

Members present: Kevin M. McCormick Valmore H. Pruneau
Allen R. Phillips Christopher A. Rucho
Members absent: John B. DiPietro, Sr.

Mr. McCormick convened the meeting at 7:05 p.m.

Joint Meeting with School & Finance Committees:

School Superintendent Thomas Kane together with School Committee members Peter Desy, Lisa Bouchard, Richard Baker, Siobhan Bohnson and Christine Orciani joined the Board with Finance Committee members Ray Bricault, Mychelle Phillips, Christopher Berglund, Paul Bohnson and Patricia Altomare. Finance Director Michael Daley is also in attendance this evening.

Mr. Gaumond apologized to the School Committee, as he never made it to their meeting last evening. He and Mr. Daley have had an opportunity to review numbers and revise local receipt and local aid numbers. Mr. Gaumond will be preparing a Channel 11 telecast on the budget.

Mr. Gaumond reported that the one negative is the estimated New Growth on the National Grid project. Initially it was estimated at \$350,000, however, in recent days we have pressed the National Grid people and it will be very hard for us to base the figure on a number to be contested by National Grid. Based on a conversation with Regional Assessor Harald Scheid, the figure we will be using is \$150,000. Our total local aid number is at \$4,751,116, which reflects a slight increase. Local estimated receipts have increased by \$95,000, and total projected revenue is at \$18,8654,723. Mr. Gaumond explained that the options are clear, the revenue estimates fall short of the initial proposed budget for the town, which was \$19,301,000, a \$436,000 shortfall. Going forth his intention is to bring forward a balanced budget using \$18,865,723. We are going to have to look across the board cuts. Free Cash is at \$366,000, half of what we had last year. Mr. Gaumond feels the options are accept the cut budget or vote to place a Proposition 2-1/2 override before the voters. He provided Board members with a primer on Proposition 2-1/2 overrides. We have to either raise revenues or cut our expenses. The \$436,000 does not count any proposed warrant articles and the requests from the Board of Health, Planning Board, Cemetery Trustees and Historical Commission. Mr. Gaumond's intention is to bring to town meeting two budgets, one with cuts or if the Board determines we should go for an override, he will bring forward a level service budget.

Mr. Bricault feels it seems like total revenue sources should have gone up \$260,000. Mr. Daley explained that \$265,000 needs to be backed up from the Cherry Sheet estimates. Superintendent Kane reported that last night the School Committee passed a budget with a 4.7% increase, and there is a \$190,000 gap from what is being proposed. He feels the problem is there are not enough revenues, and he doesn't think the issue is one of run away spending. We do not generate enough revenue to run local government. He hopes the Board would consider a Proposition 2-1/2 override. He thinks we should look at it as a step to be able to provide services to the town.

Mr. Gaumond recalled a conversation he had with Ellen Dunlap on the town spending its non-reoccurring revenues and at some point those funds would run out. The warning signs have been here for a number of years. We have been living outside of our means. He concurs with Superintendent Kane that the options are clear, either make cuts to make the budget work or we have to see an increase in revenues. He noted that the Finance Committee has clearly seen this as a problem and last year we were fortunate to have Free Cash.

Mr. McCormick noted that it comes down to the Board of Selectmen to decide override or cut. His concern is lets get enough to carry us three or four years. He would also like a Memorandum of Understanding with the School Committee where we agree to do certain things

with a certain amount of money, and we all have to agree to the amount that we will spend each year. Mr. Gaumond noted that there is not enough money to do it the way we have always done it. If the taxpayers say no, we will have to find ways to reduce budgets. We will have to look at everything in the town and ask is it part of our core mission.

Ray Bricault stated that the Finance Committee has spoken every year to the issue of hitting the wall. In years past we have had over \$750,000 in Free Cash and overlay accounts, and were able to cut without substantial consequences. He thinks the only option people would be happy with is a budget override. He put together a spreadsheet to quantify the current budget shortfall. It has the operational budget historical data sheet for the last five years with actuals and compounds the growth rate for each of the departments. The second sheet takes the number and puts into a three-year context.

Mr. Gaumond commended Mr. Bricault for his efforts in putting the document together. Mr. Phillips is still undecided about the override, and suggested putting the decision off until next week. Mr. Rucho asked about the Stabilization Fund. Mr. Daley feels we should not use those monies this year. It is a bad policy on top of a worse policy. For two years we had municipal relief legislation and we never get any turn backs from the School Department. The state permanently placed that as law and we are going to come off these years spending everything in our budgets.

Mr. Daley explained that should we use our funds in Stabilization and Free Cash, we will have \$1,000,000 more this year than next year, and he strongly encouraged everyone to leave Stabilization alone as promises were made to Moody's that we would not touch those funds, and it will result in our losing our bond rating. He recommends preparing two budgets, one with an override and the other without. He noted that when you vote an override you are voting to increase the legal levy limit for the town. It does not mean that you have to raise that amount. You could vote a \$3,000,000 override and only use \$1,000,000 each year, or just ask for what you need for FY08 and go back for the other years. Mr. Phillips asked what would happen if this goes to the ballot box and is defeated. Mr. Gaumond stated that he would bring forward a cut budget. Should the Board vote to put the override on the ballot he will prepare two budgets, one with and one without the override. Mr. Phillips would like people to see what tangible items the override monies would be used for, such as, number of teachers, firefighters or police officers lost. Superintendent Kane thinks we should look at other cuts that could be made such as trash pick up. Mr. Desy feels it would be very beneficial that the taxpayers be allowed to determine what they want, and that we, as elected officials, need to show them what a level service budget will bring. Mr. Baker reported that West Boylston is not alone, Shrewsbury and the Wachusett School District have similar budget problems. He has never seen as many operational overrides in the news as we have this year, however, West Boylston is unique in its amount of tax-exempt land. He noted that Senator Chandler is working on remediation for the jail, but there are no guarantees.

Mr. Phillips asked if the Board agrees to put the over ride on the ballot, what will it do when the Mixter building falls down. Mr. Gaumond noted that we do have a couple of what ifs. We are closer than ever before, but the state has less money this year than their expenses call for. We have been strongly lobbying for mitigation funds and the Tivnan Drive project is still being negotiated. It went out to bid on two occasions and if we are successful we could see real meaningful revenue. Mr. Pruneau feels the Board is on the right track in having everyone take a cut. He thinks we should sit down and organize a budget for a few years and we should come up with the best package we can present. He is in favor of the override.

Mr. Phillips is prepared to vote this evening, and thinks the Board owes it to the people to make the decision. Mr. Rucho would like to see the numbers. Mr. McCormick thinks the sense of

the Board is they would be in favor of going for the override, however, they would like to give Mr. Daley and Mr. Gaumond until next Wednesday to come up with a realistic number. His preference is three years with a little extra. Mr. Rucho is unable to be at the meeting next Wednesday. Superintendent Kane asked if the Board could take a vote and put the number in at a later date. Ms. Bohannon asked about the time for coverage of the override, as she feels people need to understand it is a three or four year out process. Superintendent Kane would also like the default number.

Bruce Peterson, who is also in attendance this evening stated that this would increase property taxes by one-third what you pay now, and in three years we will be up to \$13,000,000. He feels if this will keep going forever and sooner or later we are going to have to cut. Mr. Phillips asked if the Board votes for the override and at some point we get a windfall, could we vote an under ride? Mr. Daley replied yes, but it is very rare.

Superintendent Kane reported that the School Department cut \$230,000 out of its budget. Louise Howland, Library Director, stated that she feels it is great to hear from all sides on the issue of the override and that we are all on the same page, however, if the vote goes the other way she wants to make sure that all share those cuts equally. Mr. Gaumond explained that in looking at the School Department budget and the town-side numbers with the inclusion of the Conservation Commission, Planning Board, Historical Commission and Board of Health, the gap is \$700,000. In looking at the estimated growth forecasted in the Finance Committee's handout, over time those percentages will deteriorate, and he thinks we have to be realistic with what the percentage increases are going to be. We are going to have to come up with estimated growth numbers for the various line items. Mr. Rucho pointed out that even with an override, cuts would need to be looked at. Mr. Gaumond feels that we need to demonstrate some effort to do government in other ways, and noted that the town also passed a CPA of 2%. He feels that next year we will be looking at cuts in services to make this override work. Mr. McCormick asked if the Board could decide to place an override on the warrant without a number.

Motion Mr. Pruneau to have Mr. Gaumond prepare two budgets, one with an over ride and one without and the Board will vote the number for the override at their meeting of April 25, seconded by Mr. Rucho, all in favor.

With no further business to come before the Board, motion Mr. Rucho at 8:45 p.m. to adjourn, seconded by Mr. Phillips , all in favor.

Respectfully submitted,

Approved: May 2, 2007

Nancy E. Lucier

Kevin M. McCormick, Chairman

Allen R. Phillips, Vice Chairman

Valmore H. Pruneau, Clerk

Christopher A. Rucho, Selectman