

TOWN OF ASHBURNHAM
JOINT MEETING OF THE BOARD OF SELECTMEN
AND THE ADVISORY BOARD - MINUTES
OCTOBER 20, 2008 – 6:30 PM
FAIRBANKS MEMORIAL TOWN HALL - UPSTAIRS
As Amended

This meeting was aired live on local cable television Channel 8.

PRESENT: Chris Gagnon, Chair, Jonathan Dennehy, Member and Maggie Whitney, Clerk, Kevin Paicos, Town Administrator and Sylvia Turcotte, Assistant to the Town Administrator. Members of the Advisory Board who were present: Bill Johnson, Dottie Munroe, Belden Divito, James Piedrafite and Leo Janssens.

I. **APPROVAL OF AGENDA:** At 6:30 p.m., Gagnon read the agenda. Whitney motioned to approve the agenda and was seconded by Dennehy. Motion carried.

II. **PRESENTATIONS, REPORTS & CORRESPONDENCE**

A. Vote on alternative voting place: Paicos stated that the Town Clerk has been notified by the State that an alternative voting place is required in the case of an emergency at the J. R. Briggs Elementary School. Dennehy motioned to have the Town Hall Auditorium as the alternative voting place in Ashburnham and was seconded by Whitney. Motion carried.

B. Update on Town Hall Renovation Project – Dave Sargent: Dave Sargent, the Chair of the Town Hall Renovation Committee stated that their commission was done as of August 1, 2008. He noted that the Dedication Ceremony had taken place before this meeting and that this was a successful project. He did add that they were not happy with the work on the windows and that there was a minor punch list to be taken care of. Sargent stated that the Project Manager was very helpful throughout the project and that the Committee is pleased with the outcome. He also expressed their gratitude for the taxpayers support.

Paicos noted that one of the items on the punch list was the air conditioning problem in the computer room and that he would get that resolved. He stated that he was happy to say that this project was on time and under budget. Paicos also noted that he would be meeting with the window contractor and would be retaining funds until this was completely fixed to our satisfaction.

C. Correspondence

Gagnon mentioned a memo from Chris Picone of the Conservation Commission and noted his concerns.

Whitney stated that she wanted to clarify a statement that was made recently that she and Gagnon had met together privately, which was false.

- D. Town Administrator's Update:** Paicos noted that the new Town Hall hours have been working really well on a trial basis and that they would now be permanent. He also explained the Administrative Order recently received from the EPA noting that this would be taken care of expeditiously. He touched on a few other points in his update report which is attached.

Dennehy stated that he spoke with Senator Brewer's office and was told that in December or January the Legislature would look into Local Aid cuts which may occur in the FY09 budget.

- E. Public Safety Building Committee Update:** Gagnon stated that at their last meeting they kept a retainage on this project of over \$50k. He asked Chief Barrett to give a quick update on the progress. Barrett stated that the Police, Fire and Dispatch had been in the building for about two weeks and that they were still working on the punch list but that it was going relatively smoothly. He noted that the Open House would be on Saturday and that everyone is invited to attend.

- F. Chairman's Report:** Gagnon noted that he sat in on the Water/Sewer Commissioners meeting during the past week and they had voiced their concerns about the rate study. Paicos stated that the Town is not realizing enough revenue and after the Auditor's reviews, they may need to give more in indirect costs. He explained that Indirect Costs included services that the Town provides and the bulk insurance. He added that the key thing was that there is \$100k that the Town is not billing them for so the phase in is a reasonable approach.

Pixie Brennan had a question on transfers from the Water Surplus fund noted in the January 24, 2007 Warrant. Paicos explained that this surplus was from the previous year.

III. OLD BUSINESS

- A. Continued discussion – FY09 Budget Cuts:** Paicos noted that he found that at the time of the Annual Town Meeting, the FY09 Budget was \$850k out of balance. He explained where this amount came from noting that \$440k was the school debt service and that there was another \$410k out of balance due in part to lower than forecasted revenues. He stated that everyone assumed that the budget was in balance when in fact it wasn't. He noted that one of the key things was that growth taxes came in at about \$70k or \$80k below what was estimated and the School had already received \$75k out of this before we even realized the shortfall existed.

Paicos also noted that there is a state policy where we cannot use tax title money as estimated receipts but that he had always used it in the past with no problems until now with the new DOR Manager in place who is actually enforcing the policy. So, \$120k of tax title money was used to balance the FY09 Budget and it had to be removed from the Revenue Report.

Paicos touched on the Snow & Ice overrun of \$170k, rounded number, had to be set aside by the Town for the FY09 budget to offset this as the law requires. He stated

that no margin was created for this and that all of the above added to the \$410k deficit.

Paicos stated that the original goal was to cut the budget by \$200k to \$300k in order to cover the \$147k overlay surplus funds and to create the **\$155,887** for the school and that they were close to accomplishing this. But when the \$400k mistake was found, it brought them back to ground zero. Paicos noted that he is reporting this and advising that more cuts would be needed. He stated that he is looking to cut \$56k and **\$155,887** for the school and that the most logical way is permanent reductions i.e. personnel which is a cruel reality as mid-year cuts.

Paicos explained that he would have to deduct grants, unemployment costs, and health insurance costs on some. He noted that he cut 9 employees, and that 3 were not viable, and they would be out of Library, COA and ConCom. He stated that by cutting 9 employees they would only save about \$100k so he would be looking at lay-offs of 15 or 20 employees to get to the deficit number and at that level the loss of services would be astronomical. He noted that it doesn't make sense as it would eliminate 50% of the Town's staff.

Paicos stated that he had a policy question, giving **\$155,887** to the School there is a clear indication of disruption to services in the Town, and he would ask what it would mean to the School if they didn't get these funds. He also noted that many Department Heads, and Boards and Committees were in attendance at this meeting to answer any questions that the Boards might have.

Gagnon asked what if any action would have been taken if the \$800k error had been identified at the time the budget was created and Paicos stated that they would have looked at 50% less of a deficit and would have worked with the School, which may have resulted in 7 to 10 layoffs. He also noted that if they would cut 10-20 employees for FY10, they may be in a position to restore these positions.

Whitney read a memo dated in April from the Town Accountant stating that Free Cash would be \$335,082 and asked why it is a lesser amount now. Paicos noted that it was "estimated" at that point. He stated that he could not give an opinion on why it is a lesser amount as he wasn't here at the time the memo was written, but that it isn't possible to give an accurate Free Cash figure in April. He added that he was tracking revenues every month and that he was worried that we won't make the revenue projection which would result in a fund deficit at the end of the fiscal year.

Gagnon stated that it looks like we are looking at serious budgetary cuts with the possibility of closing the Library and even cutting Town Hall hours.

Paicos agreed stating that it would occur if the Selectmen remained committed to the School. He did add that if the funds were not given to the School, they would still need to cut personnel in FY10, but not as many, maybe 4 or 5 employees for a full year. Gagnon noted that if the Town did not give the money to the School, then we would see cuts there as well.

Paicos stated that the School has a \$26m budget while the Town's is \$5m and that he would hope that the School could absorb this somehow without any cuts in personnel.

Paicos explained the Free Cash stating that the Balance Sheet for this year shows \$202k in Free Cash. Johnson inquired why the Town Accountant was not present at this meeting and Paicos stated that he had asked to wait until the second Management Report was completed to see about resolving any issues and that he had given him the grace period.

Dennehy stated that they needed to focus on the discussion at hand which was serious. Johnson inquired about reports that the Advisory Board had been requesting for some time. Paicos noted that the Town Accountant has been working hard on the Balance Sheet and Schedule A and that we are months ahead of schedule on this because of his efforts and that is the reason the other reports had not been processed. He added that the Accountant has pushed out a great amount of work. Gagnon stated that once the two Management Letters are ready they would meet with the Town Accountant. Whitney inquired when the audit would be ready and Paicos stated that they were still looking at the end of the month.

Dennehy stated that at this time they needed to address the cuts at hand. Piedrafite had questions on the Town's banking system and Paicos stated that the Town Hall, Public Safety Building and Page Beach projects were all done, and were one-time money. Johnson asked if any options for further budget reductions would be available in bonding or borrowing and Paicos stated that the Legislature may come up with laws that would allow this due to the current financial situation but as of right now it wasn't an option as they just have no money.

Pixie Brennan stated that the citizens get very little in the way of services and that the Police and Fire should not be cut. Gagnon again stated that they should look at cuts in Town Hall hours and Whitney stated that they should look at the DPW Director position. Paicos noted that the savings would be minimal due to unemployment costs.

Brian Aho stated that they had a problem with accountability with the books for the Town and now the COA would have to make cuts. He asked if the person responsible would be charged and added that it may not be the answer but it is the issue. It was noted by Paicos that the Town does not have insurance to cover errors made by employees. Dennehy stated that one person is no longer employed by the Town and the other is and that there should be some accountability there but that the Board of Selectmen bears responsibility as well. He added that the Selectmen are responsible for the employees' actions. Dennehy also noted that mistakes were made and added to that was the decreasing revenue sharing from the State and the economic downfall.

Paicos explained that \$147k overlay surplus and the Snow & Ice overrun of \$170k would need to be dealt with in the next fiscal year. He stated that right now the budget is out of balance by \$56k and that they also needed to find **\$155,887** for the

school for a total of \$211k. Gagnon stated that they would need to look at personnel cuts.

Janssens asked what the School's impact would be if we didn't give the **\$155,887** to them. Dr. Zapantis distributed a handout which showed the impact and stated that it would also impact the Town of Westminster and would total \$343,363 shortfall to the school. He stated that they could equate this to 7 or 8 teachers to be laid-off which could even come out to 14 or 16 teachers adding that every teacher laid-off would equal 4. He also noted that two years ago they laid off 32 staff people. He stated that if this **\$155,887** was not decided on at this meeting tonight, it could mean that the school budget would be certified lower or an outside school organization would come in and take over. Dennehy inquired what the balance was in the school E&D account and Zapantis stated that he didn't know. Dennehy inquired when E&D was certified and if it would be used in FY10. Zapantis stated that it is certified at the end of the fiscal year and that historically it was used to balance the budget and also to fund the capital plan.

Jeff Lawrence inquired about any other revenue sources that may be available to the Town to raise the \$211k needed. Paicos stated that revenues come from taxation, state aid and other miscellaneous sources and that there may be a small opportunity to raise some fees which might only bring in an additional \$10k. Lawrence inquired about a possible Override for the Town and Paicos stated that there was time to ask for an override but that they would need to call a Special Election to accomplish this.

Lawrence inquired as to how much would be assessed per household if an override was to happen and Gagnon stated that it would be about \$75 per household. Lawrence stated that the Town had great departments and that this \$75 per household would be well spent for one year. Paicos stated that the Board of Selectmen had to set the Special Election for the override and it would need to be done by January 1st and that it could be held before or after the Special Town Meeting.

Paicos stated that it is a cash flow question as to when the Election should be held. He stated that they want to set the tax rate no later than the second week of January so his recommendation would be to move the Town Meeting to December after the Special Election.

Keith Glenny of the School Committee stated that the DOE would step in if the School Budget isn't certified by December. Paicos noted that the Town needs to have the override vote first and town meeting after because he would need to have the cut list ready.

Discussion followed on potential election dates.

Jeff Lawrence stated that the voters should be asked and that everyone should be looking at ways to fix this situation. Melanie Gallo agreed with Lawrence that they should find a way to correct this. Chief Zbikowski noted his thanks to Lawrence for trying to be proactive and Gagnon agreed that they were on a positive track.

Paicos noted that they would need some time to pull this together and to think it out very carefully. Johnson stated that these cuts need to be made as soon as possible and Paicos agreed that if an override is proposed, they would need to identify what would be cut and if it passed where the funds would be used.

It was determined by Gagnon that they would need 35 days to hold an election. Divito inquired what the success of an override vote has been and Paicos noted that they should plan the override first and then the Special Town Meeting which would have a better chance for success. He noted that this would be a one-time shot and that he recommends a bundle approach. Much discussion followed on how to proceed.

Lawrence stated that this affects everyone and it has to be put out there. Dennehy noted that given the economic circumstances people may not be able to afford this so they need to be level-headed. Lawrence reiterated that they should go for the override as something has to be done.

Glenny stated that they would have to be prepared and to do this as a unified board and that it should be done as quickly as possible in order to not leave the school district hanging as they have a deadline to meet.

Whitney made the motion to require the Town Administrator to organize the mechanics of a 2 ½ override before December 15th and was seconded by Dennehy.

Paicos noted his recommendation for cuts would be forwarded to the Board of Selectmen by the end of the week as they have to know the actual cut list before the question. He added that this is a tall order before November 13th as an override contingent vote is difficult to do.

Paicos proposed that the election be held before the town meeting. He stated that at the next meeting the Board should be prepared to vote on the list of cuts. Gagnon stated that they had some flexibility. Paicos noted that the reality is if it fails, the menu of cuts needs to be decided and that he would have a suggested cut list ready for their review.

Paicos stated that they would need to meet before the next scheduled meeting on November 3rd and suggested October 27th. He suggested posting this as an emergency meeting in order to propose the ballot question to accommodate the School District's December 1st deadline.

Whitney stated that they should announce a "no spending" policy as other towns have done this.

Some discussion followed on having a short meeting the following day but no definite decision was made.

Divito inquired if the School District would be included in the ballot question and Paicos stated that total devastation to the Town is not acceptable to him and if the

question failed it would cut Town services in half so they should be careful what they put on the ballot. Whitney noted that she fully understood the implications.

Paicos explained why he feels that the School District should share the pain with the Town as they were talking about eliminating half of the employees and basically cutting Town government in half. Lawrence noted that there should be discussions with the School Committee on this and Glennly stated that the District is always willing to talk. Discussion followed on this topic by many in attendance at this meeting.

Zapantis noted that any discussion of this nature should also include Westminster. Dennehy stated that they should have met as a tri-board a month ago.

Gagnon inquired as to how the question on the ballot should be worded and Paicos stated that it needed to be either a generic or specific ballot question. Gagnon stated that they should use a “general purposes” ballot vote. Paicos stated that contingent appropriations have to be clear for town meeting and that the warrant needs to be posted by the following Wednesday, so the cut list needs to be put together within the next 2 or 3 days.

Dennehy stated that he is opposed to the cuts and giving the money to the school. He added that this is a monumental decision and the Board has to take responsibility. Lawrence reiterated that everyone has to get together and discuss this and that they have over a week to do so.

Gagnon stated that they needed to accommodate this process and move the meeting and Dennehy noted that either way, they would pay the school so there was no need to have the tri-board meeting but that they would have to start discussions with the school for the next fiscal year and include all parties involved.

Paicos again explained that if the cuts are not shared with the school it would affect Police, Fire, etc. and it would utterly devastate this Town. Gagnon stated that both Boards (the Selectmen and the Advisory Board) have agreed to “cut all from the Town”.

B. Special Town Meeting Warrant: Gagnon read through each article with some discussion following on a few.

Gagnon motioned to remove Article 6, the purchase of a police cruiser, and was seconded by Whitney.

At Article 8, the purchase of a used front-end loader, Gagnon asked Don Ouellette to explain where the funding would come from for this loader. Ouellette stated that he would purchase this with Chapter 90 money. Dennehy stated that they should leave it on the warrant to let town meeting decide. Whitney stated that they need to use Chapter 90 money for the roads and Gagnon stated that they would leave it for a town meeting decision.

At Article 10, the replacement of the Lake Road water tank, Paicos explained that they would need to make immediate temporary repairs to this water tank so it should be left for town meeting vote. Gagnon agreed.

Paicos touched on Articles 13 and 14, which were in reference to the Retiree Health Insurance issue, explaining a little how it would work and how potential savings would exceed the cost. Dennehy stated that he would leave these two articles for town meeting vote.

Paicos noted that Article 16, the Affordable Housing Trust, was the Selectmen's call as he had no opposition financially as the Town would not be losing any money. Dennehy voted no on this article. Whitney voted to keep it on and Gagnon agreed.

Gagnon inquired when they should meet to discuss the cuts and Paicos stated that it would take him the full day Tuesday to figure the cut list and he suggested Wednesday, October 22nd at 8:00 p.m. for the meeting. Dennehy noted that he would not be available but that he had no problem with Whitney and Gagnon attending this meeting without him. Gagnon stated that the meeting would be posted as an emergency meeting for Wednesday, October 22nd at 8:00 p.m.

Gagnon announced that the next regularly scheduled Selectmen's meeting would be held on Monday, November 3rd at 7:00 p.m.

IV. NEW BUSINESS

- A. Review of Affordable Housing Trust Article – Donna Brooks:** Gagnon stated that this discussion would be moved to the next agenda.
- B. Approval of November 4, 2008 State Election Warrant:** Dennehy motioned to approve the State Election Warrant ballot as presented and was seconded by Whitney. Motion carried.

V. APPROVAL OF MINUTES

A. Amended - September 23, 2008 – Joint Meeting w/ Advisory Board

Dennehy motioned to approve the "amended minutes" of the September 23, 2008 Joint Meeting with the Advisory Board and was seconded by Whitney. Motion carried.

VI. SCHEDULE OF COMING EVENTS

Gagnon read the following announcements:

- October 25, 2008 – Dedication Ceremony at Public Safety Building w/Barbecue by Fire Department – 11:00 a.m. to 3:00 p.m.
- November 10, 2008 – Nashoba Flu Clinic at Senior Center, 12 Memorial Drive, 11:00 a.m. to 1:00 p.m.
- November 11, 2008 – Veterans Day Program – 11:00 a.m.

VII. OTHER MATTERS

Gagnon read the following Town Clerk reminders.

- Monday, November 3rd at 12:00 noon is the last day for filing applications for absentee ballots for voters who will be out of Town for the State Election.
- Monday, November 3rd – Final Voter Registration for the Special Town Meeting – Hours are 7:30 a.m. to 7:00 p.m. in the Town Clerk's office at Town Hall.
- State Election, Tuesday, November 4th – polls open at 7:00 a.m. and close at 8:00 p.m. at J.R. Briggs Elementary School Gym, 96 Williams Road.
- Special Town Meeting – November 13, 2008

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT

With no further business to discuss, at 11:07 p.m. Dennehy motioned to adjourn and was seconded by Whitney. Motion carried.

Respectfully submitted,
Sylvia Turcotte
Assistant to the Town Administrator