



Office of the
BOARD OF SELECTMEN
272 Main Street
Townsend, Massachusetts 01469

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SELECTMEN'S MEETING MINUTES
SEPTEMBER 4, 2012 - 7:00 P.M.
SELECTMEN'S MEETING CHAMBERS

1. The Chairman called the meeting to order at 7:01 PM. Roll call showed Chairman, Nick Thalheimer (NT), Vice-Chairman, Sue Lisio (SL), and Clerk, Robert Plamondon (RP) in attendance.
2. NT gave notice that the meeting is being tape recorded.
3. FY2013 Budget: Discussion regarding the budget deficit of \$417,728

Mr. Sheehan reminded everyone of last week's failed override vote. With the way the regional school agreement is structured Townsend needs to come up with \$417,728. A large part of the budget that was approved in May is really untouchable. Education is about \$9M. Debt service and insurance add up to \$11,300K which leaves \$5M to come up with the money. One piece of good news is our local aid is about the same at \$76 which makes it \$340K that we need to come up with. I realize not every department is the same. Some can manage a 10% cut some would be devastated with a 2% cut. We also have reserves, stabilization and free cash. Stabilization is about \$1M. It is not a good idea to use stabilization or free cash for a recurring cost. I would caution you not to dig too deeply into stabilization because that hole is still there for next year's budget. We can do a combination of cuts and stabilization. People have also suggested another 2 ½ override suggesting people did not know the implications of a failed vote. In terms of process, this follows the standard process of a fall Town Meeting, except that it is more severe than what we usually get. We will develop a plan and present the proposed budget at Town Meeting. I recommend that the BOS not take money here and there from departments. He asked if the Board wishes to use reserves or lean more toward cuts.

A discussion followed about the use of stabilization and its impact on the town's bond rating.

Mr. Sheehan said that our current bond rating is AA2. That is very good as it indicates to potential bond purchasers that we are a good risk and there is a low chance of default. AAA is the best. RP asked what our current free cash is. Mr. Sheehan responded that we carried over a couple hundred thousand last year. We don't have a number for the year that just ended. In stabilization we currently have \$1,086,000. NT said would like to use stabilization as the last resort. RP suggested just going through this as though we have nothing from stabilization or free cash and see where we end up. SL brought up the fact that there are people who are in arrears on their taxes for their homes. They need to pay up and there need to be mandatory payment plans or something. She would like to have that put on the list of things that need to be looked at. Another thing is to cut budgets. Delinquent taxes

should be considered as well as increasing fees. Pay as you go for rubbish pick up is another way to reduce the budget.

Audience participated in discussion about the use of raising fees, the unemployment ramifications that come with layoffs, and trash pickup.

David Profit pointed out that the town had the same situation in 1991 and 1992. The Police Department is not even back to where we were then. The community – public services; police, fire, library services have been bare bones for many years. Nobody can afford to cut budgets without drastically affecting their services. Back then we cut 32 town employees. He feels this year should be taken care of through stabilization. He feels trash pickup should be the target. If it means a potential override next year, then that should be considered. The voters were clear, but that shouldn't affect public service. This isn't what the voters anticipated. They thought the other towns would follow suit.

SL asked how much time there is to agree on a new budget. Mr. Sheehan answered that we have until December. We have to have a balanced budget before we can set the tax rate and we do that then. We don't have to convene a town meeting in 15 days to resolve this. Typically we have done it in October. It gives us time to get things straight and time to get our tax rate set within the parameters. NT would like to see it done sooner rather than later only because we are running at a deficit and it will have double impact. Mr. Sheehan assured the BOS that discretionary spending can be curtailed in order to maintain flexibility for what comes down the road. NT asked how to get started. He confirmed that essentially everything has to be looked at. RP agreed that trash does become an easy target, but remembers there being a successful 2 ½ override for trash. SL reiterated that the town is now in a situation where we have to cut services that were very carefully planned. This is not a crazy budget. Now we have to cut it. The people obviously don't want their taxes to go up. They probably don't want their fees to go up so we'll cut. As far as I'm concerned, nothing is off limits. I want us to look at delinquent taxes. I want us to look at the rubbish contract and any recommendations that anyone has for fees that could be increased. RP asked for an estimate of the delinquent taxes. Mr. Sheehan estimated it to be more than \$500K. He stated his concern that people leave the meeting tonight saying trash is going to be cut. Trash is being talked about because it is a big component of our budget.

David Profit suggested supplementing this year with stabilization and have a plan for FY14.

RP pointed out that it would be about a 30-34% decrease in stabilization. NT said if it falls to less than 5% it would change our bond rating so you're only looking at about \$250K before the bond rating suffers.

Discussion on various stimulus packages for schools.

SL pointed out the BOS had previously talked about potentially cutting hours at Town Hall. That should be added to the list of things to look at. Mr. Sheehan should meet with the department heads and brainstorm. RP feels the results of the election with a margin of 270 votes or so are clear. Whether or not a majority understood the consequences, the decision has been made and the BOS should act in a manner that is consistent with that and logically consider all of the options to come up with a budget that does the least amount of damage possible. SL thinks this is a wonderful lesson in the laws of civics and civic involvement. Mr. Sheehan should have a proposal back to us for the next meeting. RP would like Mr. Sheehan to include a review of the trash contract.

4. Board of Selectmen Updates/Reports

None

5. Town Administrator Updates/Reports

Mr. Sheehan received a request from the town of Ayer to write a letter in support of a grant for a parking facility for the commuter rail line. RP moved to authorize the Town Administrator to write a letter of support to the town of Ayer for the aforementioned grant application. SL seconded. Unanimous.

6. Review/Sign Payroll Warrant and Bills Payable Warrant

RP moved to sign warrants out of session. SL seconded. Unanimous.

7. Other items not reasonably anticipated by the Chairman

RP moved to sign warrants out of session. SL seconded. Unanimous.

RP moved to adjourn at 7:58 PM. SL seconded. Unanimous.