

TOWN COUNCIL MEETING  
April 6, 2009  
Work Session – Municipal Operating Budget

Present: Frank Hyde, Raymond Spear, Glen Shibley, Laura Flanagan

Interim Town Manager Paul Sprague

Absent: Kenneth Cloutier

Vice-President Spear began with stating a review of the needs recommended by the municipal departments and school department reflect the need for approximately \$3 million of new money to operate next year, more than can be generated by the tax levy based on S3050. Cutbacks will be needed.

Subsequently, after review of budget numbers this needs to be put into perspective. We have a bottom line need of 5.5 million dollars for 2009-2010. After reviewing projected revenues based on information that is available to the town manager and finance director, we are losing 2.5 million in revenues over what we received in 2008-09. The impact is the possibility of going maximum on the tax levy; we could look at the necessity of cutting back in our budgets. Another way to look at it may be the necessity to level fund the 2008-09 budget, then cut back.

In the back of our minds, we have the desire to keep the burden on the taxpayers of the community as close to no tax increase as possible. That is almost impossible. If we went as far as to simply freeze the budget for next year, then cut back some of the things in this year's budget, and bring that number down, the maximum we can levy is 2.4; and we would need that 2.4 just to cover the losses in revenue from this year to next year. That's a sad picture.

We want each of the department heads to be aware. Some of the conjecture that has taken place on our part is the possibility of going back to the town manager, telling him to have each of the departments reduce their budgets by a certain number or percentage.

I am hoping that we have dialogue tonight, as to how to get where we have to get. I don't see us being able to get to a no tax increase in this community, unless we make some major financial cuts. That's the backdrop and it is a very difficult situation.

Town Council followed with discussions with Department Heads. Human Services director Pat Shurtleff indicated people using the services of the Senior Center are being charged for classes. If she were to cut her own budget the impact would be employees taking on more responsibilities.

Interim Town Manager Sprague noted that most of the items in his budget are contractual and personnel related. Could possibly cut a temporary employee or look to health contributions. There are 40 people on the municipal side who do not contribute to health plans.

Ed Warzycha from Information Technology told Town Council that basically his budget is the same as last year, with \$9,000 from Tax Assessor's budget transferred to I.T. budget.

Ms. Flanagan is interested to know if there may be ways the town could make better use of technology to save some money.

Mr. Warzycha suggested implementing new software in the treasurer's office.

Mr. Sprague was directed to research how Municipal Court salaries are determined, whether set by charter or ordinance. Municipal Court judge's term expires January 2010.

Warren West, Finance Director, noted that the issue in his office is the level of work and the overtime. If he cuts his budget, would result in delays in reports and paying bills.

Ms. Flanagan commented on possible savings from going to a bi-weekly payroll for employees and monthly for department heads. Mr. Shibley asked Mr. West for the rough estimate of overtime for a week in his office; Mr. West figures it to be about \$400.00 average for a week.

Patricia Picard, Tax Assessor stated that any significant cuts would be salaries in her office.

Mr. West suggested that he could phase out overtime.

Tax Collector indicated the only place she could cut would be materials and supplies.

Mr. Hyde asked what the collection rate is now; Ms. Houle responded about 75-80%.

Chief of Police, Ron DaSilva, informed council that in his budget, he has incorporated \$418,150 of capital requests into the operating budget. He requests only \$86,236 in operating. Radio reception is not good in the western end of town. Most of his expenses are employee costs.

Councilman Shibley stressed that he doesn't want to see taxes go up and Ms. Flanagan stated that there is \$5.5 million to address between the schools and municipal budget.

Ms. Flanagan would also like to explore the possibility of hiring a full time engineer.

Bruce Zaloudek of Inspection and Permits indicated that the only change in his budget from last year is a step change, pay increase.

Dennis Smith, Public Works Superintendent, is looking into better ways of doing business and making DPW more accountable. This will in turn improve performance measures, which is a huge task. Also, solving these accountability issues will lead to better use of budget money. We are looking at stimulus money for roads and bridges for infrastructure needs (roads) only. Can't predict snowplowing costs. Mr. Smith explained that the cost of recycling bins is \$5.00 for a new bin, and the town will replace it for free if it is broken.

Parks and Recreation Director Guy Lefebvre noted that most of his budget increase is in personnel. Parks and Recreation takes care of 41 sites in town, has had no increase in employees in 25 years.

Ms. Flanagan indicated to Mr. Lefebvre that she is not comfortable with his accounting system, would like him to speak to Mr. West, the Finance Director, about a ledger.

Mrs. Blanchette, Library Director, agreed to level funding, but would lose aid money if that amount. The Library receives \$186,831 in aid. \$84,074 of that goes to the general fund, \$102,757 to the library. If Library cuts 10% of last year, \$82,536, then the town will lose \$84,074 contribution to the general fund.

Mr. Spear clarified that she can level fund, but not go below.

In the Planning Department Mr. Sprague noted that he already made the cuts and there is a position being eliminated.

Ms. Flanagan asked Mr. West what is in the contingency account. He replied \$90,000. used for projects and special vendors. Mr. Sprague further explained citing an example where the state had given a grant to restore cemetery fencing. There wasn't enough grant money, and the town took the rest from contingency.

Ms. Flanagan also stated that the Town Council would not take money from the reserves. With the tax anticipation notes out there, and if the banks decided not to renew the notes, it would abolish all of the reserves.

Mr. West – Stated that the Workers' Compensation Fund would not be a good idea either. The fund has about \$4 million dollars in it with claims of about \$500,000 a year.

Ms. Flanagan stated that unfortunately every department has to come to the table with a better way of doing business. Asked that you go back and see what you can do by going back to last year's approved budget and reduce that by 10%.

Vice-President Spear concluded meeting requesting each department to give serious consideration to leveling their budget first, then reduce by 10%. Suggest that if you find it very difficult and unsettling to go to 10%, then take it to 10% but indicate in a report to the manager where you feel it is not in the best interest of either party to cut to that extent.

Motion made by Laura Flanagan seconded by Glen Shibley to adjourn meeting. All voted Aye.

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Town Clerk