

TOWN COUNCIL MEETING

April 27, 2009 – 7:00 p.m.

Present: Frank Hyde, Ray Spear, Kenneth Cloutier, Glen Shibley, Laura Flanagan

Interim Town Manager Paul Sprague
Town Solicitor Patrick Rogers

Invocation by Reverend Robert Auld of Summit Baptist Church
Review of Emergency Evaluation Plan

Approval of Minutes

Vice-President Spear requested a correction on the April 13 minutes on Page 5 – Vacancies on Boards and Commissions, inserting the words “town political party chairs” be notified.

Motion made by Glen Shibley seconded by Laura Flanagan to approve minutes of April 6 and April 8 as submitted and April 13, 2009 with correction. All voted Aye.

President's Comments

President Cloutier stated that his recent absences from Town Council meetings were job related, and at this time he relinquishes the office of President of the Town Council but will remain the Councilman representing District 5.

Motion made by Ken Cloutier seconded by Laura Flanagan to nominate Vice-President Ray Spear as President. All voted Aye. Mr. Spears accepted the Presidency.

Motion made by Glen Shibley seconded by Ken Cloutier to nominate Councilwoman Laura Flanagan as Vice-President. All voted Aye. Mrs. Flanagan accepted the Vice-Presidency.

Councilman Cloutier thanked President Spear for all of his help during the last month.

Consent Agenda

1. Resolution canceling Town Council meeting on June 8, 2009
2. Resolution appointing moderator for Financial Town Meeting
3. Tax abatements for month of March 2009 in the amount of \$66,536.93 with additions of \$4,845.12
4. Resolution authorizing Interim Town Manager to sign contract with Rhodes Technologies
5. Confirmation of Town Manager's Appointment of James Spearman as Town Sergeant

Motion made by Laura Flanagan seconded by Glen Shibley to remove Items 2 and 3 from consent agenda. All voted Aye.

Motion made by Laura Flanagan seconded by Glen Shibley to approve Items 1, 4 and 5. All voted Aye.

Motion made by Laura Flanagan seconded by Glen Shibley to appoint Gregory Laboissonniere as moderator for the Financial Town Meeting. All voted Aye.

Motion made by Ken Cloutier seconded by Laura Flanagan to remove Charles and Maureen Rennick and Louis G. and Joan R. Roy from the abatement notice pending further review. All voted Aye. So voted.

Discussions

Status review and presentation of the 2009-10 budget by Finance Director Warren West. Mr. West discussed the severity of town's financial condition and reviewed the town's reductions in revenue. (See town council folder for complete presentation)

Mr. West further commented that for FY 09 the town has a shortfall of over \$420,000. Using money from the reserve funds is not recommended as it is important to maintain a AA bond rating. He suggested considering the use of cell tower funds to cut expenses. Councilwoman Flanagan asked if he felt there was any risk to the Tax Anticipation notes if money was taken from reserves, and Mr. West replied that there is always a risk if the bank decides not to roll over the notes. In addition, the Town is currently in discussion with the Clean Water Agency and looking to issue a 20 year bond for that \$ 5.5 million. The bond will be at market rate and we hope to do this in the fall.

Mr. Hyde asked what was in the Worker's Compensation Fund; Mr. West responded about \$3.2 million.

Mr. West explained the difference between restricted and unrestricted funds, that the restricted funds are grants, CDBG money, and money that the Town holds onto for various specific items and cannot spend. He further explained that the money we do have in the Worker's Compensation fund was built into the budget by the former town manager. In addition, discussion took place as to whether the Town should look into paying premiums to an insurance company for Worker's Compensation or remain self-insured. As far as stimulus money, nobody knows if that will be available at this point.

Solicitor Rogers noted a correction in the "Land Fill Study" amount on the estimated FY 09 deficit. The amount for 09 should only be about \$12,000, not \$60,000.

Mr. Spear stated that the shortfall in revenue to the town will be about \$420,000 this year.

Mr. West summarized revenue reductions including town fees, Centre of New England lease payments, investments, state general aid and state housing aid. He predicts that next year will be a mirror image of this year. This year all of our revenue sources have deteriorated dramatically. If we were to go to the maximum 4.75% increase in the levy (5.2% in tax rate), it would generate about \$2.7 million but only \$700,000 of new revenue.

Mr. Spear stated that even if we level fund, still have a two million dollar problem. Councilwoman Flanagan commented that with a two million dollar deficit, we need to cut our expenses.

Gary Cote, Sheltra Ave, raised questions pertaining to what the Town is budgeting for legal fees for next year and the status of the teacher's contract. He commented that the children shouldn't have to suffer for this and he is willing to pay an increase in taxes.

Mr. Spear indicated that although he was part of the negotiating team for the current teacher's contract no one anticipated the current financial situation.

Mr. West – Senate Bill 3050 was passed after the teacher's contract was signed and that changed the whole landscape.

Mrs. Flanagan – We have no control over the economy. We can bring in \$700,000 of new revenue if we go to the maximum tax levy. Last year legal expenses were over \$300,000 and the prior year close to \$400,000 and were being paid from various town accounts. This council is going to bring all the legal fees together into one account.

Tom Hetherman, School Committee member, Whaley Hollow Road, suggested that the Town Council look at taking \$2 million from the Worker's Compensation fund, get an insurance company and use the rest of the money from the fund to pay premiums. Greg Laboissonniere further suggested using Centre of New England money to fund the self-insurance fund when payment comes due.

Dawn McNamara, 2 Ravenwood Drive asked how many towns are self-insured?

Pat Taraborelli – Live in modest home, can't afford to pay more taxes.

Tony Ferrucci, 91 Isle of Capri Road, discussed fund balances in June 2005 of \$6.5 mil; June 06 of \$6 million; June 07 of \$5.7 mil, and in June 08, \$5.9 million. The teacher's contract expires August 2010. Believe we need to form a committee to talk about the future. We never had a 3-5 year plan, and should be looking to the future.

Gail Whitaker, 1 Allison Avenue – We used to have a committee working on how to better finance our budget. We need to find a way to bring revenue into the town.

Diane Fallon, Tobin Street, asked what areas the Council is looking at cutting. School Committee Chairwoman Kathy Patenaude suggested having another meeting; she would like to hear what cuts the Town Council proposes. She also believes it would be unrealistic not to raise taxes.

Mr. Spear responded that the Town Council has asked all departments to reduce their budgets up to 10%.

Cheryl Kane, Read School House Road – Town employees are taking no increase and can't afford additional fees either.

Gary Cote asked what the rainy day fund is and Councilman Hyde responded that it is the reserve fund.

Judy Hetherman, Whaley Hollow Road – Town Council should look at using a combination of funds.

Mr. Spear closed discussion on budget.

Proposed sewer ordinance

Sewer Subcommittee Chairman Bill Hall recommended that the Town continues in the same fashion as we are currently. Woodcock and Associates believes minimum fee should be charged and their recommendation is \$12,600, with an increase to \$60 per thousand on commercial property. \$12,600 would become \$12,900 if we don't recoup any money regarding the Maisie Quinn interceptor.

Mr. West – Clean Water Agency needs to know what the base cost will be.

Mr. Hall told the Town Council that he believes Ramblewood Mobile Home Park should stay at \$3300 due to the easement they granted to the town, but only for the properties that abut the easement.

Wayne Asselin, 30 Lorraine Ave, thinks there should be general taxation to the entire town for the outstanding sewer debt.

Ron Flynn, 21 Colvintown Road – If I help pay for the sewers, then the town will help me pay for a new septic system when I need one?

Vacancies to Boards and Commissions

Discussion took place regarding establishing a policy anytime we have a board or commission with an opening, that it should be publicly announced and all applications should be filed with the Town Clerk's Office. In turn, the Town Clerk will sort through the applications, compiling into Democrats, Republicans and unaffiliated. They would be given to the chairmen of each political party to look at, and appoint someone to look at the unaffiliated applicants.

Mr. Hall feels that an entire board or commission should be involved in the process.

Charles Vacca, Fairway Drive – Should seek well qualified people, think you need an ordinance.

Greg Laboissonniere – People need to be involved, whether Democrat, Republican or unaffiliated.

Mr. Hyde – Some people don't want anything to do with the town committees and they should be allowed to serve. Also think the Council should take a look at reestablishing the TIF commission.

Motion made by Laura Flanagan seconded by Frank Hyde to adjourn meeting. All voted Aye.