

TOWN OF NORTH BROOKFIELD

FINANCE COMMITTEE

Approved
10-19-09

Minutes of the Meeting of October 14, 2009

Present: Dick Chabot, Eric Hevy, Frank Hubacz, James Lovett, Chet Lubelczyk, Robert Smith. Also attending: Mary Walter, Selectman

1. The Meeting was Called to Order at 6:00 PM by Mr. Lovett. Mr. Lovett chaired the Meeting.
2. The Committee welcomed Mr. Hevy as a new member.
3. The Minutes of the Meeting of July 14, 2009 were presented. After discussion, a Motion was made by Mr. Chabot, and seconded by Mr. Lubelczyk, to approve the Minutes as presented. The vote was five in favor, one abstention (new member). The Minutes were approved. Attachment.
4. FY 10: Mr. Smith reported that the Department of Revenue had not yet certified the Town's 'Free Cash' balance. He noted that several factors were considered by Revenue in making their determination. He expressed hope that the figure would be available by the beginning of the following week.

As a follow-up to the July 14, 2009 Meeting, Mr. Smith reported that as of the end of FY 09, \$119,000 in property taxes remained unpaid, although that amount had been reduced in July. In addition, \$44,000 in excise taxes were unpaid at the end of FY 09, and both figures had a negative impact on the Town's finances. Encumbrances for FY 09 totaled \$562,015, including \$499,392 for the new fire truck. Attachment.

The Committee's modified 'Purchase Order' recommendation to the Selectmen for the new fiscal year was briefly discussed. It was agreed that a meeting with the Selectmen should be held to clarify problems with the process, and to address some of the concerns expressed by Department Heads at the recent Selectmen's meeting with Department Heads. The Committee continues to believe that a modified 'Purchase Order or 'Encumbrance' process is essential to monitor Town finances.

Mr. Smith noted that the Board of Selectmen and both he and Mr. Lovett had signed a letter of support for the Library's application to the Board of Library Commissioners for a waiver, which was needed because of the reduction in the Library's FY 10 budget. The letter explained the FY 10 budget process, and was one of several documents required by the Library Commissioners to consider the request submitted by the Library Trustees. A failure to receive a waiver could lead to de-certification of the Library and have serious consequences for the Town. A copy of the letter will be emailed to Committee Members. Attachment.

The Committee reviewed a letter from the South Worcester County Regional Vocational School District (Bay Path) indicating that the Town's FY 10 assessment of \$289,280 had not changed. Attachment.

Mr. Smith reported that the Committee had continued its membership in the Massachusetts Association of Town Finance Committees and that he and Mr. Lovett had authorized payment of \$152 in dues for FY 10. This had been omitted from the July 14, 2009 Agenda. A Motion was made by Mr. Chabot, and seconded by Mr. Hubacz, to approve the membership renewal and dues payment. The vote was unanimous. Attachment.

Mr. Smith also noted that as a follow-up to the July 14, 2009 Meeting information had been obtained from the Selectmen's Office regarding a request to Chief Thomasian for information on estimated operating expenses for the new Police facility for FY 10 (if any) and FY 11. The correspondence will be discussed at a future Meeting. Attachments.

5. At the Committee's request, Selectman Mary Walter provided information about the various requests received from Departments for transfers or additional funding at the November Special Town Meeting. The Committee reviewed the back-up information that had been provided to support the requests. It was the opinion of the Committee that transfer requests should be approved. However, in view of the uncertainty regarding 'Free Cash' and the Town's finances generally, it was the opinion of the Committee that the Selectmen should approve no new requests for funding since the Town still has not closed its current approximately \$117,000 FY 10 budget shortfall. Requests for additional funding should be deferred to a later date.

The Committee agreed to recommend to the Selectmen a possible postponement of the November 6, 2009 Special Town Meeting to November 20, 2009 or another date if information about 'Free Cash' is not available by Monday, October 19, 2009. The Committee will need time to discuss its recommendations to the Selectmen regarding the current budget shortfall and requests for additional funding requests from Departments. A written recommendation will be discussed by the Committee on October 19, 2009 prior to the Selectmen's Meeting the following day. Attachment.

6. The possibility of further cuts in Local Aid for both General Government operations and the School Department was briefly discussed. It was agreed that to prepare a 'contingency plan' and recommendations to respond to such a reduction, data will be needed from Departments about the impact of 5%, 10%, and 15% reductions in FY 10 budgets. The Committee agreed that Departmental Budgets could not withstand even minimal reductions, but data is needed to show the extent of the damage that cuts in Local Aid would produce. Media reports were noted which suggested reductions in Local Aid (and possibly School Aid) might be announced in November or December. The recommendation will be discussed with the Selectmen.

7. There was no 'Other Business'.

8. The Committee set a tentative date of October 19, 2009 for its next Meeting. The Meeting will be held if information about 'Free Cash' is available.

9. The Meeting was Adjourned at 7:40 PM.

Respectfully submitted,


Robert Smith