

Board of Selectmen Members:	Allen R. Phillips Valmore H. Pruneau	Christopher A. Rucho Kevin M. McCormick
School Committee Members:	Peter Desy Siobhan Bohnson	Richard Shaw
Finance Committee Members:	Christopher Berglund Gregory Zarkarkian	Patrick Crowley Paul Bohnson

Mr. Phillips called the joint meeting to order at 7:07 p.m.

Town Administrator Leon Gaumond noted that a lot of things have happened over the last couple of weeks that may have a dramatic impact on our discussions this evening.

Update from Finance Director Michael Daley

Finance Director Michael Daley reported that he has closed out the books on FY08 and filed the required reports with the Department of Revenue. Free cash will be about \$25,000 in contrast to the \$750,000 we had last year. What we expected in local receipts came in below what we anticipated. The DOR does not allow a community to use their entire net worth in any given year. The ratio of overlay against receivables is going in the wrong direction. If we have a similar year in FY09 we will basically break even. Our FY09 budget is still at risk as the state is considering 9C cuts. We have federal problems which will impact the national and state economy. Anything we can do to mitigate spending in FY09 will help out in addition to doing anything we can do to stimulate revenue. The forecast for FY10 will be worse with the state providing less revenue. We should estimate reducing our state aid number and we have to begin to reduce our local receipt estimates. Automobile sales are down and any trends on investment income will be under performed. The next true number will be the New Growth number to come out of the Board of Assessors' Office. Mr. Phillips questioned whether we are still anticipating a \$1,400,000 deficit. Mr. Daley feels that number could expand further as state aid and local receipts both need to drop. He does not see the gap doing anything but expanding.

According to Mr. Gaumond the state budget is out of balance by \$1,000,000 and it could increase our deficit as the Governor has asked for authorization to make mid-year budget cuts. The Mass Municipal Association has sent a message to our legislators that we need to be protected. He will continue to work with the Board of Selectmen and our legislative delegation. Ms. Bohnson questioned how much more the town would be short. According to Mr. Daley that figure could be well above \$2,000,000. The second issue was going off the New Growth Policy and using \$500,000 of the National Grid Funds together with the all the \$750,000 of Free Cash. We have a New Growth Policy which only allows us to use only \$150,000 and any surplus goes to the capital program.

Review Brainstorming on Revenues and Efficiencies (ways to cut costs)

Mr. Kane explained that we began the process on identifying three ways to fill holes – adding revenues, cost efficiencies (by providing the same service at a lesser cost), and reducing the services the town provides its citizens. Out of the brainstorming session came 38 ideas to increase revenues and 35 ways to deal with cost deficiencies. A survey was developed and forwarded to all the participants to rank the ideas. A rating of #1 indicated it was not a good idea and will not generate much money, #2 was the idea could be implemented and could have some meaningful impact on reducing the budget deficit and #3 indicated that the idea could be implemented and would have a major impact on the budget. We also asked if the idea is a short-term or a long-term budget impact. The goal was to get a half a dozen viable ideas to work on. The assessment criteria used was – Can we do this – is it legal, what resources are need and the time requirement, what dollar value could we gain

and how autonomous – is it a function of the administration, town meeting or an outside decision maker?

High Impact – short-term efficiencies

Centralized Purchasing within the town. Mr. Gaumond noted that legally, this is something we could do and we could create one central purchasing agent for the town as we do not have anybody to do this. Mr. McCormick noted that this suggestion would require the hiring of additional employee. Mr. Crowley does not believe this assignment would take any more time as people are already purchasing items. Mr. Gaumond noted that we have central purchasing of supplies in town hall done by Mrs. Lucier. Mr. Desy explained that within the school system we already have a collaborative to purchase certain products. He suggested having the town collaborate with the school. Mr. Gaumond noted that by becoming a member of MORE and purchasing through the City of Worcester the town has saved a great deal. We are also doing joint purchasing on gasoline which has saved a great deal on fuel this year. What would we save doing this? Mr. Berglund suggested including all departments. Mr. Phillips pointed out the fact that state bid pricing is not always the best price. This suggestion could be done administratively and we would have an estimated \$5,000 profit.

Merge municipal function within town departments. It was suggested to merge DPW with Cemetery Department and the Water District with the Sewer Department. Mr. McCormick pointed out the fact that the process for merging these functions would take a very long time and it would not necessarily save money. Mr. Phillips suggested merging sewer and water, which may involve an Act of the Legislature.

Combine support functions throughout town. The suggestion is to take two part-time clerical positions and make it one full-time position. Mr. Kane noted that the school has a Business Department with a Finance Director and the town also has its Finance Director. Mr. Phillips suggested combining those positions. He also suggested combining the library function and support staff.

Energy audit/increase energy efficiency. Mr. Phillips feels that is something we could do now, however, the recommendations resulting from the audit may be a huge cost to the town. He suggested finding a firm or using our utility company to perform an energy audit on the town's buildings at no cost. Mr. Kane noted that he is in the process of working with a firm who would come in at relatively little money. Mr. Gaumond suggested this could be done through performance contracting and could result in savings.

Change of health insurance plan. This suggestion needs to be negotiated. Mr. Phillips feels this will cost us money up front to change and take a few years to get a pay back. This change is contractual. Mr. Berglund recommends having a structural redesign of our health insurance plan as the amount of money saved could be meaningful.

Re-evaluate street snow plowing operations. This is something we can do. Mr. Phillips noted that this is weather dependant. Last year our cost was \$200,000, however, everything is increasing including the cost of fuel and salt. Mr. Gaumond feels the Board could have a conversation with Mr. Westerling. Mr. Kane remembers John Westerling reporting that it takes him two hours to cover the town and he suggested using less manpower and fewer trucks and taking four hours. Mr. Crowley questioned what the trigger point is for sending the sanding trucks out as the perception is the trucks go out with the drop of the first snow flake. Mr. Phillips explained that the DPW is dispatched out if the Police Department observes icing on the roads. Mr. Berglund feels this item should be included in the reduction in services category.

Reevaluate employee benefit package. This is contract related. Mr. Bohnson suggested petitioning the state to change the state law to only offer health insurance benefits to 40-hour a week

employees opposed to the current 20-hour a week level. Mr. Berglund suggested changing the health insurance percentage level for employees who only work 20-hours per week.

Encourage and enforce recycling. This is something we can do; however, it is difficult to determine the dollar value this would generate. We are now at a 23% rate. If the town were to go with a mandatory recycling program should a resident not put out recycling together with their trash their trash would not be picked up or the resident could be given a fine. This step would reduce the amount of tonnage the town pays for. Janet Vignaly estimated the savings to be \$16,000. This could be accomplished administratively, by vote of the Board, without town meeting approval.

Joint purchasing for items, including fuel oil. This is the same as Central Purchasing.

Long Range Priorities – long-term implementation and high impact

Regionalize school or turn into charter school

Privatize services

Regionalizing services with other towns

Centralize building maintenance in town

Alternative energy opportunities

ADDITIONAL REVENUES

Priorities – short-term implementation and high impact

Adopt a Pay-as-you-Throw Trash Program. Mr. Gaumond explained that adopting a pay-as-you-throw trash program could be done. The Selectmen have the authority over trash and the cost savings depends on the structure. Mr. Phillips commented on the under ride factor. Mr. Gaumond feels we may not gain any new money into the system as it would be off setting. It is up to how it is structured. Mr. Crowley feels if we adopt a pay-as-you-throw system with residents getting free bags it would not eliminate any services, but would force people to recycle. It would save the town a minimum of \$23,000 or more as some residents would not recycling and as a result have to purchase more bags. He feels you could look at it without an under ride as the override was for \$200,000 and the town will still pay \$240,000 for the collection costs.

Proposition 2½ override. A Proposition 2-½ override could be done. The first step is an administrative step as the Selectmen need to vote to include it on the ballot and the town makes the decision.

Sell Surplus land. Selling surplus land could be done. It is a lengthy process as it involves going out to bid. Mr. Gaumond noted that the town is land poor and the only properties available are Mixer or the land in the back of the Housing Authority. He would not recommend selling off any property. It was estimated that the sale of Mixer could bring in \$600,000 to \$800,000. It would need to be declared surplus by the Board of Selectmen, go through an RFP process and final approval would be town meeting vote. Mr. Berglund suggested leasing the surplus land.

Voluntary/specific override. A voluntary override for a specific function. It was suggested that something could be included on the tax bill as a voluntary check off. According to Mr. Daley the state regulates what can appear on the tax bill.

Long Range Priorities – long-term implementation with high impact

More state and federal grants

Bid out Tivnan Drive

PILOT funds for the jail

Close telecommunications loophole

Increase economic development

Lease old landfill for commercial development – Mr. Gaumond noted that the DEP has strict regulations on how long a landfill needs to be capped before activity can take place on the cap

Put wind farm on reservoir and keep the money

Block DCR from taking more land and rezone it

Renting town facilities

Lower Priorities – short-term implementation with moderate impact

Increase town fees

Sell banners in town

New ambulance business for non-emergency transport

Sell stickers for brush dump

Sell street lights – obtain private pay arrangements for lights

Enlist town businesses to participate in our recycling program.

Mr. Gaumond noted that some suggestions are more feasible than others and we would have to do a cost benefit analysis. We are sending out a new RFP for the Tivnan Drive property and Mr. Gaumond regularly meets with our legislators and always brings up the issue of PILOT funds or mitigation. From the administration side, the Board of Selectmen and the Town Administrator will do due diligence to bring these to fruition. Mr. Phillips stated that the non-emergency transport service involves the Fire Chief and that could have a medium impact. Mr. Rucho feels the income from that service will help pay for our two new firefighter/EMTs. Mr. Crowley's recollection of town meeting was that the two new firefighter/EMTs would bring in additional funds as we could cover more mutual aid in addition to giving the Fire Chief the ability to establish a new program on non-emergency transport. The estimated income reported by the Fire Chief at town meeting did not include the new program so that would be a new revenue to the town.

At the next meeting of the group, Mr. Phillips recommends discussing how we will handle any new funds generated. Mr. Kane noted that the next meeting will be strategizing on reducing services and the impact it will have. Mr. Phillips recommends involving the department heads in that discussion as they are the ones who need to tell the group what the impact of those cuts will be on their department. Mr. Kane suggested looking at a level service budget and the impact of million dollar cut.

Louise Howland questioned whether it would be more cost effective for the town to build its own town hall rather than paying \$120,000 a year to rent space. Mr. Phillips agrees that the town would be better off if it had its own town hall, however, we do not have any funds to build a new town hall. Mr. McCormick, who also serves as the Chairman of the Municipal Buildings Committee, informed the group that the committee will be resuming its meeting schedule and they will be discussing whether it would be best to build a new building or perhaps purchase a building. His concern is maintenance of the building which is always an issue.

Mr. Gaumond explained that the reason developing a wind farm on the reservoir was not included on the list was because the Municipal Lighting Plant is looking into alternative energy sources and the suggestion did not make sense due to the proposed location. As we are trying to solve the town's fiscal problems that would not impact our bottom line as this is a function of the Municipal Lighting Plant. Mr. Phillips noted that the Reservoir is owned by DCR, not the town. Elise Wellington does not understand Mr. Phillip's point on an under ride for pay-as-you-throw as the total trash budget was \$200,000. Because the override was specifically for trash pick-up Mr. Phillips feels it should be reversed.

Craig Gardner offered to explain Mr. Trudeau's suggestion of a voluntary override. If we wanted to reinstate the band at the High School and the cost to do that was \$10,000, people could make

a contribution for the specific use. Finance Director Michael Daley noted that there is a general law specific for gifting and it allows a community to set up a Gift Account.

Mr. Gaumond stated that he will be giving the budget strategy planning document to the Banner. Mr. Shaw thanked both Mr. Gaumond and Mr. Kane for putting all of this together; however, he does not see many opportunities that came out this evening which would close our deficit. He feels we eliminated some of the larger potential such as selling the Municipal Lighting Plant to the National Grid – would that be legal and if so, could it be an option? He would also like to explore naming rights as that would be a bigger item to create more cash. He encouraged the group to look outside the box, and what he heard this evening did not do that. Mr. Phillips agrees that the items this evening basically are nickel and dime quick fixes which will not fix anything when in fact we need a bigger solution. Mr. Kane is open to taking a look at the items that did not rise to the top of the list and noted that we did not get 100% input on the rating sheets. He suggested looking at the other items that did not go to the top of the list at the next session.

With no further business to come before the Board, motion Mr. McCormick at 9:00 p.m. to adjourn, seconded by Mr. Pruneau, all in favor.

Respectfully submitted,

Approved: October 15, 2008

Nancy E. Lucier

Allen R. Phillips, Chairman

Valmore H. Pruneau, Vice Chairman

Christopher A. Rucho, Selectman

Kevin M. McCormick, Selectman