

Members present: Kevin M. McCormick John W. Hadley  
John J. O'Brien Michael J. Kittredge, Jr.  
Christopher A. Rucho

Mr. McCormick convened the Board's retreat meeting at 9:30 a.m., which is being held in the Sawyer Room of the Chocksett Inn in Sterling.

### **Outstanding issues**

#### **1. Budget FY2014**

Mr. Gaumond explained that when he first arrived it was a suggestion of Selectman James Ryan to look at the operational budget and determine a formula to give normalcy to how the school and town budgets were set. Prior to his arrival there was controversy over the town and school budgets. They did a historical analysis and determined that once we backed out fixed costs such as health insurance, retirement and debts costs we determined that it was close to 2/3rds for the school and 1/3<sup>rd</sup> for the town split. This year one of the good things we had working for us was even though our revenues were flat, our fixed costs, with health insurance being the largest portion, were impacted by co-pay changes and plan design changes which resulted in a zero increase to that line item. Our health insurance costs were expected to go up 18% because we had a large number of high claims. The good news is many of the high claim people passed which got our health insurance rate down to a 4% increase. Our Insurance Advisory Committee will be meeting again on Wednesday and will be proposing to modify emergency room visits, which are currently at \$100 and being proposed to go to \$150. It is a way to try to discourage people from taking family members to the emergency room unnecessarily. Health insurance is budgeted for the maximum it could be and over the years the gap shrank dramatically. It used to be the main driver of our Free Cash number and we include \$200,000 of Free Cash in our budget each year. We also think we may have a little bit of flexibility in the current year's health insurance budget.

Mr. Gaumond presented the Board his first budget draft, which does not include any pay increases for town employees with the exception of the DPW and the Police unions. Our debt service numbers are a little lower and there is a relatively small increase in health insurance as new employees will be paying a higher rate. We think we can absorb the increase with what we already have. The School Committee voted to have education broken out with a line for regular expenses and one for vocational expenses. It was noted that April 1 is the deadline for students to decide if they are going to Assabet. The School is requesting \$10.8 million, an increase of \$720,000 in what they are getting this year. Vocation education has increased 8-10%. We do not have the revenues to support that and when we did the 2/3<sup>rd</sup> and 1/3<sup>rd</sup> split, all the increase would go towards vocational education. Mr. Gaumond took the money left over in health insurance and moved it into the education line to give them an increase, however, they are still about \$400,000 short of their request.

The School Committee has extended an invitation to the Selectmen to attend their School Committee Budget Sub-committee meeting on Monday night at 6:00 p.m. Mr. Rucho questioned whether it needed to be a posted meeting of the Board. Mr. Gaumond explained that it depended on how it was structured. If it is a budget hearing, anyone can go.

Mr. Kittredge questioned where all the school athletic fees go. Mr. Rucho would like to know what they take in for bussing fees, school parking fees, athletic gate fees, football concession fees and school choice. Mr. Gaumond advised that \$550,000 of school choice fees go into the budget. Mr. McCormick noted that \$82,000 of the budget is just for step increases. Mr. O'Brien noted that two

years ago town meeting voted to take money from trash and put it into the school. He questioned whether that becomes the new base budget. Mr. Gaumond advised that it is. Mr. Hadley suggested that they change over to gas from oil, if they heat their facilities with oil.

Mr. Rucho suggested including something for town non-union employees. Mr. Gaumond included an additional column which indicated a 1% raise would cost \$14,000, and the only place he could take that from would be the school line.

Discussion around the Net School Spending Report. We currently fund the school at 31% more than what the state is telling us we have to fund the school at. It was noted that Assabet funds at -.9%, Wachusett is at 11%, Leicester is 2.5%, Clinton 6.8% and Berlin/Boylston is at 42.6%, however, they passed an override to give more money to the schools.

The Board is in general agreement with the budget as submitted. It was also noted that the school is getting about \$150,000 more than what the 2/3rds/1/3<sup>rd</sup> formula calls for.

Mr. McCormick also thinks something should be given to the non-union employees. It was agreed to go with 1.5%.

Mr. Gaumond noted that one of the biggest items we will be faced with is the snow and ice deficit. It will be made up with any monies within this budget, or carried over to next year, or through an article on the warrant to take funds from the Stabilization Fund.

## 2. Discussion – FISP

It was agreed to go forward with the purchase of both the Three Rivers Building and the Bethlehem Baptist Church. A floor plan will be developed allocating office space for the Three Rivers Building. It was also agreed to change the time for the meeting on March 27<sup>th</sup> from 7:00 to 6:00 so that the Board can attend the Planning Board's public hearing on the revised sign bylaws.

## **Discussion of Town Goals**

The agenda package contains a list of 25 suggested goals. These goals were suggested by the public and members of the Board. No one wishes to include anything else on the list. The Board then voted their top ten goals and the following list of goals for 2013 were established.

1. Pursue demo of the Mixter Building and Pool
2. Get a new town hall
3. Explore sewer management options
4. Finalize regional dispatch
5. Develop strategy to address paper street issues
6. Conduct wage study for all non-union employees
7. Work with Housing Authority to Orchard Knoll
8. Beautification of Route 12
9. Establish an official position on the sign bylaw revisions
10. Sidewalk maintenance

## **Reminders**

1. Signing of the warrants. Warrants are available every weekend for the Board to sign.
2. Selectmen's vacations. If anyone is going on vacation, they just need to notify the office rather than announcing it during a televised meeting.

3. Preparation for Selectmen's meetings. If after reviewing the agenda anyone has any questions, they need to contact the office before the meeting.
4. Town Administrator's contract is due. A proposal is included in the agenda, and we will have an executive session next week on this.
5. Selectmen's agendas. If there is anything that needs to be included on the agenda, they need to let us know the Friday before the meeting. Mr. McCormick noted that items brought up under the Future Agenda category are not supposed to be discussed as they are for a future agenda. In addition, Board members could also drop off any items they would like to be discussed at the office or via email.

The retreat concluded at 1:50 p.m.

Respectfully submitted,

Approved: April 17, 2013

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Nancy E. Lucier, Municipal Assistant

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Kevin M. McCormick, Chairman

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John J. O'Brien, Vice Chairman

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Christopher A. Rucho, Clerk

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John W. Hadley, Selectman

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Michael J. Kittredge, Jr., Selectman