

Finance Committee Minutes

January 5th 2012

The meeting was called to order at 7:02PM with Mr. David Herrick, Mr. Burt Imberman, Mr. Ira Yohalem, Mr. Bill Hattendorf, Mr. Edgar Zukauskas, and Mrs. Prudence Spaulding. Guests present were Mr. Nat Yohalem, Ms. Tara White, Mr. Michael Skorput, Mr. Peter Scala, and Mr. Neil Crawford.

The reading of the minutes of December 15th 2011 was waved so that Mr. Crawford and Mr. Scala could return home.

Mr. Nat Yohalem (selectman) reported the figures that he had obtained regarding the cost of sending real estate bills quarterly rather than how they are sent presently. He stated that the postage for each mailing costs about \$800. Thus there would be an increased cost in postage of \$1600. Then there would be an initial cost to up-grade the computer program of \$2900 and an increase of \$1100 each year in computer costs. Thus the addition cost for the first year would be \$1600+ \$2900 or \$4500 and each year afterwards the cost would be \$1600+ \$1100 or \$2700. Will these additional costs be offset by the increased cash flow and thereby eliminating the need to borrow funds and thus paying interest fees? Mr. Yohalem plans to consult with Ms. Mielke our town treasurer to assess this situation.

He then made a brief report on his effort to get all the departments to establish 5 year plans for capital spending. He reported on the capital needs of the Police Department:-

Cruiser, \$45000 expected to last 5 years

Radar Unit (will be needed in 5 years), \$3,500 expected to last 10 years

Vests \$2,500 will be needed in 5 years.

Tough Books (computers) \$3,500 expected to last 5 years

Radios \$3,000 over 3 years

Computer program for data \$25,000

There was some discussion as to whether all these items were actually "capital" or "Ongoing costs". Later during the meeting Mr. Scala discussed the purchase of long term capital items and their payment by method of borrowing funds. He expressed concern that some capital items should be paid over longer periods of time, for instance a large truck should be paid off over perhaps a 10 year period, as should the fire trucks and perhaps the ambulance! Careful planning of borrowing for long-term items might allow the cost to remain somewhat constant to the town and not cause the real estate taxes to fluctuate. Mr. Zukauskas explained that the Finance Committee had been recommending this for some years but had never been successful in getting the town to do just this!

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The Committee then discussed the request by the New Marlborough Rescue Squad [6022291.78] to transfer from the Reserve Fund the sum of \$3,500 to pay their clerical staff for the end of the year; they had originally underestimated the cost of this item. At the last Finance Committee meeting the members had some question about the number of hours and the rate of pay, and it was for this reason that the committee asked Mr. Crawford to come and explain how this sum was established. Mr. Crawford stated that data entering of the ambulance charges was now mandated by the Commonwealth and the numbers of hours were increased for this reason. This occurred after the last special town meeting. Mr. Crawford then stated that the clerk put in approximately 8 hours per week at about \$15 per hour, but since this was in essence a salary item the hours per week might fluctuate. Mr. Zukauskas stated that this request should have been placed on the warrant at the Special Town Meeting; however Mr. Skorput stated that it had not come to his attention in time to put it on the warrant. Mr. Zukauskas again reiterated the fact that the Reserve Fund was not designed to pay regular salaries or expenses that should be budgeted under normal expenses when the budgets are established prior to the yearly Town Meeting in May. Because this situation required resolving a motion was made to transfer \$3505 from the Reserve Fund to this account, Mrs. Spaulding 1st, Mr. Zukauskas 2nd and passed unanimously.

The minutes for December 15th 2011 were then circulated a motion to accept them as read, Mr. Zukauskas 1st, Mr. Herrick 2nd passed unanimously.

Mr. Zukauskas then gave a brief report regarding the SBRSD Finance Committee meeting that took place on January 4th 2012. The School maintains that in order to achieve a level funded budget the three outlying schools, namely Monterey, South Egremont and New Marlborough need to be closed. This would affect about 100 students although some of those students are school choice students and might not transfer to the Under Mountain campus. Mr. Singleton the superintendent stated that though this subject had been "bandied" about in the past he felt it was an appropriate time to bring it forth and discuss it fully. He provided 20 reasons why the closing of the schools should take place. These schools are in need of large capital improvements, Monterey (\$300,000), South Egremont (\$290,000) and New Marlborough (\$800,000). And even with these capital improvements the reasons for closing the schools would still remain, to cite a few, the safety factor of the two small schools, the lack of library facilities, school nurse availability, gym, cafeteria, computer technology, Title One Services, adequate playgrounds and the use of itinerant teachers limiting the exposure to Art, Music and Theatre available at Under Mountain! The closing of the small schools would result in the savings of \$1,390,000 to the capital costs and \$52,225 savings in utilities, with an estimated reduction in staff saving the district \$282,500. Mr. Singleton reminded the listeners that the school had asked the towns for a 3 million dollar bond to cover these and other capital costs, but the voters had turned this request down. If the savings by closing the schools are not realized the school budget is expected to raise at least 4%! Mr. Singleton was then asked what the enrollment was this year, to which he replied 809. It was noted by someone in the audience that the enrollment had been declining since the regional school was begun, and this was even more noticeable in the past few years. The superintendent then asked that the director of technology present his priority list for FY 13 which included 60 new desktop, 60 flat monitors, 20 laptops, and other items with the estimated cost of \$147,000! Before the outlying schools can be closed, meetings in all the

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towns must take place and warrants must be placed before the voters at the town meetings with a four out of the five towns voting in favor of the closings. Ms. White stated that Monterey had scheduled a meeting for January 23rd to discuss the school closing, and New Marlborough needs to schedule one fairly soon after this. Of course even if the Finance Committee of SBRSD decided to recommend the closing of the three schools, a vote of the whole School Committee needs to make the school's final decision.

Ms. Katherine Chretien the New Marlborough Town Clerk requested a transfer of funds from the Reserve Fund to the **Town Record's Preservation Fund** [10161.02] of \$2,500. While there is a balance of \$2,000 in that account one of the early record books has been sent for preservation already and another is in desperate need. The Town Records 1759-1821 will be preserved and 35 mm microfilmed by Brown's River Marrotti Co. (One Allen Martin Drive. P.O. Box 8501, Essex VT 05451). These books represent our town's early history and must therefore be preserved! Again Mr. Zukauskas stated that this amount should have been included in the yearly budgets, but again the bill needed to be paid, and he made a motion to transfer the sum of \$2500 from the Reserve Fund to the town Preservation Record's Account Mrs. Spaulding 2nd and it was passed unanimously.

Since Mr. Scala, the Fire Chief was still present the committee decided to review his budget,

Fire Protection [60220.000] (\$59,950) now requesting {\$60,900} Mrs. Spaulding 1st, Mr. Zukauskas 2nd passed unanimously.

Dues [60220.44] (\$200) now requesting {\$200} Mr. Zukauskas 1st, Mr. Imberman 2nd passed unanimously.

Fire Department Clerical [60220.88] (\$1500) now requesting {\$1700} this small raise reflects the increase in "paper work" and this position is so time demanding that even though it is paid it is almost "volunteer" in nature. Mr. Zukauskas 1st, Mr. Yohalem 2nd passed unanimously.

Firefighter's Stipend [60220.05] (\$43,500) now requesting {\$43,500} this budget was put on hold as it will be discussed at the next Selectman's meeting Monday January 9th 2012.

Mr. Scala did share some of the plans that were being formulated for the Fire and Rescue services. These two services are now considered one service so that the various members can be covered by insurance. The plans are now to tear down the "old" firehouse and add two bays to the new firehouse, one to house the ambulance, and one to house the police car. Then the police department should pay "Rent" to the fire house of \$12,000 per year which would pay of the mortgage obtained to pay for the increased bays. The town now pays for the utilities of both buildings, but the cost of old firehouse in heating would be much greater than the heat used for the two new bays! And thus represent some savings to the Town. The committee then returned to discuss the following budgets:-

Children Health Program [70521.00] (\$1000) now requesting {\$1000} Mr. Imberman 1st, Mr. Zukauskas 2nd passed unanimously.

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Treasurers Expenses [10147.44] (\$4,424) now requesting {\$3,108} Mr. Imberman 1st, Mr. Zukauskas 2nd passed unanimously.

Treasurer's software [10147.45] ((\$4,500) now requesting {\$3,280} Mr. Imberman 1st, Mr. Zukauskas 2nd passed unanimously.

Tree Warden's Salary [60294.00] (\$1,000) now requesting {\$1,000} Mrs. Spaulding 1st, Mr. Hattendorf 2nd passed unanimously.

Tree Work [60294.01] (\$10,000) now requesting {\$10,000} The committee had this put on HOLD and wishes Mr. Davis to come in and discuss his plans for the future town tree work, Mr. Zukauskas will contact him.

Building Inspector's Expense [60241.02] (\$2,476) now requesting {\$2,476} The committee wishes to learn more about these "expenses" and will request that Mr. Carmody comes and to one of the Meetings. This budget is also put on HOLD.

Building Inspector's Salary[60241.04] is a salary item and has also been put on HOLD.

The committee then discussed the next meeting!

Mr. Yohalem will be out of town from *January 12th -19th*. *Mr. Imberman* will be unavailable from *January 14th – 30th* and *Mr. Hattendorf* will be out of town from *January 29th – February 19th*! Mr. Zukauskas stated that in order to function we might have to be sure that Ms. Mielke could attend some of the meeting when the members will be absent!

Mr. Zukauskas distributed the Police and Highway Budgets. The next Finance Committee meeting will take place on January 12th 2012 at 7:00PM at the Town Hall.

The meeting was adjourned at 8:05PM.

Respectfully submitted.

Prudence Spaulding, Secretary.

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