

Finance Committee Minutes
for August 27, 2008
Town Hall, Room 5

Present: Ms. Hurlbut, Mr. Jones, Sr., Mr. Wolpin, Mr. Kirby, Mr. Johnson,
Mr. Kelliher, Mr. Carter and Mr. Mastascusa

Absent: Mr. Westervelt and Mr. Linnane

Guests: Mr. Balukonis, Town Administrator and Mr. Tassone, Finance Director

The meeting came to order at 7:30 PM

Chair spoke with Pat Romeo, a member of the Grant Committee. Pat said that their Committee has met and they give a copy of their minutes to the Town Clerk. Mr. Jones, Sr., said that their last Annual Report was done in 2001. Their members are not listed in the Annual Report and no one would know who to go to if they wanted to apply for funding. The Finance Director has been listing balances of various grants. A list of North Reading Trust Funds, dated 6/30/99, was distributed.

The Town Charter: Mr. Jones, Sr., passed out some additional information on the Charter, which states, that citizens may request a Charter change. Mr. Kelliher said that he found out there is no requirements to update.

Mr. Kelliher reported on the Chairs and Vice Chairs meeting. There is \$166,000 in Free Cash and \$341,000 is need for snow and ice, \$150,000 has been slotted to transfer to the Energy Reserve Fund and \$99,000 for Capital; which results in \$424,000 being needed.

The revised revenue plan was reviewed. The FY10 shortfall is down to \$1,250,000. Debt service, short term interest and short term debt service were some areas that cut down the recently anticipated FY10 \$2 Mil. shortfall - revenue went up and expenses went down which resulted in a little over a million dollar difference.

Fixed costs were discussed and Mr. Wolpin questioned whether Employee Benefits should be considered a fixed cost because the number of employees can change or the parts of it; such as Health Care and Retirement cost. School employee benefits are currently budgeted under General Government and there was some discussion about should it be put into the School budget. Mr. Mastascusa suggested adding line items for Town Employee health benefits and School Employee health benefits. Mr. Carter suggested separating all items variable by head count, such as; Life Insurance and Workman's Comp. Mr. Mastascusa said Health Insurance by itself is more manageable than the other items. Mr. Kirby suggested giving the Board of

Selectmen and School Committee a heads up prior to voting and implementing the change. Mr. Tassone will collect the data and Mr. Mastascusa and Mr. Kirby will draft a letter to submit to the Town Administrator, to be approved at the next meeting.

Ms. Hurlbut and Mr. Kelliher, who attended the last Chair & Vice Chair meeting, felt that the letter from the Finance Committee on how the Town's Finances are and How to go into the budget process, might have made some impact on the Board of Selectmen. There was some talk at the meeting about how the J. T. Berry money would be put away and how the School Department should look into their Salary pool for additional funds.

Chair summarized the consensus of members that the Finance Committee would support the Board of Selectmen's stance on not spending J. T. Berry money on snow and ice and put some money into the Energy Fund and look for money else where.

Mr. Jones, Sr., reminded members that no monies have gone into the Retirement Fund.

A joint statement of public intent by and between the Board of Selectmen and The Finance Committee, which outlines the financial difficulties going forward into FY10 and introduces the Financial Impact Analysis into the negotiations. Mr. Kirby was a little leery that this agreement wouldn't be enough and if not adhered to, it would be too late to do anything about it. Mr. Jones, Sr., said he felt that the Board of Selectmen and the School Committee would be more willing to sign this agreement then they would a warrant article. If this works out, then go forward with a warrant article.

Mr. Kelliher moved to recommend the Finance Committee's intent to support the joint statement, with modifications (appropriate and fair instead of reference to 60/40 split and the dates to be examined). Mr. Johnson seconded the motion. Voted: unanimous.

Town Administrator's Report: A draft listing of the Warrant Articles for the October Town Meeting were distributed. For Article C, Mr. Kirby suggested making parameters for the reserve fund. Article O was discussed - the Home Rule Amendment and the use of flagmen. A breakdown of Capital Items was discussed. Mr. Balukonis expects the list to be substantially shorter by the next meeting. Mr. Balukonis's four top priorities now would be; replace Elder Affairs van, Road Improvements, Police Station HVAC and School Building security.

Minutes: The 8/20/08 minutes were not voted on.

The next scheduled meeting is on Wednesday, August 10, 2008, at 7:00 PM in Room 5.

Mr. Wolpin moved to adjourn at 9:20 PM, seconded by Mr. Jones, Sr., voted: unanimously.

Approved _____

Date _____