

TOWN OF NORTH BROOKFIELD

FINANCE COMMITTEE

Approved  
11-2-09

Minutes of the Meeting of October 28, 2009

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

1. The Meeting was Called to Order at 6:03 PM by Mr. Smith. Mr. Smith chaired the Meeting.
2. The Minutes of the Meeting of October 19, 2009 were presented. Following a brief discussion, a Motion was made by Mr. Hubacz, and seconded by Mr. Chabot, to approve the Minutes as presented. The five members present voted to approve the Minutes (one member arrived after the vote). The Minutes were approved. Attachment
3. The Committee again reviewed the various requests for funding listed on the November 6, 2009 STM Warrant. With information about \$210,000 in 'free cash' now available, the Committee agreed that Articles 1, 2, 3, 5, and 6 listed on the 'revised' Warrant received on October 20, 2009 should be recommended for approval to the Selectmen and the voters at the November 6, 2009 STM. Article 1, for additional Unemployment, had no dollar figure included; based on discussions with the Treasurer, however, \$42,000 was approved for the Article. A Motion was made by Mr. Hubacz, and seconded by Mr. Chabot, to recommend approval to the Selectmen and the voters of the funding of Articles 1, 2, 3, 5, and 6 from 'free cash' at the November 6, 2009 STM. The vote was unanimous. Attachment

The Committee also reviewed and discussed Article 4, which was submitted by the Library Trustees. A Motion was made by Mr. Hubacz, and seconded by Mr. Chabot, to recommend approval to the Selectmen and the voters of the funding of Article 4 from 'free cash' at the November 6, 2009 STM. Five members voted in favor of the Motion; one member abstained. Attachment

The Committee had previously recommended approval of all transfer requests to the Selectmen.

The Committee also recommended to the Selectmen and the voters the use of \$125,000 in 'free cash' to close the FY 10 budget deficit, and to reserve an additional \$25,000 in 'free cash' in the General Fund for possible 'snow and ice' needs at the Highway Department. In total, the Committee recommended the allocation of \$205,331.00 of the \$210,125.00 in available 'free cash'.

The Committee discussed its proposal to use \$152,000 in receipts from Tax-Title auctions to offset possible reductions in Local Aid. The Committee agreed that the proceeds from the sales should be held in the Town's General Fund, and not be placed in the Town's Stabilization Fund. This will enable the Town to avoid reducing individual Town Department operating budgets in the event of a reduction in Local Aid up to \$152,000 should Local Aid be reduced prior to the end of FY 10. This recommendation will be discussed with the Selectmen.

4. The Committee reviewed a 'credit analysis' of the Town of North Brookfield by Standard and Poor's Corporation which was dated September 29, 2009. The report had been forwarded to the Committee by the Town Treasurer. The analysis rated the Town A+/stable and made positive statements in the narrative about the Town's 'conservative' responses to the financial crises of FY 08 and FY 09. Attachment

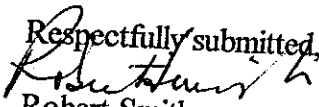
The Committee also reviewed a letter from the Massachusetts Board of Library Commissioners regarding the application for a funding 'waiver' by the Library Board of Trustees. The Library's FY 10 budget is \$4,432 under the 'maintenance of effort' requirement. Failure to secure a 'waiver' or restore the \$4,400 to the FY 10 Library budget could result in a de-certification of the Library. Attachment

5. FY 11: The Committee asked Mr. Smith to draft a cover letter for Town Departments regarding FY 11 funding requests. The draft will be reviewed at the next Meeting and, if approved, recommended to the Selectmen. The Committee tentatively agreed to recommend 'level bottom line funding' for all Town Departments for FY 11; Departments will be asked to allocate these funds among the various line items. Each Department request must be accompanied by a written explanation of each line item total. In addition, to provide important information for 'contingency planning' in the event of a major reduction in Local Aid in FY 11, each Department will also be asked to detail the impact of a ten percent (10%) reduction in their bottom line. The Finance Committee would discuss this information with each Department individually. The Committee also discussed recommending to the Selectmen that the salary freeze and the freeze on new hiring remain in effect until the Town's finances stabilize.

Selectman Mary Walter provided the Committee with copies of the FY 11 'Budget Policy' which had recently been approved by the Selectmen. Attachment

6. The Committee agreed to meet again on Monday, November 2, 2009 at 6:00 PM at the Senior Center.

7. A Motion was made by Mr. Lovett, and seconded by Mr. Hubacz, to adjourn the Meeting. The Motion was unanimously approved. The Meeting was Adjourned at 7:11 PM.

Respectfully submitted,  
  
Robert Smith