

Members present: Christopher A. Rucho Alexander Fallavollita, Sr.
Allen R. Phillips John B. DiPietro, Sr.
Members absent: Kevin M. McCormick

Mr. Rucho convened the special budget work session meeting at 9:10 a.m. Finance Director Michael Daley is also in attendance this morning.

Town Administrator's FY08 Budget Message

Mr. Gaumond provided the Board with his draft version of the budget, which may change. He reported that on the revenue side we are solid going into town meeting, however, we are still awaiting final action by the state legislature. West Boylston is one of 40 communities in the state who will be seeing a net loss from what we received last year. Local aid will be increasing by \$73,000, however, we will be charged \$87,000 for charter school and school choice tuition assessments. School Superintendent Tom Kane is checking into whether we should see an increase in students. Mr. Daley explained that charter schools are set up as an alternative for students. The report indicates that West Boylston used to take in more students and now less are coming into West Boylston. The figures are adjusted in October of each year and if there are more children coming into our system the revenues will be adjusted. The cost is driven by the town's per pupil spending. Mr. Gaumond is hopeful he will have more information by Wednesday. Mr. Daley pointed out that these are spring numbers, the per pupil spending is usually two years old, and this is the first of four numbers that will come out of the state. He also noted that \$8,000 is the normal per pupil spending across the state.

Mr. DiPietro noted that school transportation reimbursement is zero. Mr. Daley advised that we do get reimbursed for special education transportation. Mr. DiPietro reported that the town is spending \$121.00 a day to bus special education students into Worcester. Mr. Gaumond stated that he spoke with Mr. Kane and told him what he anticipated his budget number is going to be. He and Mr. Kane are about \$500,000 apart. Mr. Fallavollita questioned why the overhead is not being cut down if we have more students going out and recommends cutting non-essential labor. Mr. DiPietro requested how many positions are held by people in non-teaching or assistant teaching roles.

Mr. Gaumond will be updating the information as we get closer to town meeting. His budget message package to the Board contains our financial outlook, information on our bond rating, and the town's fiscal policies. The end of the document contains some new financial policies he will be trying to establish. It also contains the budget process he has followed. In accordance with the Special Act, capital requests will be dealt with in the fall rather than in the spring.

With regard to personnel, the town has reduced its side by 7.8%, and the school has reduced its side by 3% over the last five years. The School Department has also done some consolidation of employees on their side. Mr. Fallavollita prefers to analyze positions by expenditure rather than percentages. The information also outlines the capital purchase history of the town since 2000. Major upcoming issues include the building projects. Personnel benefits are still the number one driver of the budget.

Mr. Gaumond advised that growth in West Boylston is limited. We have been around 3 to 6% every since 2002 and recently around 4%. Total revenues projected for FY08 are \$18,6654,220. The breakdown of that figure is \$4,909,019 in state aid, \$726,464 in available funds, \$1,938,000 in local receipts and tax level of \$11,080,737 (including \$500,397 for new growth). Local receipts have decreased primarily because of excise tax revenues. This year we are just about making our

revenue on local receipts. Mr. Fallavollita reported on an ongoing problem with the Registry of Motor Vehicles. West Boylston residents are getting their excise taxes from other communities and are required to pay the tax to that community. Thus, West Boylston is missing out on the revenues. Mr. Gaumond will work with the Treasurer/Tax Collector on this situation. The available fund category includes Free Cash and ambulance receipts. This year we have \$366,464 half the amount of Free Cash we have had in past years. We will not be using any of the Stabilization Fund.

Mr. Gaumond stated that if we do not use Free Cash to balance the budget we have to cut expenses, and this year we will use all the our Free Cash. Mr. Daley added that next year we will not have any Free Cash. Mr. Fallavollita recommends consolidation of things not life threatening. Mr. Daley noted that Moody's recommends the town have 5% in reserve, and we have about 4% in our Stabilization Fund, which is our safety net. He added that if we are going to build buildings it will be through a debt exclusion as there is nothing in reserve, and if we give the School Department the increase they are looking for we will use all the Free Cash and everything is pointing downward. An override is the only alternative at some point. We will also go into a downward cycle in our housing market, and for the next 24-36 months everyone has to recognize survival is what its all about. Another problem is the lottery is 75 million off its mark. Mr. Fallavollita's philosophy is bite the bullet a little at a time. Mr. DiPietro asked if we would be better off billing sewers monthly to help with cash flow. Mr. Daley feels that would only use more labor and postage and not make a difference. Mr. Fallavollita advised that the Board reviewed all its options and found that the most cost effective way was quarterly.

Mr. Gaumond reviewed his FY08 budget line recommendations. They are as follows.

Moderator – maintain this line.

Board of Selectmen – maintain this line item.

Town Administrator – increase this line item to include cost of living adjustment for Municipal Assistant. The line item does not include any increase for the Town Administrator whose contract expires in November and must be renegotiated.

Finance Committee – maintain the line item

Finance Department – this line item will be decreased and includes a new part-time position of Accounts Payable Clerk. With the elimination of the costs of the GASB consultant the new position is able to be absorbed in the budget. Mr. Gaumond explained that he is going through a massive succession plan for the town and we are determining how long people will work with the town. We need to discuss the future of our FAA contract or a full-time position. We also have to bring someone in to assist the Assistant Town Accountant and better learn her job. Mr. Fallavollita recommends outsourcing the entire department.

Town Audit – reduce this line item from \$30,5000 to \$26,000.

Assessors' department – reduce this line item as a result of the realignment of the Regional Resource contract separating periodic inspections from the regular contract as well as handling personal property tax files and associated data by in house staff versus Regional Resources.

Treasurer/Tax Collector – increase this line item for step increases, cost of living adjustments and \$2,000 for tax title enforcement.

Town Counsel – this line item is being increased to previous levels of \$90,000. Mr. Phillips asked about the possibility of having one flat retainer for any services provided. Mr. Gaumond explained that he had that arrangement in his last town. Litigation and labor counsel fees were separate. Mr. Fallavollita suggested Mr. Gaumond have a conversation with Leonard Kopelman.

Personnel – maintain this line item.

Computer Services – will be increased to include the purchase of five laptops to expand the paperless agenda program for the Board of Selectmen. Mr. Fallavollita voiced his opposition to this step and questioned what it will save. Mr. Phillips pointed out the savings in paper. Discussion ensued with Mr. Phillips noting that he, Mr. Rucho and Mr. McCormick have their own lap tops. He suggested purchasing two more units and five thumb drives. As the office has benefited from some supply cost savings, these items will be purchased during this fiscal year.

Town Clerk – small increase to include step increase and additional Other Charges costs.

Elections – increased due to increase in minimum wage.

Public Safety Building – this item will be increased to include reinstate the part-time janitor position which was eliminated a few years ago.

Sewer Usage – this item will be maintained. Mr. Fallavollita questioned why the town is paying sewer usage bills for the School Department as he feels every department should be accountable for their own expenditures. Mr. Phillips recalls the town was going to pay for connections, but not the usage. Mr. Gaumond offered to eliminate this line item and divide it up amongst those departments who are connected to the sewer system. Board members voiced concerns relative to residents on the sewer line who have not been billed for two or three years. Mr. Fallavollita would like Mr. Gaumond to allocate the funds to the buildings connected to the sewer line, but not use the entire \$17,000. He also feels we should recalculate the figures, and recommends the minimum monthly fee be waived for municipal buildings.

Mixer Building – this line item will be increased due to increase in routine maintenance and utility costs.

Town Report- line item will remain the same.

Total General Government is at \$993,200 up 5.4% primarily due to increases in the Public Safety Building budget.

Police Department – this line item will be increased from \$965,036 to \$1,233,547. It includes the lease of the cruiser, contractual increases to the union personnel, \$40,000 increase in Quinn Bill benefits and step increases. It also reflect \$30,000 in new expenses not previously budgeted for. It also eliminates the Citizens Police Academy and extra rail trail patrols.

Fire Department – this line item will be increased to \$517,600 for a level-funded service and includes personal protective equipment. Mr. Gaumond has another budget for \$537,830. Mr. Phillips left the table to sit in the audience and speak as a citizen. Mr. Gaumond explained that last year we were scheduled to hire two additional full-timers and we only hired one. Last fall there was a request for an additional full-time person and it was decided to put this off to give the new Fire Chief the opportunity to review the department and determine what type of full-timer we needed. We currently have six full-time people on the department. The call staff is almost non-existent during the week and we need to be able to staff two pieces of equipment. We would have to make marginal cuts in the call budget in order to compliment the salaries. Mr. Phillips, sitting in the audience and speaking as a citizens, suggested maybe revisiting this in October as there is an exercise coming up this summer through Homeland Security, which will test the Central Massachusetts Fire Department's capability to respond.

Mr. Fallavollita recommends going back out to look at the cost of privatizing the ambulance as he does not think we have a 24-7 service. Mr. Phillips noted that the issue is during the day. At the next meeting the Board would like to discuss privatizing the ambulance service with the Fire Chief. Mr. DiPietro does not think privatizing is the way to go as he believes by 2010 full-time departments will be mandated by the state. It was also noted that the profits from the ambulance go

to the General Fund, which supplements the budget. Mr. Phillips explained that years ago the profits were kept by the department. Mr. Phillips returned to the table.

Emergency Management – this line item will be maintained

Public Safety Communications – this item will be increased for cost of living adjustments and a marginal increase in the non-radio communications system.

Building Department – this line item will be consolidated to include all the inspectors and will be increased from \$102,361 to \$105,090. Mr. Gaumond is expecting to see a savings for the services of Plumbing Inspector as we will be paying \$25 per inspection. The Building Inspector will also be exploring the merger of the position of clerk with some other position in town hall next year. Mr. Rucho questioned when property taxes are assessed on building projects whether they be new home construction or an addition. Mr. Daley explained that the property is valued as of December 31 each year. Per state law, they do not tax the building as it is being constructed.

Sealer of Weights – this line item is being level funded.

Animal Control – will be maintained.

Total public safety is \$1,705,297 up 3.19% primarily due to police budget.

Education. The School Department has proposed increasing this lien item from \$8,857,690 to \$9,535,690, or 7.71%. Mr. Gaumond is proposing a 2.4% increase at \$9,068,000, which will still exceed our required net school spending. Mr. Fallavollita would like to give the school only what is required. Mr. Daley will have that figure for next Wednesday.

Total education is \$9,068,000, a 2.3% increase.

Public Works – this line item will be increased from \$518,2809 to \$562,362 to include cost of living allowances, increases to the DPW union and a 5% increase in municipal fuel costs. It also contains extra money to fund certain projects. The first is \$5,000 for street line painting. The Board questioned whether that figure included crosswalks. They are in agreement with the request and this will be included on Mr. Westerling's agenda. The second project is \$5,000 to paint the loader. Mr. Fallavollita would like to strike this because they do not wash the equipment. It was decided that Mr. Westerling would be asked for further clarification. The next project is \$4,000 for Phase I of our Street Sign Replacement Program. This will replace street signs along the Bicentennial Parade route with the town's logo. Mr. Rucho feels that this expenditure would be appropriate during good times, however, due to the fact that the budget picture is not good he recommends budgeting \$1,000 to replace broken signs. The next item is \$5,000 for a Roadway Improvement line item. Currently we budget \$1,000. Mr. Gaumond explained that we are systematically creating a sidewalk plan across town and a group will physically walk every sidewalk to put the plan together. Mr. Fallavollita feels that building sidewalks should be an article for town meeting. The Tree Warden line item will also be properly funded at \$10,000. Mr. Gaumond also noted that some time in FY08 there will be a consolidation of the two secretarial positions.

Snow and Ice Removal – this line item will be maintained.

Street Lights are increased to \$80,560. Mr. DiPietro noted that when the Municipal Light Plant trucks are working on a street we do not charge them for a detail. H asked if we can work out a swap. Mr. Gaumond reported that the original budget request was for \$92,000 and he told the Manager that this is a very tough budget year and we would need a complete breakdown of the funds. The Light Board made a decision to give the town a consideration. Mr. Rucho's understanding is that the Police Chief uses duty officers whenever possible for coverage. We also explored the idea of eliminating some street lights and residents were very upset.

Cemetery is up to \$40,059 to cover full personnel costs.
Trash and disposal is per the contract
Council on Aging is increased due to cost of living adjustments
Veterans' Services is increased to \$15,079
Total Public Service is \$82,759, up 6.4%

Library – this item will be increased to meet the Municipal Appropriation Requirement
Celebrations – this line item will be maintained
Arts Council – will be level funded
Total Culture & Recreation is \$330,720, up .78% primarily to meet the Municipal Appropriation Requirement for the Library

As some members of the Board have commitments it was decided to complete this review at 6:30 on Wednesday evening prior to meeting with the School and Finance Committees at 8:00 p.m.

With no further business to come before the Board, motion Mr. Phillips at 11:45 a.m. to adjourn, seconded by Mr. DiPietro, all in favor.

Respectfully submitted,

Approved: April 4, 2007

Nancy E. Lucier

Christopher A. Rucho, Vice Chairman

Allen R. Phillips, Clerk

Alexander Fallavollita, Sr., Selectman

John B. DiPietro, Sr., Selectman