

TOWN OF NORTH BROOKFIELD

FINANCE COMMITTEE

Minutes of the Meeting of April 22, 2009

Approved
5-11-09

Present: Dick Chabot, Frank Hubacz, James Lovett, Chet Lubelczyk, and Robert Smith

Guests: Jeff Hicks, Chairman of the North Brookfield School Committee
Erin Nosek, Superintendent of Schools
Mary Walter, Selectman

1. The Meeting was Called to Order at 6:01 PM by Mr. Lovett. Mr. Lovett chaired the Meeting.
2. Selectman Walter briefly explained her role as representative of the Board of Selectmen to the Finance Committee.
3. The Minutes of the Meeting of April 13, 2009 were presented. A Motion was made by Mr. Hubacz, and seconded by Mr. Chabot, to approve the Minutes as presented. The Motion was unanimously approved. Attachment
4. The Committee discussed continuing speculation in the media about continuing FY 09 revenue shortfalls in Massachusetts, and the possibility that further reductions in local aid would be made prior to June 30, 2009. The Committee agreed that all Town Departments should be contacted to ascertain possible sources of unexpended funds to balance the FY 09 Town budget. A preliminary report will be given at the next Meeting. A second report on likely sources of unexpended funds from prior-year appropriations will also be given at the next Meeting. It was noted that if the Committee had not recommended immediate reductions of approximately \$98,000 after the initial reduction in Local Aid was made, the Town would be facing a serious year-end shortfall. Concern was again expressed that funds to reimburse the Town for clean-up expenses related to the winter ice storm might not be received from FEMA by the end of the fiscal year, which could make it difficult to close the books on FY 09. The need for a

centralized purchasing system was also discussed, and the Committee reiterated its intention to propose a simplified purchase order process for FY 10.

5. The Committee continued its review of FY 10 spending requests. Mr. Smith reported that, at the Committee's request, he was continuing discussions with Town Departments about various line item requests. He doubted, however, that any major reductions in FY 10 requests could be made because proposed budgets for the next fiscal year already reflected substantial cuts from FY 09 levels. A further report will be given at the next Meeting.

6. The Committee welcomed Chairman Hicks and Superintendent Nosek to the Meeting, and again stressed the serious nature of the Town's financial problems. Mr. Hicks briefed the Committee on efforts to reduce the School Department's FY 10 spending request since the March 30, 2009 joint Meeting. He expressed concern that a further reduction in the Department's FY 10 funding would not provide sufficient funding for the next year. He also said that a further reduction might lead more parents to opt for School Choice. The Committee explained that because the Department's FY 10 request was \$633,000 over required net-school spending, and was 3% over the FY 09 budget, the Town was facing an approximately \$878,000 deficit after all other Town Departments had reduced their requests below FY 09 levels. It was noted that to fund the School Department at its FY 10 request, all other Town Department budgets would have to be reduced by an additional 50%, which all agreed was not possible.

Mr. Hicks said that efforts would be made to reduce the Department's approximately \$5.9 million request to \$5.6 million, and that an additional \$170,000 in reductions were being considered. The School Committee, he said, was approximately \$120,000 above the required net-school spending level of approximately \$5.3 million. He and Superintendent Nosek discussed efforts to have the faculty union accept a 'freeze' on anticipated raises in FY 10, but reported that agreement was unlikely. As a result, any reduction in the budget to the required net-school spending level would involve a reduction in personnel.

The Committee thanked Mr. Hicks and Superintendent Nosek for their efforts, but indicated that the projected FY 10 deficit of approximately \$878,000 had to be addressed, and very soon. The Committee urged them to again discuss the serious financial problems of the Town with the faculty union and propose a salary 'freeze' to help avoid a significant reduction in personnel. Mr. Hicks and Superintendent Nosek then left the Meeting.

The Committee then discussed the School Department's FY 10 request in some detail. It was agreed that further major reductions on other Town Department budgets was not possible. It was agreed that the School Department's FY 10 spending request would have to be significantly reduced. Mr. Chabot made a Motion, which was seconded by Mr. Hubacz, 'to recommend to the Board of Selectmen that the School Department budget for


FY 10 be funded at no more than required net-school spending'. The Motion was unanimously approved. Attachments

7. Selectmen Walter presented a draft of an analysis of the FY 09 budget through June 30, 2009. The Committee will study the draft, and discuss its contents at the next Meeting. The Committee noted that the 'freeze' on all discretionary spending approved by the Selectmen in October was still in effect, and that monthly 'anticipated spending reports' were required of all Town Departments. Attachment

8. Mr. Chabot provided the Committee with a financial report from the North Brookfield Emergency Squad. A copy was also being forwarded to the Selectmen. The report will be discussed at the next Meeting of the Committee. Attachment

9. The Committee agreed to meet again on Wednesday, May 6, 2009 at 6:00 PM at the Senior Center.

10. A Motion was made by Mr. Chabot, and seconded by Mr. Lubelczyk, to adjourn the Meeting. The Motion was unanimously approved. The Meeting was adjourned at 7:44 PM.

Respectfully submitted,

Robert Smith