

**TOWN COUNCIL MINUTES
BUDGET/MANAGEMENT COMMITTEE
Town Hall Council Chambers
October 3, 2005**

Present: Kenneth DiFazio, Chairperson
Susan Kay
Michael Molisse
Paul J. Leary
Colin McPherson

Also Present: Franklin Fryer, Town Clerk
Jane Hackett, Chief of Staff
Richard Swanson, Town Auditor
James Wilson, Chief Financial Officer

Recording Secretary: Janet Murray

Chairman DiFazio called the Budget/Management Committee Meeting to order at 6:30pm.

05 093-Reserve Fund Transfer-\$4,215.13-Traffic Supervisors' Collective Bargaining Agreement

This item was referred to Budget/Management on 7/5/05. It was tabled at the 9/27/05 meeting as the committee requested the FY 07 economic impact of this item.

This is a 3 year contract. There will be a 3% increase each year. The FY 05 economic impact will be paid from the 2006 Reserve Fund. The FY 06 economic impact is in the Operating Budget Volume 1.

Councilor DiFazio questioned if this item is approved, does that mean that the town must honor the future impacts. Mr. Wilson stated that the impacts of FY 06 and FY 07 are voted for by default.

Councilor Kay asked for a projection for FY 07. Mr. Swanson stated that in his analysis, the town's revenue will increase by 1.3% (\$1.47 million) and expenditures will go up by 5.8% (\$6.7). The projected shortfall for FY 07 would be \$5.2 million. This is prior to any application of the Free Cash, which would be determined June 20, 2006. Whatever the number of Free Cash is would be applied to the deficit, as well as use of the stabilization fund, or any one time revenues. He noted that there are a lot of assumptions in this projection.

Ms. Hackett stated that the Administration believes that this is a fair projection. She noted that at this time of year, it is not unusual for there to be a significant projected shortfall.

A MOTION was made by Councilor Molisse to recommend FAVORABLE ACTION on Item #05 093 and was seconded by Councilor Kay and APPROVED on a 4-0 vote with Councilor McPherson abstaining.

05 100-Amendment of Operating Measure-FY06 Appropriation

Ms. Hackett gave an overview of the adjustments to expense lines. She noted that she is working from a memo dated 9/21/05 and the Executive Summary in Volume #1.

Denise Coleman, the Human Resource Director, gave the committee an overview of the reclassification of the Chief of Staff position. She noted that the change was from a grade 15 to a grade 19. The salary range for this grade is \$80,000 to \$94,000. The increase would be effective 10/01/05. Ms. Coleman noted that an external market survey was completed. The change will result in an approximate \$3,000 increase.

Councilor Kay asked about the firefighters' overtime fund. Ms. Hackett stated that she had been instructed to discuss only those line items which were being amended. Councilor Kay stated that she disagreed with the amount allotted for this particular item.

A MOTION was made by Councilor Molisse to recommend FAVORABLE ACTION on Item #05 100 and was seconded by Councilor Leary and APPROVED on a 4-0 vote with Councilor McPherson abstaining.

05 102- Amendment of Operating Measure-Water Enterprise Fund Appropriation Order

This measure amends Item # 05 044 and is increased by the sum of \$81,210. Ms. Hackett reviewed the changes. A portion of this is for the Pilot testing at Great Pond Water Treatment phases 2 and 3.

A MOTION was made by Councilor Molisse to recommend FAVORABLE ACTION on Item #05 102 and was seconded by Councilor Kay and APPROVED on a 4-0 vote with Councilor McPherson abstaining.

05 103- Operating Measure-Water Enterprise Appropriation Order Conservation Account

This is a new appropriation of \$50,000 to fund the low flow toilet program.

A MOTION was made by Councilor Molisse to recommend FAVORABLE ACTION on Item #05 103 and was seconded by Councilor Kay and APPROVED on a 4-0 vote with Councilor McPherson abstaining.

05 104- Amendment of Operating Measure-Sewer Enterprise Mitigation Appropriation Order (amending order 05 045)

This measure amends Item #05 045. It reduces the sewer mitigation (I & I) Account from \$599,000 down to \$241,786.

A MOTION was made by Councilor Kay to recommend FAVORABLE ACTION on Item #05 104 and was seconded by Councilor Molisse and APPROVED on a 4-0 vote with Councilor McPherson abstaining.

05 108-DPW Collective Bargaining Agreement-Free Cash and Retained Earnings Appropriation

This item has three parts to cover DPW, Water, and Sewer agreements. The DPW component is \$97,552 for DPW employees, \$35,974 from sewer retained earnings for sewer employees, and \$106,849 from water retained earning for water employees. At the time this was submitted, free cash was estimated at \$4.1 million, Water retained earning in excess of \$900,000, Sewer retained earnings in excess of \$1.4 million.

Ms. Coleman reviewed the changes to the agreement. There are three different financial impact summaries because they are derived from different funding sources.

A MOTION was made by Councilor Kay to recommend FAVORABLE ACTION on Item #05 108 and was seconded by Councilor Molisse and APPROVED on a 4-0 vote with Councilor McPherson abstaining.

05 109-Firefighters' Collective Bargaining Agreement Approval - Free Cash Appropriation

Ms. Hackett stated that this item will be \$512,666 for the funding of the FY 05 and FY 06 economic impacts of this agreement.

Councilor DiFazio stated that the economic impact for FY 05 impact is \$152,899, the FY 06 is \$368,795.67, and the FY 07 impact is \$292,882.84.

Ms. Coleman gave an overview of the Memorandum of Understanding. She noted that these changes would not appear to have an impact on the ongoing concerns about fire department overtime.

A MOTION was made by Councilor Kay to recommend FAVORABLE ACTION on Item #05 109 and was seconded by Councilor Molisse and APPROVED on a 4-0 vote with Councilor McPherson abstaining.

At 7:20 pm, a MOTION was made by Councilor Kay to SUSPEND the meeting and was seconded by Councilor Molisse and UNANIMOUSLY VOTED.

At 8:45pm a MOTION was made to RECONVENE the Budget/Management Committee Meeting and was seconded by Councilor DiFazio and UNANIMOUSLY VOTED.

There was a brief discussion regarding whether to continue on with the Items or to adjourn.

Adjournment

At 8:55pm a MOTION was made by Councilor Molisse to ADJOURN the Budget/Management Committee Meeting and was seconded by Councilor Kay and UNANIMOUSLY VOTED.

Approved by: _____
Kenneth DiFazio, Chairperson