

# Board of Selectmen Minutes 12/172008

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Board of Selectmen	December 17, 2008
Special Meeting – Budget Summit	Senior Center, 525 Salem St.

Present:	Arthur J. Bourque III, Chairman
	Robert P. MacKendrick, Selectman
	Al Merritt, Selectman

Chairman Bourque called the meeting to order at 7:04 p.m. and the following business was conducted:

## Budget Summit introduction

Chairman Bourque introduced Town Administrator William Gustus and asked department heads and board members to be brief in the face of the inclement weather and holiday season. He thanked those assembled for their attendance.

Mr. Gustus gave a budget overview.

He said that due to declining local revenues and the likelihood of cuts to state aid, it will be to add significantly to operating budgets or fund any new capital budget items in the coming fiscal year, although some building maintenance and repair items could be funded through the Capital Facilities Maintenance Fund.

He is projecting a slight decline in revenue (0.08 percent, or \$30,915) next fiscal year.

Gustus built into his budget assumptions a 7.5 percent increase to employee benefits, including health insurance and pensions costs. Debt and interest payments will be the same next fiscal year as this one.

The biggest loss in revenue locally will be the loss of the \$1 million payment that was part of the town's development agreement with National Development, which owns the Colonial property.

Money for operating expenses in being freed up by a reduction of \$1,446,158 in spending classified as "other expenditures." This includes \$375,000 placed in the Stabilization Fund, \$125,000 in the Capital Facilities Maintenance Fund, and a \$60,000 reduction in funds set aside for tax abatements and exemptions. In October, the town voted to move money into the Stabilization Fund in order to have it available for spending in the next fiscal year.

The town can get through the coming fiscal year by living with two rules, Mr. Gustus said. Those rules including funding all existing positions as required by existing collective bargaining agreements. The second is to level fund non-salary items outside of items such as employee benefits and insurance. If the town can achieve these goals, said Mr. Gustus, it will be doing far better than most communities, some of which are facing or have already implemented employee layoffs and programming cutbacks.

Chairman Bourque and Finance Committee Co-Chair Patricia Moore credited Mr. Gustus with putting the town in a good position to cope with the upcoming fiscal challenges. Ms. Moore said a chief goal is keeping the existing workforce and asked department, especially the larger ones, to "do as best you can to make our work easier" by keeping requests down.

Selectman Merritt warned that with tax bills increasing by 10 percent, town officials could expect more interest from residents on fiscal issues. He also said that the town was able to build reserves and has done a lot of good in recent months.

Selectman MacKendrick told those assembled, The efforts of all of you to hold the line this year and next year are very important, he told those on han.. He said most communities are whistling past the graveyard" and have failed to take the precautions against declining state aid that Lynnfield has.

Chairman Bourque said that the effects of the national and state fiscal situation are self-evident, and that cities and towns can expect cuts to this year's state aid after the first of the year. He said the timing of these cuts are terrible, as the fiscal year is half over.

## School Department

Superintendent of Schools Robert Hassett outlined enrollment increases in Lynnfield schools over the last decade, and pointed to various achievements the schools have accomplished in recent years. Mr. Hassett said that principals' and department heads' initial operating budget requests would result in a 6.6 percent increase in school spending. Those included some proposed new positions.

Mr. Hassett acknowledged that figure was a “country mile” away from the spending plans discussed by Mr. Gustus, but added, “We realize in this economy we’re not going to get everything.” He said the School Committee had yet to vote on the budget and that he had not made a budget recommendation to the committee yet.

The draft school budget document presented is available in the Selectmen’s Office, Town Hall.

### **Council on Aging**

The Council on Aging is experiencing growth in the population it serves. The center is just booming, said Senior Center Director Linda Naccara. Ms. Naccara said that the attendance at the Senior Center, which hosted the Budget Summit, has quadrupled in the last six years. Despite this, Ms. Naccara remains the lone staff member working full-time. She asked that two staff positions be increased 20 to 30 hours per week.

Over 100 Lynnfield residents were turned away from Thanksgiving and Christmas parties at the center this year due to high demand – even though 140 were served as Lynnfield residents were given preference, she said.

Ms. Naccara also warned that due to cutbacks at the state level, the center could lose a \$15,000 grant from Greater Lynn Senior Services and a \$7,000 grant that helps pay for meals and the substitute van driver.

### **Library**

Acting Director Nancy Ryan noted that the library is currently short one and a half positions, or 55 per hours per week, resulting in difficulties in staffing the reference and circulation desks. She reminded town officials that for the library to maintain its certification, the library must maintain certain hours of operation, personnel and spend a fixed percentage of its budget on materials. If the town cannot maintain these levels, it will be necessary to seek a waiver from the state board.

Other than materials, Ms. Ryan said, level funding of expenses should be okay. She expressed hope that the assistant director position (which she held before her elevation) and part-time position be restored – failure to do so would jeopardize new programming and computer instruction.

### **Police and Fire**

Chief Paul Romano said that due to the town’s finances, plans to add new positions to cope with increased workload resulting from the Meadow Walk development were scrapped as part of the cutbacks to the current fiscal year budget (the positions were to be added prior to the opening of Meadow Walk in order for academy and in-town training). Chief Romano noted one police sergeant position remains unfilled, and said that the department’s overtime budget is higher due to that vacancy. He said he is prepared to level-fund expenses.

Chief Romano said he could hold off on adding the position that was to be introduced due to the Meadow Walk development. He also noted that the department had put before the selectmen an increased ambulance fee schedule – that service brings in about \$450,000 in revenue to the town.

The chief also credited Fire Captain Michael Feinberg for his work in seeking and obtaining grant funds for items such as self-contained breathing apparatus, a new fire truck and an exhaust removal system for the fire stations. “These saved the town well in excess of half a million dollars,” he said.

Demands are not lessening, he said of both departments’ workloads. Despite this, he said the departments are prepared to work within the restrictions imposed by the town.

### **Public Works**

Director Dennis Roy has already eliminated an unfilled position carried forward from previous budgets to help with the town’s financial picture. He said the department has eliminated two jobs over the past three years and added he doesn’t expect to get those positions back.

Mr. Roy said that 41 percent of his budget is devoted to the schools, with 20 percent to highway, parks and cemeteries, 14 percent to rubbish, 10 percent to administration, 9 percent to municipal buildings and 3 percent to snow and ice.

Mr. Roy noted the town has increased snow and ice funding to \$120,000 annually from \$75,000 in previous years (the town has to supplement that initial appropriation every year).

The only expense adjustment Mr. Roy is seeking in his budget is to electrical costs and municipal building repairs. He is planning the implementation of electricity conservation measures in town buildings. Mr. Roy noted that natural gas prices have been going down and will likely stabilize.

The town’s Capital Facilities Maintenance Committee, which submitted a prioritized list of town building projects in recent years, is currently reviewing the town’s school buildings. He said the committee would prepare a report that will seek funding to address building issues for the coming and subsequent fiscal years. The schools are in good shape, he said. They found no major money items.

Mr. Roy said that he has foregone purchasing any new vehicles for the DPW over the past two years. He said he might request one new truck. Replacement of school buses at one per year, and \$85,000 cost, has been an ongoing program.

**Other departments**

Town Accountant Julie McCarthy noted her budget is 98 percent salaries and said on the expense side, support for the town's MUNIS accounting system would increase by five percent, with a similar increase excepted from the town's auditing firm.

Information Systems Manager Joseph Bongiorno updated town officials on technology projects. Bongiorno said the only increase he expected was to the MUNIS support Ms. McCarthy referenced.

Steve Smith of the Historical Commission said at \$5,000, his departmental budget was the town's smallest. He said this year, the commission has focused on the Demolition Delay Bylaw adopted at October town meeting and the passage of the Community Preservation Act, which will come before voters at the April town election. Smith said that the commission has used its funds this year on restoring historic graveyards and putting plaques on historic homes. Next fiscal year, the focus will be on using insurance settlements to restore 35 South Common Street (the former Cultural Center) and preserving preservation of artifacts, materials and documents there. He said he expects the budget to be level-funded.

Richard Simmons Jr. of the Board of Assessors said that Assessing Manager Paul Keefe will be retiring and is being replaced by a new hire who will be able to take over some functions the department has had to hire its consulting service, Patriot Properties, to perform. He said he was very comfortable that the budget could be level-funded.

Conservation Administrator Betty Adelson said that professional dues and mileage costs were up, but said she could level-fund the budget, as members are now more seasoned and would need to attend fewer training events. She said that the commission's workload remains heavy with major projects such as Lynnfield Commons, Meadow Walk, Pyburn Mews and others in various stages of development.

Ms. Adelson, who also serves as clerk to the Personnel Board, said that professional dues were increased there as well, but that the board would seek to offset those costs within the budget.

Health Agent James Nugent said he believes his budget can be level-funded again this year. He said that the Board of Health has received significant grants, including funds for low-interest loans for homeowners upgrading their septic systems and funds for equipment. The town has also created a revolving fund so that the insurance payments for the flu clinic can go directly to funding that activity.

Finance Committee Co-Chair Patricia Moore said that her committee can level-fund its budget, which chiefly consists of the town's reserve fund.

After hearing from those assembled, Chairman Bourque noted that the budget requests discussed are the lowest projections the board has ever heard. He said he understands that limiting requests and going without positions and new funds for expenses may be difficult. Mr. Bourque thanked town officials for making tough decisions, and said he believes the town can come out of this in good shape, but not without some pain.

**Special town meeting**

On the motion of Selectman MacKendrick, seconded by Selectman Merritt, the board voted unanimously to call a special town meeting, scheduled for Monday, February 12, at Lynnfield Middle School at 7:30 p.m.

Mr. Gustus said the warrant will likely contain proposed changes to the Elderly Housing District portion of the zoning bylaws, as well as an article that would allow for further changes to the current budget if cutbacks to local aid at the state level are more drastic than anticipated.

The selectmen are seeking to take steps that would assist the developers of senior housing projects in this difficult economic time. They plan to amend town's purchase-and-sales agreement on the land in the rear of the Senior Center to allow the successful bidder, a local developer who plans to build an age-restricted residential development, to stagger payments over time in a manner that will allow the town to fully secure the full purchase price. Without such an accommodation, Mr. Gustus said, the developer – who is still committed to moving forward – may have difficulty.

Mr. Gustus said some changes to the elderly housing zoning bylaw might be needed to allow this developer and LIFE, Inc. to receive necessary financing for their projects.

Reducing the minimum age for residents in an elderly housing zone development from 60 to 55 would help with the economic viability of these projects, said Gustus. This change would also benefit the Heritage Woods development at Goodwin Circle.

Mr. Gustus said this provision has caused concern from banks that would finance these projects in Lynnfield, as it could prevent a bank from operating the development should the developer to default.

On the motion of Selectman Merritt, seconded by Selectman MacKendrick, the Board adjourned the meeting at 8:23 p.m.