any surge until spring with an estimated 65% collection for the year anticipated.

He noted that State Aid may be cut 10% for FY09 which would be roughly \$87k. He did add that it may be only a 5% cut, but either way it would be detrimental to the Town.

Shanahan did touch on the Water and Sewer Enterprise Funds and the rate increases noting that the Town can't afford any deficits so a rate increase may be needed again.

Paicos stated that they could not count on the same real estate collections as last year which was 99%. He noted that they could hopefully collect 95% for this year. He also noted his concern with the cash flow situation, stating that interest rates are down and the Town has no idle cash to invest at this time. He stated that they have to stop spending money now.

Paicos stated that he spoke with Senator Brewer and was told that the cut in local aid for the current fiscal year is inevitable and a certainty. He thought that 5% was likely

which would equate to about \$48k for Ashburnham. He added that this would be known in 2 or 3 weeks. Paicos stated that they could easily expect less in collections this year.

Shanahan then went over the expenditure portion of his report. He noted that the Town Administrator's account showed a deficit of \$20,689.59 due to the Interim Town Administrator issues. He also noted that under the Town Accountant's account the deficit was due to the buy-back of his sick time.

Gagnon noted his concerns that sick leave and vacation time buy-backs were not budgeted for. Paicos stated that typically there's no vacation buy-back as they would usually delay recruitment which would take care of this. He added that anyone hired after 2006 is not eligible for sick leave buy-back per the Personnel By-Laws.

Pixie Brennan stated that there should be a committee appointed to review the Personnel By-Laws and the Special Act.

Bill Johnson asked for a report on buy-back unfunded liability and Whitney asked for the Selectmen to be copied as well. Shanahan noted that he would work with the Treasurer on this report and email it to them. Paicos noted that this would take some time to compile.

Shanahan also noted that the Town Hall and VMS account could have a deficit of between \$14k and \$16k. He stated that the Non-Departmental account deficit of \$29k is mainly due to computer and legal expenses.

Paicos stated that the budgets need to be closely monitored.

Shanahan stated that Snow & Ice has a deficit of \$1,500 and that right now this account has a balance of \$42k for the remainder of this fiscal year due to the ice storm. He stated that the expenses for this storm are being charged under this account to avoid any problems at year end and a more flexible account.

Paicos stated that the storm expenses needed to be calculated for FEMA and MEMA reimbursements. He stated that all non-budgeted expenses would be put in the Snow & Ice account for reimbursement purposes if prior to June 30th. He added that this unfunded expense would be carried over. He noted that a state of emergency was called by the Board of Selectmen, the State (MEMA) and the President (FEMA) and that the estimates have gone in, but the President hasn't given the official proclamation yet. He noted some estimates given so far by Chief Zbikowski. \$50k for the Fire Department which included wages, equipment and supplies, \$5K for Police, \$75k for the DPW, \$250k for the School Department (he noted that this may be high and that he would need a breakdown) and \$multi-million in expenses for the Light Department. He noted that FEMA would reimburse the Town 75% and MEMA 25%. He added that this was still not solidified. Shanahan noted that due to the ice storm expenses the Treasurer may be forced to borrow money. Ron Reed, who was present, noted that the Board of Selectmen should contact the MMA for assistance to absorb and borrow money interest free if need be and Paicos agreed that this was a good way to go.

Skip Nolan stated that they should contact the insurance company on the fire alarm system that was damaged due to the storm as it might be covered. Paicos noted that because this was an act of God, it probably wouldn't be covered.

Paicos noted that the first step is getting these estimates compiled and reimbursed. He added that this is ongoing and repairs would be made for at least a year.

The Board of Selectmen thanked Shanahan for his report.

B. Discussion and vote on new Town Accountant Letter of Employment and Interim Accounting Agreement with Jim Shanahan

Gagnon stated that the Board was pleased to appoint Nancy Haines as the new Town Accountant. Dennehy questioned if the agreement letter had been reviewed by Labor Counsel as he was concerned with the health insurance enrollment issue. Gagnon noted that he would pass this by Counsel but that they needed to get Haines sworn in.

Dennehy also expressed his concerns for the other non-union employees in the Town who won't be getting any increases to which Gagnon explained that the increases were made in order to match the current Town Accountant's salary.

Whitney motioned to accept the Letter of Agreement and was seconded by Dennehy contingent upon Labor Counsel review. Motion carried.

Paicos noted that Nancy Haines was the unanimous choice of the Board of Selectmen out of a number of very talented people. He welcomed Nancy to Ashburnham.

Gagnon then asked for the Board's approve of the agreement letter for Shanahan to continue as Accounting Consultant until January 15th. Paicos concurred that it was indeed necessary to keep him on as it would be very helpful for Nancy Haines and the transition.

Whitney motioned to accept the agreement letter and was seconded by Dennehy. Motion carried.

C. Correspondence

Gagnon mentioned a few letters received by the Board, in particular a letter from the Department of Revenue regarding an Interim Town Administrator and whether the Board should take over this role.

D. Town Administrator's Report (The report is attached to these minutes.)

Paicos noted that a list was sent by the DPW Director for the economic stimulus package and hopefully the Town would get some projects on this list funded.

E. Public Safety Building Committee Update (The report is attached to these minutes.)

Gagnon stated that they should re-appoint the Public Safety Building Committee for another 6 months in order to finish business and finalize the latest set of books. Whitney motioned to re-appoint the Committee for another 6 months and was seconded by Dennehy. Motion carried.

F. Chairman's Report

Gagnon discussed a number of issues in his report. One item he proposed was utilizing the former Police Chief's conference room for the Selectmen's meetings if the cable drop could be set up. Whitney noted that she would prefer to use either the Public Safety Building or continue using the Von Deck Room at Oakmont but not the VMS Building. Gagnon did note that the Public Safety Building would be the third drop for Comcast and they are still intending on getting this done. Discussion followed on the use of the Public Safety Building.

A discussion followed on the use of the upstairs meeting room at Town Hall as well as other locations in Town Hall. It was noted that the meetings would continue to be held at Oakmont for the foreseeable future.

Gagnon then touched upon the unemployment benefits issue regarding the Interim Town Administrator. He also noted the possibility of regional dispatch with Ashby. A short discussion followed on the moving of the water trough from the Victorian House Restaurant on Maple Street. Paicos stated that he would look into this and report back.

III. OLD BUSINESS

A. Review of recent Ice Storm with the purpose of updating the policies, procedures and the disaster plan as well as commending the Town Departments for their excellent work during the storm

Gagnon asked Paicos for an outline for meetings as well as a debriefing. Paicos stated that he would meet with Chief Zbikowski on this and that the emergency plan may need to be updated as well. He noted that the departments did an extraordinary job and that Ashburnham was among the top 2 or 3 towns with such quick recovery. He noted that the Town employees' "work ethic" was amazing and it was an effort that was incredibly gratifying.

Paicos suggested that appropriate recognition for these folks should be planned with some sort of gathering on camera.

Gagnon noted that Stan Herriott was working on shirts and diplomas of recognition for all his employees. Paicos noted that he would compile a list of names and plan something. A discussion followed on the Emergency Management Plan.

B. Vote regarding emergency expenditures for recent storm

Dennehy motioned to authorize expenditures in excess of appropriations due to the ice storm state of emergency. Whitney seconded and the motion carried. It was noted that the Advisory Board would be asked to vote on this at their next meeting as well.

C. Vote to accept the remainder of Roy Bros. oil gift for purpose of heating South Station

Both Dennehy and Whitney had questions on the future of South Station. Paicos stated that it was likely at some point that South Station may be declared as surplus as he was not intending on having the building open this winter. However, since this generous offer was made by Roy Bros., barring any disagreement, this is an incredibly generous gift and he suggested that they take it. He noted that total gallons would be about 1,000 and that this should not be a problem in regards to future oil bids.

Dennehy stated that he agreed that this was a very generous offer but that there is a need to have a discussion on the future of South Station and what is stored there.

Whitney motioned to accept the remainder of the oil gift from Roy Bros. for South Station and was seconded by Dennehy. Motion carried.

D. Discussion on status of water trough located at the Victorian House property on Maple Avenue.

This item was discussed earlier in the meeting under Chairman's Report.

IV. NEW BUSINESS

A. Preliminary discussion on pending search for new Town Administrator, on hiring an Interim Town Administrator and current Town Administrator work schedule

Gagnon discussed the opinion in the letter from the Department of Revenue on the Board of Selectmen serving as the Interim Town Administrator. He stated that he asked Town Counsel to look into this option and to report back to him. Dennehy noted that the main point of the letter is that the Board shouldn't do it and it's just not appropriate. He added that this discussion is premature as Kevin hasn't given his notice yet. He stated that he agreed with the tenure of this letter from the DOR and that he stands by this opinion and an interim should be hired. Gagnon stated that he didn't disagree but that his biggest concern was that they needed to hire or appoint someone within 7 days of Kevin's resignation. Dennehy stated that the 60 days notice in his contract would make that possible.

A discussion followed on the issue of paying unemployment to an interim TA once they leave the Town's services. Also a short discussion followed on Kevin's work schedule.

B. Preliminary discussion – FY10 Budget schedule

Gagnon inquired when the budget requests were sent to the Department Heads and Paicos noted that they were sent to them today. He noted that he has been working on the Revenue/Expense forecast and that it would be ready in a few weeks. He stated that he would then meet with the Selectmen and the Advisory Board to discuss.

He stated that he instructed the Department Heads to submit level budgets and that it would probably take about two weeks to get them all submitted. He added that once they are received and reviewed he would give the Board a briefing and get their recommendations.

Paicos noted that he has instituted a hiring freeze and that there are four vacancies at this time. He added that he has also instituted a spending freeze which would be in effect the next day in order to conserve money.

Paicos stated that by the second week of February he would give a preliminary budget to the Board and then a final budget a week or two after that. He suggested that they move their next meeting to Monday, January 26th in order to accommodate the timeline.

Bill Johnson noted that he wanted a preliminary budget for the Advisory Board as soon as possible in order to start the process of meeting with the Department Heads on their individual budgets and to be able to go into more detail with their review process.

A discussion followed regarding the Charter/Special Act and what the actual process involves.

Paicos suggested that they might consider postponing the Annual Town Meeting due to the budget situation. Dennehy stated that they would need to consider Westminster if they made the change.

Gagnon stated that they should cancel the scheduled meeting on January 20th and reschedule for January 26th at 6:30 in the Von Deck Lecture Hall here at Oakmont and to have the agenda strictly be the FY10 Budget review.

Paicos stated that he would have his Expense/Revenue Forecast Report to them by January 26th and the budget to them the week of February 13th. Johnson also requested the updated FY09 budget which included the cuts made at Town Meeting and Paicos stated that he would have this to them in a couple of days. Shanahan stated that he would get this done with Haines the next day and would give them the breakdown in each department budget.

C. Discussion of status of FY09 spending and hiring freeze and personnel reductions

Gagnon inquired if Paicos had implemented a spending freeze and he responded that he had advised the Department Heads not to submit anything.

Whitney motioned to endorse the Town Administrator's FY09 Budget freeze and was seconded by Dennehy. Motion carried.

D. Discussion on location of Board of Selectmen meetings during winter months

This topic was already discussed earlier in the meeting.

E. Vote to extend the Public Safety Building Committee Appointments

This topic was already discussed earlier in the meeting.

Gagnon asked the Board for permission to use town letterhead on a recommendation letter for NETCO, the company who provided the construction management for the Public Safety Building project. Dennehy motioned to approve and was seconded by Whitney. Motion carried.

V. APPROVAL OF MINUTES

No minutes to approve.

VI. SCHEDULE OF COMING EVENTS

VII. OTHER MATTERS

Gagnon stated that the next meeting would be held on Monday, January 26, 2009 at 6:30 p.m. and would be held in the Von Deck Lecture Hall at Oakmont.

VIII. EXECUTIVE SESSION

At 10:20 p.m. Whitney motioned to enter into Executive Session to deliberate upon matters which, if done in open meeting could detrimentally affect the position of the Town regarding strategy with respect to collective bargaining and to not reconvene into open session except to adjourn. Dennehy seconded and the motion carried.

IX. ADJOURNMENT

With no further business to discuss, at 10:55 p.m. Whitney motioned to adjourn and was seconded by Dennehy. Motion carried.

Respectfully submitted,
Sylvia Turcotte
Assistant to the Town Administrator