

FINANCE COMMITTEE
Minutes

Date: May 2, 2013

Time: 7:00 p.m.

Present: O'Connor, Gauthier, Kupcinskis, Hebert, Bartosiewicz

Absent: Girard

Joint Meeting between the Board of Selectmen, Finance Committee and the School Committee

Board of Selectmen Chairman, Bernie Plante, called the meeting to order at 7:05 p.m.

The Town Moderator was also present at the meeting

Bernie Plante: I hope that at this meeting we will all come to some kind of agreement between the Board of Selectmen, School Committee and the Finance Committee. If not, it will be settled on the Town Meeting floor.

Michael O'Connor: I would first like to thank Mr. King for requesting this meeting. We normally have this earlier in the year. I felt that I should make some remarks at the beginning of the meeting as to how we got to where we are today. The Town Manager presented his budget to the Board of Selectmen on March 7, 2013. Before his presentation, we had a \$460,000 problem. All of the requests put us over the Proposition 2-1/2 limit of \$460,000. The Town Manager looked at \$182,000 and split it 40/60 between the School and the Town. That left \$278,000 remaining. This matched exactly what the school requested for 2 items which are on the warrant. This is no more than a financial scheme to get the School Department what they want. With no payment on next year keeping the Town within the levy limit, I believe that a majority of the people here tonight do not think it is a good idea to borrow for the two school items. The Finance Committee recommended a reduction on the Municipal Side of \$73,000 and the School Department of \$387,000. The School is still at 66% of the total budget. The School requested an increase of \$1.1Million over last year's request which is 75% of the total requests. The recommended adjustment to the School Department budget still gives the School \$719,000 over last year's budget. We reviewed the Municipal side's budget by each department. The Millbury School Department's spending and budget is out of control. It is lacking balance with budgeting and spending. The Millbury Public School has yet to comment on the Finance Committee's letter about our recommended proposal. I have not heard them publically discuss any cuts to their budget.

Bill Borowski: I respect your views though I do not agree with your comments. To say that we are out of control is astonishing. I have every intention of getting up at Town Meeting to support our budget. No one from the Board of Selectmen or the Finance Committee came to our public hearing to discuss this.

Bob Spain: I will also get up to support the budget and warrant articles. It is a tough year with State Aid. We will probably need a second Town Meeting to cut the budget to put it into balance. I recommended the borrowing method to the School Committee so we wouldn't go over the limit. I wouldn't recommend that this be done on an ongoing basis. There just isn't enough dollars to do everything that

we want to do. I spoke to our advisors concerning our rating if we did this. They said that as long as this wasn't common practice, it wouldn't be a problem. I will support borrowing on these articles at Town Meeting. I do think we will have to make further cuts in the future on this budget. I am looking into other possibilities.

Susan Hitchcock: I handed out a sheet that shows the cuts that we have made between 2008 and 2012. Parents and School Council have been informed of these cuts. Textbooks change about every 10 years. The last upgrade in technology was during the renovation. I haven't put anything back into the budget that we took out. The textbooks are a one-time cost. If we still had the \$109,000 that we cut out of the budget, we wouldn't have to have a warrant article for them. We eliminated \$120,000 from the technology account. We put a plan together 2 years ago that would work into a 3 year plan. This will get us where we need to be for at least 10 years. This was not on a "wish list".

Fran King: I am in favor of schools, but we got to this position because of all the borrowing. I don't believe this is the way to get the articles funded. It should be a debt exclusion. I voted against putting in on a debt exclusion because no one from the School Committee came to our meeting to discuss it.

Michael O'Connor: I just want to go on record that the Finance Committee is recommending to approve the 2 articles at the Town Meeting. There is a \$318,000 program in the School Department which is a 3 year lease/purchase. Why is there \$100,000 in for infrastructure and licensing and not for the network switches? Debt exclusions are used for construction of sewers, purchasing of fire apparatus, etc. not for everyday expenses.

Bernie Plante: The basic problem is there is not enough revenue to combat the expenses.

Susan Hitchcock: It is more acceptable to call this a budget plan. It is not a financial scheme. We reduced our staff by 14 people in the past 4 years. The reason we have no money in the textbook and technology budget is because we tried to keep teachers in the classroom.

Michael O'Connor: To get to a balanced budget, the Town Manager reduced his budget and asked the school to reduce theirs by \$109,000. We have a \$278,000 problem. If you were to make the payment the first year, we would have a \$100,000 problem instead of a \$278,000 problem. We should not be putting off a payment in order to balance the budget.

Bob Spain: The Bond Advisor said not to make a habit of doing this. To say that we have never done this is wrong. We did it with the new fire apparatus.

Bill Borowski: The reality is, this is a one-time charge. The Federal Government does this every year. We haven't asked for a 2-1/2 override. Without this new curriculum or technology, we will be eventually hurting our children's education. If there were another way of doing this, we would do it.

Jude Cristo: Could you elaborate on the \$100,000?

Michael O'Connor: The Manager broke down the deficit to \$182,000, which is the \$73,000 from the Town and \$109,000 from the School. The articles, if borrowed, would cost about \$100,000 per year. We have always seen some kind of payment the year the borrowing articles were approved. This is not the case with these articles.

Jude Cristo: Which of these articles has to happen this year, because of mandates?

Susan Hitchcock: Through the PARCC Program, MCAS will be mandated to be taken on-line within a few years. We need to upgrade the technology. The wireless is not included in the proposal. We have already accepted Mr. Spain's \$109,000 reduction in the budget. We need this.

Michael O'Connor: We have been waiting to hear if the proposed reduction had been accepted.

Jude Cristo: The Snow and Ice deficit was covered by the Overlay Account this year. If we could find \$30,000, would that help at all?

Brian Turbitt: When the Town Manager talked about this, I explained to him that if we could find money in this year's budget, I would try to see what I could do. I spoke to Mr. Bedard about looking for money in his current budget. I could probably find \$50,000 which would be the first payment. This is money that would have been Free Cash in 2015. If the School Department could find \$40,000 in their budget this year, then we could pay the first payment right now.

Anthony Ashmankas: I have spent three weeks researching the Town Side and the School Side of the budget. We much balance the budget. I don't think this is a sustainable situation to borrow and stretch it out to 2015. If you want it to be a 2-1/2 override or a debt exclusion, then let the voters decide. It is not something that should be decided next week at the Town Meeting.

Brian Ashmankas: We need more information to vote on this for Town Meeting. Are there any salaries in these articles?

Susan Hitchcock: No, there are none.

Brian Ashmankas: If the articles fail at Town Meeting, will you need to cut something in your budget?

Susan Hitchcock: We would have to eliminate the math books or we would end up cutting staff.

Brian Ashmankas: Can we get a commitment that the School Department will not do this again?

Susan Hitchcock: We do not have a crystal ball. We cannot guarantee that this will not happen again.

Steven Hebert: This is setting a precedent. If we do it now, it will happen again.

Albert Kupcinskis: You were asked if you could come up with \$40,000. Is that a possibility?

Susan Hitchcock: We will try to get close to that amount. We will have to take from our repairs to the buildings, which will put off maintenance for another year.

Mr. Bedard: I can also look into utility savings and our fuel consumption lines.

Brian Ashmankas: Are there any other options, like doing this over 2 years on either of the articles?

Susan Hitchcock: There is no benefit to do ½ of the text books. We are struggling with Math MCAS. We need the whole bundle on the Technology to get the computers to work.

Brian Ashmankas: There are a lot of worksheets and lessons on line. Could we handle our curriculum without the textbooks?

Susan Hitchcock: The textbooks have the common core standards right in them. Without the textbooks, you would be struggling.

Fran King: We need to take care of this without the borrowing. I see this opening the doors to every department.

Susan Hitchcock: This is critical for students of this community. We will do our best to come up with the \$42,000. We will have to let some of the maintenance go by the wayside.

Bob Spain: The Governor's Numbers will not come to fruition. We are probably sitting on a \$500,000 deficit. We are looking at some solutions. We do have to have a balanced budget. I am happy that we are trying to find a solution to the two articles. We won't have a concrete idea on the State Aid until around May 15th, which will be after our Town Meeting.

Michael Moore: The Senate voted an increase of \$217,000 to Chapter 90 funds today. We are hoping that the Governor will sign this. We have been debating on transportation issues. This is why things have been taking so long. The Senate numbers will be closer to the House Budget. The Senate cannot increase taxes. You will have to base your decision on the House Budget.

Michael O'Connor: The Finance Committee's recommendation will remain as it is, unless we hear from the Town Manager or the School Department

Joint meeting adjourned at 8:30 p.m.

Michael O'Connor: If the Manager's numbers on the School Department are accepted, we will have to change our notes to the original amounts. We will get together at 6:30 p.m. on Tuesday to discuss this. It will either be the Town Manager's numbers or our numbers.

Steve Hebert: We have not been given any information, even after asking the Town Manager and the Finance Director about the budget. This is a bad precedent to set. It is very creative financing.

Motioned by Kupcinkas, seconded by Gauthier to adjourn at 8:35 p.m. Unanimous.