

TOWN OF NORTH BROOKFIELD

FINANCE COMMITTEE

Minutes of the Meeting of March 9, 2009

Members Present: James Baird, Frank Hubacz, James Lovett, Robert Smith
Also Attending: Selectman Mary Walter (Guest)

1. The Meeting was Called to Order at 6:25 PM by Mr. Lovett.
2. The Minutes of the Meeting of February 9, 2009 were presented. A Motion was made by Mr. Hubacz, and seconded by Mr. Baird, to approve the Minutes as presented. The vote was unanimous. Attachment.
3. FY 09 Budget Reductions: Ms. Walter summarized the process of preparing the Article recommending specific line-item reductions in Departmental budgets at the March 20, 2009 Special Town Meeting. The wording of Article I was based upon the recommendation of Counsel. She noted that because some Town Departments had overspent in some line-item accounts, only approximately \$104,323 was still available for reductions, not the approximately \$128,000 recommended by the Finance Committee, to offset the \$97,000 reduction in Local Aid. These figures were as of March 3, 2009, she said. As a result, the 'contingency reserve' recommended by the Finance Committee was considerably reduced. Ms. Walter also advised the Committee that the Police Department had proposed a reduction to its FY 09 budget of approximately \$22,000 after discussions with Selectmen. She also noted that encumbered funds in various Department budgets from prior years were being reviewed, and might add to the amount available in FY 09 to offset unforeseen spending needs. The Committee reiterated its belief that a Purchase Order system should be implemented as soon as possible to provide better control of Departmental spending. A recommendation from the Finance Committee will accompany the FY 10 budget recommendation. Attachment.

4. FY 10 Budget Review: Mr. Smith provided the Committee with the new formats for the FY 10 budget review.

The first was a single page statement of proposed expenditures, which included all Departmental spending requests received, and other anticipated expenditures, as well as an estimate of revenues from all sources, including Local Aid and tax collections. The draft of the revenue and expense statement, adjusted for estimated indirect cost payments from the Sewer and Water Departments, indicated a preliminary FY 10 deficit of \$731,652. He noted, however, that although spending reductions, year over year, were reflected in the preliminary statement, the School Department budget was included in the amount requested, and reflected a 3% increase from FY 09. As presented to the Committee, the School Department request was \$633,180 over net school spending.

The second document, which consisted of ten pages, listed all Town Department budget requests by line item, and contrasted FY 10 with comparable data from FY 09. The document also listed increases/decreases in line item amounts, on both a dollar basis and percentage. This new format, Mr. Smith noted, was developed to make the budget process more transparent and easier to analyze. He emphasized that the amounts included in both documents were very preliminary, but would provide a basis for the Committee to begin its analysis of both spending requests and estimated revenue in FY 10 from all sources.

Mr. Smith expressed his appreciation to Ms. Nykiel, the Town Accountant, for her efforts to develop the new formats based upon requests from the Committee. He hoped that the new budget format would be presented at the Annual Town Meeting to provide voters with a better understanding of the FY 10 budget and the relationship between anticipated revenues from all sources and spending. Mr. Smith also suggested that in FY 11, budget narratives be requested for all line-item requests, especially the salary accounts.

Mr. Smith also presented the Committee with an analysis of net school spending based upon DOR and DOE data. A letter from the Bay Path Regional Vocational School District regarding a significant increase in the Town's FY 10 assessment was also provided to the Committee. It was agreed that the Committee would review the documents, and begin its discussion of FY 10 spending requests at the next Meeting. The Committee also expressed its appreciation to Ms. Nykiel for her efforts. Attachments.

5. Mr. Smith reported that he was continuing to meet with Town Departments to discuss spending requests, with positive results. He also advised the Committee that he had met with Chairman Hicks and Superintendent Nosek on March 6, 2009 to discuss the Committee's net school spending analysis, which indicated that the School Department's proposed budget for FY 10 was \$633,180 over net

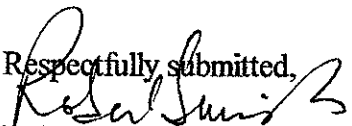
school spending. Mr. Smith asked Mr. Hicks and Ms. Nosek to review the calculation. There was no discussion of the School Department's FY 10 budget request since the Committee had not begun a review of the request. Mr. Hicks and Ms. Nosek suggested that a joint Meeting of the Finance Committee and the School Committee would be useful once the Finance Committee began its review of the FY 10 request. Mr. Smith indicated that he would discuss a joint Meeting with the Finance Committee at its next Meeting.

6. Ms. Walter discussed correspondence from the Capital Improvement Committee. She said she hoped that the work of the CIP Committee would lead to long-range budget planning, and indicated that active participation by a representative of the Finance Committee would be welcomed. Attachment.
7. Mr. Smith reported that a response had been made to Mr. Caldwell's February 25/26, 2009 request for Finance Committee documents. He indicated that a total of 219 documents had been forwarded by Certified Mail to Mr. Caldwell on March 3, 2009. Attachment.
8. Mr. Smith reported that as of March 2, 2009 unpaid property taxes totaled over \$180,000 through the third quarter, an increase over the \$128,000 reported after the second quarter. He indicated that an additional increase was possible after the final quarter of the FY 09 fiscal year in May. Any shortfall in property tax payments would significantly reduce revenue which was projected for the FY 09 budget. Although all taxes owed would eventually be collected, amounts received after the end of the FY 09 fiscal year in June would be reflected as FY 10 revenue, and might present a year-end financial problem.
9. A letter from Chief Thomasian to the Board of Selectmen, dated February 20, 2009 was reviewed by the Committee. Attachment.
10. Blogs mentioning the work of the Finance Committee, which were brought to the attention of the Committee, were reviewed. Attachment.
11. Other Business: The Committee received three requests for transfers from the Reserve Fund. The first was from the Council on Aging/Senior Center, for \$1,171.50 to cover the cost of unforeseen and emergency repairs to the Senior Center's heating and cooling system, and the Center's fire alarm system. The Committee agreed that this was an appropriate request because they were unforeseen and required repairs. A Motion was made by Mr. Hubacz, and seconded by Mr. Lovett, to approve the requested transfer of \$1,171.50 from the

Reserve Fund to the Senior Center. The vote was unanimous. Attachment. A second request, from the Cemetery Commission, was submitted by Mr. Lane in the amount of \$3,500.00 for additional funds for unforeseen expenditures for burials. The Committee agreed that the request was appropriate. A Motion to was made by Mr. Hubacz, and seconded by Mr. Baird, to approve the requested transfer of \$3,500.00 from the Reserve Fund to the Cemetery Commission. The vote was unanimous. Attachment. A third request, from Chief Thomasian, for \$75.00 to cover the cost of a 'February Prisoner Lock-Up Fee" was discussed. It was the opinion of the Committee that the request was not an unforeseen or emergency request, and should be paid from the Police Department operating budget, not the Reserve Fund. A Motion was made by Mr. Baird, and seconded by Mr. Hubacz, not to approve the request. The vote was unanimous. Attachment.

12. Date of the Next Meeting: The Committee agreed to meet on Monday, March 16, 2009 at 6:00 PM at the Senior Center to begin its review of FY 10 spending requests.

13. The Meeting was Adjourned at 7:52 PM.

Respectfully submitted,

Robert Smith