

**BOARD OF SELECTMEN, FINANCE COMMITTEE, SCHOOL COMMITTEE
BUDGET SUMMIT IV MEETING MINUTES**

**December 12, 2007
High School Library**

CALL TO ORDER: Vice Chm. Kuros called the BOS meeting to order at 7:00 p.m. The following persons were present: Vice Chm. Kevin Kuros, Clerk Michael Potaski, Sel. Dan Stack, Town Manager Jill Myers and BOS Assistant Tracy Leavitt. Chm. Julie Woods was not present.

Chm. Maharay called the Finance Committee meeting to order at 7:00 p.m. The following persons were present: Chm. Ed Maharay, Vice Chm. Mark Andrews, Howard Fortner, Peter Demers, Christine Horwath, Rick Young and Finance Director David Genereux. Mary Pat Wickstrom was not present.

Chm. Esposito called the School Committee meeting to order at 7:00 p.m. The following persons were present. Chm. Ernest (Ernie) Esposito, Vice Chm. James Haynes, Mason Seagrave, Jane Keegan, Superintendent Dan Stefanilo, and Business Manager Don Sawyer. John Higgins, Michelle Taparausky and Peter Baghdasarian were not present.

BUDGET SUMMIT IV: Chm. Maharay asked all to review the Budget Summit II and III meeting minutes as individual committees. He then reviewed the Budget Summit IV agenda (A copy is attached to these minutes). Supt. Stefanilo announced that Uxbridge made the list of 83 schools approved to move into the next phase of SBA review. He stated that meeting is scheduled with the SBA for a feasibility study on February 8, 2008 at 9:30 a.m. He noted that more direction will be given at that meeting.

Finance Director Genereux reviewed the document entitled “FY2009 – FY2011 Projection” (A copy is attached to these minutes). Mr. Genereux explained that this was reviewed at the Budget Summit III, so he just noted the updates. He listed the positives about the model as well as the negatives. For example: the positive being that the funding via the model will allow us to balance the budget, with the negative being the effect of the FY 09 budget cuts and with only a 2% increase forecast in FY 2010 and FY 2011. School Committee Vice Chm. Haynes noted the trend of stabilization revenue of over 1 million dollars annually and asked if a plan is in place for the 3.2 million dollars that will be available by the end of FY2011. Mr. Genereux disputed the calculation, explaining that the community has budgeted itself to nearly the top of the levy limit, and as such, excessive Free Cash surpluses in those amounts are unlikely in the future.

Mr. Genereux provided a synopsis of municipal benchmarks. He explained that the City of Worcester compiled Municipal Benchmarks using only six clear topics. He reviewed the document entitled “Municipal Comparison Data” (A copy is attached to these minutes). Mr. Genereux ended by saying the topics should be looked at as a global indicator. School Business Manager Sawyer reviewed the school comparison data (copies of the documents are attached to these minutes). Chm. Maharay noted that Chm. Woods had made a suggestion about setting up a sub group to look at this information. He stated that he feels this is a good idea after Administration tells us what to track. He ended by saying he feels the information needs to be simplified and made public. The group consensus agreed with Chm. Maharay.

Chm. Maharay then asked for both the Municipal and School side to note the impact that the FY09 budget cuts may have. Supt. Stefanilo read a prepared statement (A copy is attached to these minutes). He ended by saying it would come down to the loss of 25 teachers.

Mr. Genereux reviewed the memo of August 31, 2007. (A copy is attached to these minutes). Mr. Genereux said that the BOS requested that the Town Manager present a balanced budget for FY09.

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He noted that the goal is to set balanced budget while providing a “supplemental” budget for potential refunding of certain appropriations should additional revenue become available.

Chm. Maharay began the discussion of funding priorities by inquiring if there was a consensus or not for an override. He noted that the High School debt exclusion has been put on hold while awaiting more information on costs. Peter Demers said he is worried at some point we are going to spend down stabilization and would like to see a model that does not use it. Mr. Genereux responded by saying that the action would result in an additional \$400,000.00 cut from the FY09 operational budget. He noted that if that was done the result in FY10 would be a surplus about \$50,000.00 growing to possibly \$300,000.00 in FY11. The Town would have to resolve the entire budget deficit of 1.2 million dollars through permanent budget cuts in FY09 to see these surpluses. He stated financially we would be better off but, departmentally we would be worse. He noted that the FY09 budget reductions were offset by using \$400,000.00 from stabilization. Department received the budget memo on 11/16/07, and asked if there were objections from the summit participants. Chm. Maharay acknowledged the proposal using \$400,000.00 from stabilization.

Chm. Maharay asked if the group was comfortable adopting a policy of keeping the Stabilization Fund at \$1 million dollars. The policy would supersede the current Finance Committee policy of 5% of the annual budget. Chm. Maharay stated that the Finance Committee may be receptive to altering their policy, and asked the BOS and School Committee to consider it.

Chm. Maharay asked to re-cap the response to the question raised at the 1st Budget Summit. Howard Fortner, Sel. Stack and Mark Andrews noted that they feel that an override will not pass. Sup Stefanilo stated that the group needs to be unified in putting forward our critical needs.

Chm. Maharay noted that two budgets should be presented; a balanced budget and a supplemental budget that is dependant upon a Proposition 2 ½ override, probably in a menu form. Ultimately, the voters will decide and the Town will need to live with the decision and not look to reserves to pay for it. There was a consensus among the individuals present that the structural problem needs to be dealt with.

Chm. Maharay asked if people felt that the number of \$560,000.00 put forth by the Capital Improvement Committee for the Roads and Bridges was accurate. It had been discussed as a potential override. Most of the individuals present agreed with the concept but felt the number was high. Chm Maharay noted that personally he would like to adopt a policy that would allow excess free cash to be used to fund Capital Improvement Projects, with the goal of perhaps eliminating the proposed vehicle replacement override being discussed as an option for FY 2010.

Chm. Maharay noted that in regards to the High School good news has been received but we are still waiting on more information/direction.

Chm. Maharay noted that the budget action plan needs to be finalized. He then asked Mr. Genereux to provide a secondary model that does not use stabilization. Several individuals supported putting forward a balanced budget, with a supplemental budget that is supported by a transfer from Stabilization.

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After deliberation, the final consensus was to stick with the original plan to put forward a balanced budget using a combination of appropriation reductions and approximately \$400,000 from stabilization. All agreed to re-visit these discussions after the budgets are put forward.

ADJOURNMENT: At 9:15 p.m.

- **BOS – Motion by Sel. Stack, seconded by Sel. Potaski, to adjourn; unanimous approval.**
- **Finance Committee – Motion by Howard Fortner, seconded by Christine Horwath, to adjourn; unanimous approval.**
- **School Committee – Motion by Jim Haynes, seconded by Jane Keegan, to adjourn; unanimous approval.**

*Minutes respectfully submitted by,
Tracy Leavitt, Assistant to the Board of Selectmen*

Minutes approved by Board of Selectmen:

Chairman Julie A. Woods

V. Chairman Kevin J. Kuros

Clerk Michael Potaski

Sel. Dan Stack

Minutes approved by Finance Committee:

Chairman Ed Maharay

Mark Andrews

Peter Demers

Howard Fortner

Christine Horwath

Mary Pat Wickstrom

Richard Young

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Minutes approved by School Committee:

Chairman Ernest Esposito

Peter Baghdasarian

James Haynes

Mason Seagrave

John Higgins

Jane Keegan

Michelle Taparausky