

Finance Committee ~ Minutes of Meeting
Thursday, March 27, 2003
Fairbank Senior Center – 7:30pm

Present: Co-Chairs Michael Grosberg & Tracy Billig, Marty Ragonas, Don Hutchinson, and John Nikula, Also present: Kerry Speidel Finance Director, Robin Porcella, Recording Secretary, Larry O'Brien, Selectmen, Mark Colins, Candidate for LSRHS School Committee, and Bill Braun, SPS School Committee

Co-Chairs Tracy Billig and Michael Grosberg opened the meeting at 7:50pm.

Tracy Billig read an email received from Bob Jacobson. It stated that Plans B and C are not that different, except that Plan C does not take the Special Town Meeting into account. He is not ready to approve an override. He would need some more information, such as the number of employees at each step in the salary grids. He would approve plan B, but prefers Plan C.

Michael Grosberg asked if Larry O'Brien would summarize the 3 plans.

Larry O'Brien stated that the plans are in reference to Article 4, which presents a balance budget. Larry informed the committee that the Board of Selectmen met last Friday, and they came to the conclusion that Plan C is the best option.

Plan A: The Town goes forward with the numbers approved by the FinCom. Whether the numbers are solid, is questionable. There are still too many unknowns out there in regards to the State's budget. This plan would present an unbalanced budget.

Plan B: Would put out best educated guess as to what the final State Aid numbers will be. If the final numbers come in higher or lower, a Special Town Meeting would be needed.

Plan C: Would postpone the discussion of Article 4 at the Annual Town Meeting, and suspend the meeting once the last article is handled. Town Meeting will be reconvened, once we have a better idea of what State Aid will be.

Tracy Billig asked why the Town is so concerned today as opposed to past years. Larry O'Brien stated that this is a large debate. There have been structural changes as to the way that state budget has been drafted. The Town use to know what formulas were used to obtain the budget figures. Last year there used to be extra money as long as we were in the ball park with our figures. The Town would budget conservatively. The House 1 budget had a lot of changes this year.

Larry O'Brien stated that the Selectmen feel they need to do something that is forth right and honest. They are not sure if our balanced budget will hold up. We do not want to

jeopardize our AAA bond rating.

John Nikula stated that the budget approved in February was based on estimated figures for State Aid to be received. He was wondering if some new information has come in, or has the State given us a better estimate of what the Town is to receive for aid. Larry O'Brien stated that Cherry Street figures have not been received. An Impact Statement has been received, which contains an estimate of aid cuts. Indications from John Rogers, Chair of the House Ways & Means committee, are that communities should expect 20% cuts.

Michael Grosberg stated that legally once something is appropriated, Town Departments can spend whatever was approved. If cuts are deeper than why is a special town meeting required. Kerry Speidel informed him that the Town would end up with a revenue deficit that needs to be raised in FY05. At a minimum, the Town's credit rating would be jeopardized.

Larry O'Brien stated that there was no flaw in logic when the original budget was approved. He stated that the Annual Town Meeting is about 10 days away, and we need to present as close as a balance budget as possible.

Kerry Speidel stated that since the Town's budget was voted on, House 1 figures have come in and are so different than what was expected. Now the Town is completely uncertain as to what might happen.

John Nikula stated the with Plan A, we are asking to vote on more money than we are expecting to come in. With Plan B, we are making a more honest of an effort.

Michael Grosberg asked what the Town's operating level would be at on July 1st. Larry O'Brien stated that a budget is needed by July 1st, but would want one done by June 1st. A Special Town Meeting would be required. If enough signatures were obtained, other warrant articles could be added to the Special Town Meeting besides Article 4.

Marty Ragones stated some downsides to Plan C: -if any decision on an override was decided, it would be to late for the school departments. , -gives Maureen Valente more time to decide on what cuts to make (people & services) on the Town side.

Bill Braun, SPS school committee, believes Plan A is imprudent. Money is well less than what is being budgeted for. He reminded the committee that the school employees need to be given notice no later than May 15th. The school committee does not plan to initiate override discussions unless the situations gets much worst. The school committee does not feel it is responsible to push for an override right now. We should we go in to get Plan B approved, but also try for Plan C. He believes the Town has more of reason to request an override. He believes the Town should come up with their budget by April 17th.

Tracy Billig asked Bill Braun to go on the assumption that Plan C does not get approved,

and assume we go with Plan B. Will the school committee help answer questions presented by residents to the FinCom regarding cuts/effects to the school departments? Bill Braun stated that the School Committee would help in any way possible.

Larry O'Brien stated that Maureen Valente will have a presentation prepared describing all 3 scenarios.

Michael Grosberg asked FinCom members to stated what plan they would like to have approved. Michael stated Plan C is his first choice, and the Plan B or A could be used a fall back. He is concerned on the operational issues.

Don Hutchinson stated the Plan A is just a distraction. Plan C is his first choice, and then Plan B.

John Nikula stated that he agrees with Don Hutchinson. Plan C is his first choice, and then Plan B.

Marty Ragonis stated Plan C and Plan B were her choices.

Tracy Billig stated her first choice is Plan C, and is undecided as to whether Plan A or B should be used as a fall back.

There being no further business, the meeting adjourned at 9:00pm.