

**MINUTES OF MEETING WAREHAM FINANCE COMMITTEE (JOINTLY W/
SCHOOL COMMITTEE & BOARD OF SELECTMEN)**

Date of Meeting: April 17, 2013

I. CALL MEETING TO ORDER

The meeting was called to order at 6:30 P.M.

II. ROLL CALL

Members Present: Frank Heath, Chairman Pro Tem
Larry McDonald, Clerk
David Trudell
Sam Gray
Bonnie Cottuli
Dominic Cammarano (Arrived at 6:37 P.M.)

Members Absent: Donna Bronk
Tom Worthen
Marilyn Donahue

Also Present: Geoff Swett, Chairman of Wareham School Committee
Rhonda Vuegan, Wareham School Committee
Dr. Cliff Silvia, Wareham School Committee
Mr. Flaherty, Wareham School Committee

Also Present: Peter Teitelbaum, BOS Chairman
Alan Slavin, BOS Clerk
Patrick Tropeano, BOS
Judith Whiteside, BOS
Steve Holmes, BOS (Arrived at 6:50 P.M.)

Also Present: Derek Sullivan, Town Administrator
Claire Smith, Town Moderator

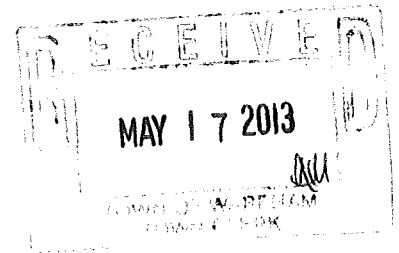
III. BUSINESS

A. 2013 Annual Town meeting Warrant Matters.

1. Article 6 – Budget

Mr. Heath thanked the School Committee & the BOS for accepting the FinCom's invitation to come together & discuss the budget.

Mr. Heath explained the FinCom received two budgets. He stated one budget is a balanced budget.



NOTE: Mr. Cammarano arrived at this time.

He stated the second budget includes the School Committee's figures. He noted there is one balanced budget & another budget that is unbalanced (the one that includes the School Committee's figures).

Mr. Heath noted various needs & issues of the Town & schools & that there are no capital items listed on the Warrant.

Mr. Heath stated the FinCom previously voted to reject the budget presented 2-5-0. This vote was rescinded once new budget information was submitted. The issue the FinCom faced last week was which budget to recommend to Town Meeting. He explained one option would be to amend the budget at Town Meeting, hold a Special Town Meeting in June, & in the interim, all parties involved should sit down & solve the budget issues. He stated currently, the budget is now showing a revised deficit of \$1,046,039.00. The balanced budget only shows a deficit of \$130,000.00 (which doesn't include the School Committee's figures).

Mr. Heath expressed the importance of having this discussion before Town Meeting & having a contingency plan if the budget is amended at Town Meeting (see option explained above).

Mr. Heath stated a letter was received from the DOR re: the question of can the Town go to Town Meeting w/ an unbalanced budget. He explained the DOR, in short, has stated that Town Meeting can approve an unbalanced budget w/ stipulations relative to balancing it at a later date.

Mr. Heath discussed what transpired two years ago re: the healthcare holiday & issues/problems this has created.

NOTE: Selectman Holmes arrived at this time.

Mr. Heath noted that along w/ the healthcare holiday issues, the Town also incurred \$800,000 more in expenses. He discussed the lack of financial oversight & how there is no financial information forthcoming.

Mr. Heath expressed his frustration of the past three years to get past issues & not having everyone on the same page. He doesn't feel the job has been done & there is a need to finally find some solutions.

Selectman Teitelbaum asked for a summary of Mr. Heath's proposed option for the budget. Mr. Heath explained that if an amendment is made at Town Meeting to put the budget out-of-balance, the FinCom would approve & then a Special Town Meeting would be scheduled in June. In June, there would have to be a balanced budget.

Selectman Teitelbaum stated regardless of the vote at Town Meeting, the BOS are willing to work w/ the School Committee. He expressed that he has an aversion to passing an unbalanced budget at Town Meeting. He understands that the DOR says that an unbalanced budget can be passed, but he doesn't feel it would be a good idea. He noted that every time the Town ignores the DOR's opinions, trouble comes back three-fold. He stated the BOS is supporting Mr. Sullivan's budget, but he understands that Town meeting may vote something else.

Selectman Tropeano is not sure re: coming forward w/ an unbalanced budget & waiting 60 days because seasonal programs would already be in swing, these monies will already be in the works to be spent, & these programs may be a place to cut if decided. He understands the budget needs to be cut. He feels the Town & School Committee may agree on common ground re: certain cuts. He feels the budget is half & half. Several School Committee & FinCom members disagreed that the budget is half & half. Ms. Vuegan stated the budget is more like 70/30 (schools being at 70%). Mr. Swett reminded those in attendance that if there were no schools in Wareham, \$13 million would not come for State aid. He doesn't feel it is meaningful to give splits (50/50) because it equates that everything is of equal importance.

Selectman Whiteside stated she is more aware of issues facing the schools since she is a former employee of the School Department. She noted the layoffs made in the School Department last year. She stated there are no financial records available to make advisable decisions & she noted unacceptable bus practices. She stated she is supportive of the School Committee & the BOS.

Selectman Holmes stated there were warnings from the DOR re: the healthcare holiday & he feels the FinCom was aware of these warnings. He stated the School Dept. advocates for the Town & the BOS advocates for the Town. He stated everything comes down to dollars & cents. He stated services on both sides keep being provided without the money to do so. He stated lives are at stake relative to what happens in the next 90 days.

Ms. Cottuli asked which budget the BOS voted upon last night. Selectman Slavin discussed the budget the BOS voted on. He stated the issue is the budget is a "moving target" & basically decisions are guesses because the budget timeframe is so early. He stated the budget are best guess estimates.

Ms. Cottuli stated there needs to be a concerted effort now to address the issues. She stated the FinCom has asked for awhile as to what direction the BOS wants to go in. She stated this is not being done. She feels it is being left up to the Town Administrator to move forward without direction. She feels the FinCom is offering a temporary solution. She feels there needs to be a vision for the BOS & the budget issue shouldn't be hashed out in the crowd at Town Meeting.

Mr. McDonald discussed the importance of a school system to the workforce in Town. He noted there are no internal controls financially. He noted various issues in

Town. He feels the BOS & the School Committee need to sit down & hash things out in 60 days if Town Meeting passes an unbalanced budget.

Selectman Holmes stated there is a revenue issue in the Town. He stated there is a need to try to create revenue in the Town. He feels Town Meeting should decide what to spend money on. He stated talk doesn't generate revenue.

Ms. Vuegan expressed concern re: having a Special Town Meeting 60 days from now because she doesn't have a sense or a consensus of how to solve the budget problem, for example, should services be cut, should taxes be raised, should there be consolidation, etc. She would like to see the three boards do this. She feels there is a need for a solid consensus on what the direction should be.

Ms. Vuegan expressed concern re: the current hiring freeze which is in place & the fact that there are six teachers retiring & this creates a problem because no replacements can be hired until the budget is voted on which shrinks the pool of teachers because potential hires will be scared that they will be laid off.

Mr. Slavin explained how the Town & the School Dept. can only spend w/in the means, even though for example, we need \$2.00 & we only have \$1.00.

Mr. Tropeano feels Prop 2 ½ is basically phased-in bankruptcy. She stated every town in the State, except for a few, have the same issues the Town is facing. He stated there are many issues & cuts will have to be made. He added that if the balanced budget passes Town Meeting, the owners of the issues then would become the School Dept., but the BOS have stated they would help them afterward. He discussed why there is a need for an operational override. Brief discussion ensued re: overrides.

Mr. Silva stated there is a revenue problem that can't be fixed on the expense side of the ledger.

Mr. Swett stated there is not an issue of excessive spending. He stated we are all a nation, State, & community that are suffering. He is uncomfortable in passing an unbalanced budget, but if he could get a consensus of direction, he would be o.k. with going forward w/ the unbalanced budget option, but he added that it would be a waste of 60 days if nothing gets done.

Mr. Cammarano expressed concern re: there is a risk of not having a quorum at the Special Town Meeting & if there isn't a quorum, the Town's operations would come to a stop. Mr. Heath stated if there is no quorum, the Town Moderator would set a date after date if needed until a quorum is met.

Mr. Heath compared hypothetical cuts to the Police Department that would equal the amount of cuts the School Dept. has made.

Selectman Whiteside stated that she may be willing to go with an unbalanced budget to get an extra 60 days to work on this matter.

Mr. Trudell spoke re: his past six years on the FinCom & the issues he has seen. They are as follows:

1. Retirement issues.
2. Capital planning issues.
3. Capital needs issues.
4. Expenses outweighing revenue.

Mr. Trudell feels w/ an unbalanced budget, this allow for 60 days to figure out how to make this budget work.

Mr. Heath discussed the five-year forecast & that it predicted a \$10 million deficit going forward & the updated five-year forecast continues to show a \$10 million deficit.

Selectman Teitelbaum stated he cannot support an unbalanced budget, although Selectman Whiteside has stated she will support it. He doesn't see the other BOS members coming around to support an unbalanced budget, but if Town Meeting does go this way, he knows the BOS will work as hard as needed to get to a balanced budget. He added that the BOS is committed to this.

Ms. Vuegan stated whatever the outcome of this Town Meeting & voting on the budget as it is being presented now, she feels the cuts that will need to be made would lay at the feet of the schools. She stated this is a dire situation. She recommended the BOS, School Committee, the Town Administrator, & the Superintendent meet on May 1, 2013 at 6:00 P.M. to take a scalpel to both budgets (Town & school). She as an individual would support an unbalanced budget if the BOS concurred, & then meet on May 1st.

Mr. Tropeano proposed tabling the budget. Mr. Heath noted that there are issues w/ tabling the budget.

Ms. Smith, Town Moderator expressed procedure concerns. She stated there is a need for an agreement as to how to present this issue. She stated once the budget is put out on Town Meeting floor, it is put out to the whole Town Meeting body & there is a possibility that Town Meeting may say they don't want an unbalanced budget. She can't compel the people to not make changes to the budget at Town Meeting. She suggested a motion to pass over the budget w/ the contingency of a Special Town Meeting & the BOS & the School Committee will come together in the interim to bet to a balanced budget by the Special Town Meeting date. Discussion ensued re: how to proceed.

NOTE: A five minute recess was taken at 8:55 P.M. The meeting reconvened at 9:00 P.M.

Selectman Teitelbaum stated the Town Moderator will allow the motions for the budget as a whole, not piecemeal. He stated Mr. Sullivan's budget would be used & then the FinCom can amend, etc.

Discussion continued re: addressing procedural problems.

NOTE: Another short recess was taken at this time.

After the meeting reconvened, Selectman Teitelbaum stated if the unbalanced budget is amended on Town Meeting floor, he will not speak against it, but individual BOS members at that time will voice how they feel. Selectman Tropeano stated he will not speak against. Selectman Whiteside concurred. Selectman Holmes feels this is prescribing Town Meeting before Town Meeting. He will not answer the question.

Mr. Heath stated Town Meeting will decide whether to go w/ a balanced budget or accept an amendment to the unbalanced budget & then have 60 days to deal w/ the budget.

B. 2013 Special Town Meeting Warrant Matters.

Not handled.

C. Town Meeting: Monday, April 22, 2013 – 7:00 P.M. Wareham High School.

IV. NEW BUSINESS

There was no new business.

V. LIAISON REPORTS

There were no liaison reports.

VI. NEXT MEETING DATE

The next meeting will be held on Monday, April 22, 2013 at 6:30 P.M. in the Wareham High School cafeteria.

VII. ADJOURNMENT

MOTION: A motion was made & seconded to adjourn the meeting at 9:17 P.M.

VOTE: Unanimous (6-0-0)

Respectfully submitted,

Kelly Barrasso
Kelly Barrasso, Transcriptionist

Date signed: 5/15/13

Attest: Larry McDonald (KB)
Larry McDonald, Clerk
WAREHAM FINANCE COMMITTEE

Date copy sent to Town Clerk: 5/17/13