

Board of Selectmen members present:	Allen R. Phillips	Christopher A. Rucho
	John B. DiPietro, Sr.	
School Committee Members present:	Peter Desy	Richard Shaw
	Siobhan Bohnson	
Finance Committee Members present	Ray Bricault	Christopher Berglund

Mr. Phillips convened the joint meeting at 7:06 p.m.

Update on Fiscal Condition

Town Administrator Leon Gaumond informed the Board that most of the major local aid accounts were spared by the Governor in his recent cuts; however, the appropriation for the Bicentennial Celebration was cut. He cautioned that grants and Chapter 90 funds could be impacted in the next round of cuts. Our budget was built on full state aid numbers and as of right now there are no 9C cuts to local government. The Community Policing Program was cut by \$5,000,000. Mr. Gaumond continues to work with the Mass Municipal Association on advocating for local government.

Finance Director Michael Daley explained that once we set the tax rate in the month of November the number will begin to firm up. The town used almost \$750,000 of Free Cash in FY09 and he is projecting no Free Cash in 2010. He has lowered the local receipts number by 15% and is looking at \$1,950,000; however, he does not feel good about that number. We will have a \$1,400,000 difference between available funds for appropriation for funding FY2010 and it could get worse. The two main reasons are state aid and local receipts in FY09. If we report a deficit in FY09 we would have to make it up the next year and anything we can do in FY09 to reduce spending will help mitigate revenue deficits. Mr. Daley plans to issue year to date receipts on a monthly basis.

Further Review of Revenue Ideas & Efficiency Ideas

School Superintendent Tom Kane explained the purpose of this exercise of reviewing revenue and efficiency ideas is to ensure we leave no stone left unturned. What we are looking to do is find any way to raise revenues and if services need to be cut what the impact will be. This evening we will identify which ideas could work and can be looked at in the long run. The list he and Mr. Gaumond compiled contains three sections. The first section, A., are ideas discussed at the last meeting and could impact the FY10 budget; section B are ideas we did not get to talk about at the last meeting and may be relevant for FY10; and Section C are ideas that could not be implemented for FY10, but could have an impact on future budgets.

The group reviewed the items contained in Section C. Mr. Phillips recommends Item #11, Increase Volunteers, could be moved up to help in the next few months. The remainder he feels we probably should be pursuing for FY11 or beyond.

Representative Jim O'Day does not think Item #9, Alternative Energy Opportunities, would take that long. He offered to put together a meeting with people who have undergone energy audits and had that type of equipment fitted into schools. Mr. Gaumond mentioned discussions around performance contracting to make our buildings more efficient. Mr. Shaw reported that Athol has a wood chipping facility to fuel their building. He thinks it is a possibility, but it depends on the facility and the availability of capital. Rep. O'Day is familiar with a project which was done on a lease basis. Mr. DiPietro viewed a report on Channel 4 news about the wind turbine being launched at Holy Name in Worcester. According to Rep. O'Day that was accomplished through federal and state funding. Mr. Kane feels the first step could be an energy audit.

On Item #12, Marketing the Schools, Mr. Desy feels we are constantly doing this with our school choice efforts.

Under Group B, Item #1, Turning off or Privately Funding Street Lights, Mr. Gaumond noted that a lot of towns have already done this. Our cost for street lights is less than \$100,000, however, by doing this we could expect much less than that. The Board of Selectmen could work with the Municipal Light Plant and the Police Department for a possible savings of \$40,000 to \$50,000. Mr. Phillips feels the options bears looking at, voiced concerns over safety and being careful as to which locations the lights are turned off. Both he and Mr. Rucho feel the estimated cost savings is high. A member of the audience suggested reducing the speed limit in addition to cutting street lights.

Group B, Item #2, Reevaluate Vehicle Usage Including Police Patrols. Needs to be a concern especially with the high price of gas. Mr. Gaumond is reluctant to recommend any major change in police patrols. The item is worth future consideration.

Group B, Item #3, Reevaluate Department Head Vehicle Use. The DPW Director, Police Chief and Fire Chief have town vehicles. There are no school vehicles. The employment contracts for these positions allow for use of a town vehicle. Mr. Gaumond feels this is something the Board of Selectmen should consider during contract negotiations. Mr. Phillips recommends the Building Inspector's vehicle be included as the town pays a portion. This change can be accomplished through contract negotiations. Mr. Rucho feels we could discuss reduction of vehicle use. Mr. Phillips noted that one of the criteria is those department heads are supposed to be available 24-hours a day. He suggested evaluating how many times the department head had to come back into town. With regard to the size of the vehicle, Mr. Phillips noted that both the Fire and Police Chiefs carry a lot of equipment that would not fit into a regular sized car.

Group B, Item #4, Telecommuting for Town Employees, Reduce the Work Week and Restructure Office Hours. This could be accomplished, it is legal and would require negotiating with the unions. With regard to savings, Mr. Gaumond does not know how much we would actually save. The schools still need to be in session for 180 days. Some communities have gone to a four-day work week and that could have made sense while we were at Mixter, however, in our current location our rent includes utilities. Mr. Gaumond does not think it would be feasible for the Police or Fire Departments, however, it could be possible for the DPW. If the school created a week long holiday in November, Mr. Kane feels we would save more money than we could in the winter because you cannot shut the heat off. Mr. Phillips noted that the Police and Fire Departments have to be open 24-hours a day. We could restructure town hall office hours, however, that would not give us any savings as we pay the same amount for rent which includes utilities. He does not see a large cost savings. Mr. Gaumond feels the only way to reduce costs is to reduce personnel hours. Mr. Phillips suggested a voluntary reduction of hours.

Group B, Item #7, Postpone Negotiations. Mr. Gaumond recommends against this and recommends removing this item. Everyone agrees.

Group B, Item #8, Merge Town and School Libraries. Mr. Gaumond's best guesstimate for savings is about \$200,000. If this was done, it could have an impact on our library certification. Beaman Memorial Public Library Director Louise Howland pointed out that the message of the public library is it is open to all and that could not be accomplished in a school where people would have to be CORI checked. In addition, the school library is not large enough to house all the public library materials. Should the school library be closed the issue would be getting the students to the Beaman Memorial Library. Mr. Kane does not see the two programs coexisting at the same time. He suggesting having the school library open during the day for the students and at night it could be the town library. The school library has its re-accreditation evaluation coming up and one of the requirements is a fully certified media specialist running the library. Currently their person is at 80%. Given the times we are in, Mr. Kane suggested that perhaps a committee could be formed to look at this. Mr. Bricault questioned the \$200,000 savings. Mr. Gaumond looked at the total budget and should the library close

and the school become the town library, we would see a savings with that. Mr. Shaw questioned whether this would be a function of town meeting. Mr. Gaumond explained that we have an elected Board of Library Trustees and town meeting would decide on their budget. He feels the School Committee and the Library Trustees would have to have a conversation. Mr. Phillips views this as a big ticket with a strong possible savings. Mrs. Howland noted that the Beaman Library houses collections from birth to senior citizens. If the students were bused to the Beaman Library, Rep. O'Day pointed out the fact that we would still have to deal with CORI checks.

Mr. Rucho feels the only way to save funds is laying people off. Mr. Desy noted the school library is also used for classes while in use as the library. In summation, Mr. Gaumond stated that the option is legal, may raise some certification issues and perhaps a task force of the two boards with citizens should be formed to look at this. Mr. Berglund asked if this has ever been tried in another community. Mrs. Howland knows of a library next to a school, but it is mostly for after school. Mr. Rucho questioned what people are going to do about certifications. According to Mr. Desy if you do not get certified you go on probation. The state expects the school to hire personnel that is licensed. They also say we must employ a full-time librarian. Mr. Phillips does not believe we are the only community in this situation. Mr. Kane advised that Tahanto is on probation and every ten years schools go through the accreditation process. Mr. Berglund feels that if this is near the savings being estimated, it warrants investigation. Mr. Phillips thinks it would be an inconvenience to the town.

Craig Gardner questioned the library budget. Mr. Gaumond explained that the line item is \$313,630, however, that does not count employee benefits and layoffs would increase our unemployment costs. Mr. Gonyea suggested consolidating the two libraries into the Beaman Library and bringing in 50-60 school choice students using the space which held the school library. Mr. Kane recommends moving quickly on this.

Group B, Item #W9 - Route Sharing Program for Special Education Students. Mr. Kane reported that he is working on this with our collaborative, as it is frustrating and expensive to provide transportation to special need kids out of district. The cost per student is \$20,000 and we typically send out six or seven students. According to Mr. Kane we have providers who work closely with us. Mr. Desy noted that you have one hour to get a student to their stop and they are not all going in the same direction. He feels would make more sense to pick up students from the various towns going in one direction. Some students have conditions which require them to be on the vehicle by themselves. Mr. Kane is talking to Tahanto on getting together with two or three school district. He has always felt that special education is an area we might be able to save money. This will be kept on the list for things to consider. Rep. O'Day asked if legislation was needed to change this. Mr. Kane does not believe it would change with legislation. The grant money was cut out of the budget and the issue is creating enough capacity.

Ideas that cannot be implemented for FY10, but could have an impact on future budgets

Item #1 – More state and federal grants.

Item #2 – Go out to bid for Tivnan Drive. We went out to bid for a project.

Item #3 – Get PILOT money for the jail. The town has been working on this for a very long time, it is outside of our immediate control and Mr. Gaumond requests it be removed from the list

Item #4 – Close the Telecommunication Loophole. Mr. Gaumond reported that the MMA is working on this through legislative action. Although it is a worthwhile idea it is outside of our immediate control and Mr. Gaumond requests that it be removed from the list.

Item #11 – sell town departments - such as Light or Water Department. Mr. Gaumond feels this step would benefit the community. It is an interesting idea and would take time and effort. Mr.

Daley reported that we have a \$7,500,000 cash flow with our Light Plant and we could sell it to a private sector provider. He does not know what that is worth to a utility provider and less than ten communities own their own power company. Mr. Shaw feels utilities are more consistent and they would have more value. He feels this is a bigger item and should be researched. It was agreed to bump this up higher on the list. Mr. Gaumond feels there is a comfort level in the rates and if you sell it off you lose control. According to Mr. Daley the Light Plant has a lot of reserves for replacement. Mr. Kane feels this is a long-term solution and will not impact this year's budget.

The C List would not have an impact on this year's budget. Mr. Phillips would like to move up Item #1 Move state and federal grants. According to Mr. Desy most of the grants for the schools depend on the cliental. Mr. Phillips thinks we should look for them more for police and fire.

Under Category B Other Revenue Generating Ideas that could impact FY10.

Item #1 Increase Town Fees. We could move forward on a fee study, however, Mr. Gaumond does not know how much additional revenue would come in. It is legal and could be done administratively by the town and the School Committee. Mr. Phillips' preference is to do this in house rather than pay for a study.

Item #2 Private Sector Naming Rights. What would we as a town be willing to allow to be renamed in an attempt to raise revenues? It could be done, it is legal, however, how sustainable would it be – is it a one-time revenue. Mr. Phillips recommends compiling a list of things you could name such as buildings and parks and then structure it for a one-time payment or a reoccurring situation. Mr. Kane feels the naming rights issue usually denotes somebody paid a significant amount of money for something. He has seen some interest in this on-line. It was agreed to keep this item on the list. Mr. Shaw envisions this more towards an Adopt a School Program, it is a great cause to lay out the groundwork for and the money goes into a trust to supplement the school. He will share the research he has done on this subject.

Item #3 Get Matching Funds from Private Companies. Mr. Gaumond is not sure how much we could get from this or how it would work. A woman in the audience works for Verizon and they have a program. John Owanasian work for Hewett Packard and they also have a program. It was agreed to leave this on the list.

Item #4 Non-profit/Foundation Funding & #5 Encourage Non-profits to Raise Funds for the Town. Mr. Gaumond noted that they do receive municipal services from fire, police and snow plowing and we could seek funds to help support municipal functions. The Board of Selectmen started to do this with the Water Department and the Light Plant. We have a commitment from the Light Plant. Mr. Kane thought this was non-profit organizations raising money for the schools such as Westbest. We also have the Arts Foundation, PTA, Friends of the Council on Aging or Friends of the Library. This is currently done and Mr. Kane noted that these organizations came into existence because funds are being cut. This will be made two categories.

Item #6 Sell Banners to Hang from Phone Poles. Mr. Gaumond does not know how sustainable this would be. To him it could be for a one-item revenue such as a fire truck. Mr. Phillips believes it depends on how it is structured.

Item #7 Privatize Services and Selling the Rights to Access Some of these Services. Mr. Gaumond noted that there are lots of services we privatize including the Assessing and Finance Director operations of the town. He thinks we should go forward with this.

Item #8 – Adopt a Differential Tax Rate. Mr. Gaumond recommends removing this as the total tax levy to be collected remains the same.

Item #9 – Increase Traffic Enforcement/Fines. The Board of Selectmen will be hearing a proposal from the Police Chief in November to allow us to recover a greater percentage of the fines in town.

Item #10 – Sell Brush Dump Stickers – Mr. Gaumond does not think this will result in a lot of money. Mr. Phillips recommends removing this as his concern is the stickers will cost more than we will make.

Item #11 – Sell Street Light; private payment for the lights. This is possible, but may not be a lot of money. This item will remain in the list.

Item #12 – Increase Summer Recreation to Full Day. Mr. Gaumond does not know if this is a money maker for the town or something that would pay for itself. Mr. Desy reported that last season the program was in the red by \$1,500. This suggestion will be removed from the list.

Item #13 – Special Education Circuit Breaker Program. Mr. Kane reported that the School Committee does full advantage of this program. The program, which is already being done, is a reimbursement program and kicks in for students once we reach a certain threshold. This item will be removed from the list.

Item #14 – State Pothole Accounts. Mr. Kane explained that the account is for unusual events, not our regular needs. We can apply for it.

Set the Stage on Expenditure/Budget Cut Discussion

At the next meeting on November 13th, we will discuss what \$1,400,000 worth of cuts would look like in this year's budget. To maintain the services we provide we would need to be more than level funded - probably 5%. We will look at a 3% increase and develop a projected budget that is a look at the revenue. Within the projected budget they will show those fixed cost line items which cannot be touched. Mr. Gaumond and Mr. Kane will come in with several levels of cuts. When we discuss cuts, Mr. Phillips recommends both Boards, the School Committee and the Board of Selectmen, should have separate conversations prior to coming together and having that conversation. Mr. Rucho recommends making cuts now to lessen the impact for next year. Mr. Kane already has a \$100,000 deficit in his budget due to energy costs. At the next meeting Mr. Rucho would like to discuss cuts in this year's budget which would help us going into next year.

With no further business to come before the Board, motion Mr. DiPietro at 9:15 p.m. to adjourn, seconded by Mr. Rucho, all in favor.

Respectfully submitted,

Nancy E. Lucier

Approved: November 11, 2008

Allen R. Phillips, Chairman

John B. DiPietro, Sr., Selectman

Christopher A. Rucho, Selectman