

**Norwell Board of Selectmen
Meeting Minutes
Little Theater Norwell High School
January 25, 2012**

John Mariano opened the meeting and introduced Gregg McBride, Ellen Allen and Town Administrator James Boudreau.

MOTION: Gregg McBride moved the Board approve the agenda amended to delete the Bo-Tes Imports Pledge of License under New Business. Seconded by Ellen Allen and unanimously voted.

CITIZEN COMMENTS – None

7:35 Town Wide Budget Presentation – The Board of Selectmen explained the FY13 Budget through a slide presentation (copy attached) with following topics:

Why are we here?

- Expenditure Trends for FY05-FY10 (education, fixed costs, debt services and other others)
- Revenue vs. Spending – revenue growing slowly over past 5 years due to weak economy and it no longer keeps pace with expenses. From FY05-FY10, fixed costs (mostly health insurance) have grown from 1/5 to 1/3 of the size of the school budget, increasing by almost \$2.3M close to the total increase in education of almost \$2.5M over the same 5 years. From FY00-FY13 fixed costs have gone from 7.64% of budget to 17.39% of budget with this mostly being health care.
- Problem – when economy weakens Town revenue or declines, but demand for many services increases. School enrollment increases, library usage is up, more roads to plow and patrol, more homes to protect and serve, same number of athletic fields and facilities to maintain, aging population needing services and increased number of veterans needing assistance.
- Solutions – reduce spending, raise revenue, or a combination of both. Town budget must be balanced by law. Reduced spending means a lower level of services provided.
- Cost Reduction – majority of Town costs are people (wages & benefits). The BOS are negotiating contracts which reduce the Town cost for health insurance for new employees and adopted the state law on Health Care reform.
- Cost Reduction/Efficiencies – implementing consolidated Finance Department and combining Town and School technology efforts under one roof.
- Strategies for Revenue Enhancement – new Economic Development Committee, sell old Washington Street fire station and explore other property sales, sale of tax title assets, review Town Fees.

Where are we now?

- FY12 Breakdown of Expenditure by Departments (see slides)
- FY13 Operating Budget Requests for Education, Fixed Costs, Debt Services and All Others total \$43,275,925.
- FY13 Revenue Sources – renewable revenue from Taxation, State Aid, Local Receipts and Other total \$39,902,705.
- Budget Status – estimated revenue is \$39,902,705 with requests of \$43,275,925 (not including Capital or other Articles) leaving a deficit of (\$3,373,220).
- Free Cash is a result from revenues that exceed projections and unspent appropriations. Free Cash varies yearly like a tax refund and is risky to include in the operating budget.
- The Board explained how Overlay and Overlay Surplus works.

- Options to fund school technology of \$250,000 and school curriculum updates of \$300,000 would be through other sources (free cash/overlay surplus or bonding).

Next Steps:

- Advisory Board will produce a "No Override" Budget
- Determine final budget numbers and establish size of deficit and potential override figure
- Determine size and form of override question(s)
- Produce 3 year budget projections to ensure sustainability
- Annual Town Meeting and Election – Voters ultimately decide

NEW BUSINESS

Bo-Tes Imports Pledge of License – cancelled

UPCOMING MEETINGS

February 1, 2012

February 8, 2012

ADJOURNMENT – Motion was made to adjourn. Seconded and unanimously voted.



Board of Selectmen