

TOWN OF NORTH BROOKFIELD

Approved
6-9-09

FINANCE COMMITTEE

Minutes of the Meeting of June 4, 2009

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

1. The Meeting was Called to Order at 6:30 PM by Mr. Lovett. Mr. Lovett Chaired the Meeting.
 2. The Minutes of the Meeting of May 11, 2009, which were not recorded as approved in the Minutes of the Meeting of May 27, 2009, were presented again. A Motion was made by Mr. Chabot, and seconded by Mr. Lubelczyk, to reapprove the Minutes as presented on May 27, 2009. The Motion was unanimously approved. Attachment
 3. The Minutes of the Meeting of May 27, 2009 were presented. A Motion was made by Mr. Chabot, and seconded by Mr. Hubacz, to approve the Minutes as presented. The Motion was unanimously approved. Attachment
 4. Three budget transfers were presented for the approval of the Committee. A request from the Water Department to transfer \$150.00 from Overtime Salary to Operator Salary was reviewed. A Motion was made by Mr. Hubacz, and seconded by Mr. Chabot, to approve the transfer request. The Motion was unanimously approved. Attachment
- A second request, to transfer \$68.75 from the Selectmen's Advertising Account to the Selectmen's Repairs and Maintenance Account was presented. A Motion was made by Mr. Hubacz, and seconded by Mr. Chabot, to approve the transfer request. The Motion was unanimously approved. Attachment
- A third request, to transfer \$1,000.00 from the Treasurer's Worcester Regional Retirement Account to the Town Collector's Postage Account was reviewed. A Motion was made by Mr. Lubelczyk, and seconded by Mr. Chabot, to approve the transfer request. The Motion was unanimously approved. Attachment

5. The Committee agreed to meet with a representative of the Bay Path Regional Vocational School District at 7 PM on Wednesday, June 10, 2009 at the Senior Center to discuss the Town's FY 10 assessment. The Selectmen will also attend.

6. A 'Budget Forum' began at 7 PM. The Committee was joined by Selectmen Petraitis, Walter, and Filipkowski. After introductory remarks by Mr. Petraitis and Mr. Lovett, and a summary of the new budget timetable and process by Selectman Walter, Mr. Smith gave an overview of the FY 10 budget process, and explained a series of projections of income and expenses developed by the Finance Committee from February through early June to evaluate FY 10 spending requests from the various Town Departments. He explained the April 2009 decision by the Finance Committee to recommend funding for the School Department at 'no more than required net-school spending' based on the School Department's initial request of \$5.9 million, and discussed how the Committee in subsequent weeks had reduced the Town's projected FY 10 deficit to \$92,310 as of June 3, 2009.

Mr. Smith also explained that the estimates of revenue shown on the financial statements being discussed were based, in part, on the House budget proposal, and that if the final FY 10 State Budget reduced either Local Aid for general town government or Chapter 70 (School Aid) in a material way, the proposed Town budget for FY 10 would be out of balance and require revision. He noted that pending the certification of so-called 'free cash' in September or October, the Town would not know how much, if any, additional funds would be available to offset any changes in projected revenue. A total of \$92,310 of that sum would be required to balance the FY 10 budget being recommended to the Selectmen (\$12,481,747), and an additional amount would be required to adequately fund Highway's 'Snow and Ice' account for FY 10. Any remaining funds would be needed to offset any decline in FY 10 revenue from the State.

Mr. Smith also noted that of the \$5,537,437 being recommended for General Town Government, \$3,818,088 were, in fact, fixed costs, and only \$1,719,349 was available for actual services by the various Town Departments (not including the School Department), or just 32% of the total recommended appropriation for General Town Government. He reiterated the view of the Finance Committee that the FY 10 budget recommendation was intended to maintain services in all Departments at an 'acceptable' level, but that any change in the Town's projected FY 10 revenue would present serious problems going forward.

Mr. Smith said that the Finance Committee would also recommend the implementation of a simplified 'purchase order' process as part of its FY 10 budget recommendation to the Selectmen to help monitor expenses throughout the year. The Committee would also recommend a 'freeze' on all non-essential expenditures as well as monthly 'anticipated spending reports' from all Departments to better manage the Town's finances.

Mr. Hicks commented on the School Department's FY 10 budget request, and noted that a revised budget request of approximately \$5.4 million had been sent to the Selectmen.

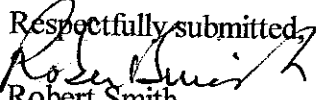
This was a reduction from the \$5.9 million initially requested. In response to a question, he also noted that although non-union staff at the schools would not receive a salary increase in FY 10, teachers would receive the increase specified in their contract.

Attachments

7. Following the 'Budget Forum' the Finance Committee met to discuss the FY 10 budget recommendation to the Board of Selectmen. A Motion was made by Mr. Hubacz, and seconded by Mr. Lubelczyk, to recommend to the Board of Selectmen a FY 10 budget of \$12,481,747 of which \$5,537,437 was for general town government, \$5,346,808 for the School Department, \$869,401 for the Water Department (including \$61,399 in indirect costs), and \$885,533 for the Sewer Department (including \$96,033 in indirect costs). The Motion was unanimously approved. The Committee will include in its recommendation a proposal for a simplified 'purchase order' process for Town Departments beginning July 1, 2009 and a 'freeze' on all non-essential purchases. These measures will enable the Board of Selectmen and the Finance Committee to better manage the Town's finances in the coming year. Monthly 'anticipated spending reports' will also be recommended.

8. The Committee will present its FY 10 budget recommendation to the Board of Selectmen on Tuesday, June 9, 2009 at the regular weekly meeting of the Selectmen.

9. There being no other business before the Committee, a Motion was made by Mr. Lubelczyk, and seconded by Mr. Chabot, to adjourn the Meeting. The Meeting was adjourned at 8:15 PM.

Respectfully submitted,

Robert Smith