

TOWN COUNCIL MINUTES
BUDGET/MANAGEMENT COMMITTEE
Town Hall Council Chambers
January 20, 2009- Tuesday

Present: Kenneth DiFazio, Chairperson
Patrick O'Connor, Vice Chairperson
Michael Molisse, Councilor
Kevin Whitaker, Councilor

Not Present: Arthur Mathews

Also Present: James Wilson, Chief Financial Officer
Maureen Duffy, Town Auditor

Recording Secretary: Mary Briggs

Chairman Kenneth DiFazio called the Budget/Management Committee meeting to order at 6:30 PM.

09 001 – Authorization to Over Expend for Snow

Mr. Wilson reported on the annual request in accord with the statute to overextend on certain line items within the budget. Mayor seeks approval to overextend the snow removal budget, for purposes of keeping the streets clear. \$200,000 was budgeted for snow removal in FY09; that line currently has a deficit of \$343,536 as of 1/20/09. Not all bills are in from the weekend storm. Incorporated in the line are overtime for town employees, vendors contracted to remove snow, equipment, sand and salt, and miscellaneous repairs.

Chairman DiFazio, at the request of Councilor Mathews, requested a detailed analysis of snow removal costs, by day, rather than the cumulative report usually provided, if available. Mr. Wilson noted reporting is tracked per snow event. Some of the vendors will not bill until March. Mr. Wilson will provide the report.

Mr. Wilson noted for the committee that the town is currently running on “emergency declaration,” signed by the Mayor, allowing the over expenditure when the public’s health or safety is in jeopardy. This declaration has been on file with the town since the first snowstorm.

A MOTION was made by Councilor Molisse to forward item 09 001 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Whitaker. UNANIMOUSLY VOTED.

09 002 – Snow Removal-Reserve Fund Transfer

Mr. Wilson reported on the request for a reserve fund transfer of \$150,000. When the measure was originally submitted there was a balance in the snow removal budget. The philosophy has been to chip away at the snow removal budget as monies become available, in order to pay as charges become due, and to avoid having to raise and appropriate funds in the following year's budget to pay for snow removal. The goal is to pay the bills within the year incurred.

Chairman DiFazio requested clarification. The initial \$200,000 budgeted for snow removal has been expended. There is currently a deficit of \$343,500, and with the reserve fund transfer of \$150,000 there will still be a deficit of about \$200,000 and the reserve fund balance will be reduced to approximately \$400,000. This does not include the weekend storm. Mr. Wilson also reminded the committee that the reserve fund balance would likely be tapped also for fire department overtime charges of \$180,000. Free cash, which is \$1,100,000 is not earmarked for any specific purpose at this time.

Chairman DiFazio asked if Mr. Wilson was able to comment on calls received from residents regarding snow removal efforts. Mr. Wilson responded that the calls did not go through his office and he did not have any information.

A MOTION was made by Councilor Molisse to forward item 09 002 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Whitaker. UNANIMOUSLY VOTED.

09 003 – Tax Title Costs-Reserve Fund Transfer

Mr. Wilson reported that in 2004, an effort was made and funds appropriated for the purpose of aggressively pursuing collection of taxes which are substantially in arrears. In the last six months since the Council passed the amnesty and tax title programs, there has been an increase in the number of people taking advantage of said program. The fund transfer of \$15,000 is for tax title oversight. Mr. Wilson noted the ordinance has worked very well, and he will be recommending to the Mayor that it be expanded for another year.

Further, a measure is going to Town Council (at the meeting tonight) seeking approval to accept deed in lieu of foreclosure. Properties offered in this manner to the town will be extensively examined to be sure the town is not inheriting problematic sites or any which will cost the town more than the taxes are worth.

Councilor O'Connor asked what kind of discount is offered under the amnesty program. Mr. Wilson responded that, by ordinance, it is a 50% reduction in the interest rate (from 16% to 8%) resulting in fees cut in half. There are currently 30 residents in the program making payments. There would likely be more, but presently only those residents who can meet full tax obligation by June are eligible to participate.

Councilor O'Connor asked how a resident is made aware the program exists. Mr. Wilson

responded that a resident can learn of the program in one of three ways. First, when a property owner is put into foreclosure, their name is published, but in order to publish they must first be given notice. Second, when the deputy sheriff notifies the owner that a tax lien has been placed on the property. Third, is in foreclosure proceedings during preliminary hearing in land court. Tax statements will also include wording, beginning with the next quarter bill.

Councilor Whitaker asked how much money is expected to be generated from the amnesty program. Mr. Wilson responded that most will be three years in arrears, and with penalties and interest will be roughly in the \$20,000-\$30,000 range. Principal and interest collection totals will be about \$500,000-\$1,000,000. Councilor Whitaker asked how often the banks become involved. Mr. Wilson responded that out of the thirty cases, only one has bank involvement; they don't usually get involved until foreclosure has completed and the town takes title.

A MOTION was made by Councilor O'Connor to forward item 09 003 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

At 6:55 PM, there being no further business, Councilor O'Connor made a MOTION to ADJOURN the meeting and was seconded by Councilor Molisse. UNANIMOUSLY VOTED.

Respectfully Submitted by:
Mary Briggs

Approved by:

Ken DiFazio, Chairman of the Budget/Management Committee