

**FINANCE COMMITTEE MEETING MINUTES**  
**January 13, 1993**



Present: T. DeLuca, M. Fiore, W. Gouveia, M. Hackett, P. Helmreich, T. Phelan,  
D. Summerfield, P. Zawasky, J. Desrochers

Others Present: Municipal and School Department Heads

Chair Gouveia called the meeting to order at 7:30 p.m.

Chair Gouveia explained to everyone present that the purpose of this meeting is to explain to Department Heads where the town is fiscally. Chair Gouveia talked about the importance of putting together a total town budget that meets the limitations of Proposition 2 1/2. Chair Gouveia turned the meeting over to Paul Helmreich.

Paul Helmreich summarized a detailed budget analysis that he prepared for Department Heads which compared the fiscal budgets of the last three years, from fiscal 1989 - Fiscal 1993. (See attached PEH Budget Analysis dated January 13, 1993).

Mr. Helmreich explained that he used Fiscal '89 (the last prosperous year before the recession set in '90) for a base year and proceeded to draw some comparisons with fiscal years '90, '91, and '92. As part of his comparisons, Mr. Helmreich talked about the cumulative loss of State aid and the gap between revenues and what the Town spent over the last three years. Mr. Helmreich further talked about "non-town meeting" expenses such as the Cherry Sheet Offsets, County Assessments, and the required Overlay Allowance that must be covered each year; the teacher pay deferral option that the Town must pay itself back over a ten-year period beginning in 1997, increased yearly health insurance costs; and sources used to cover the revenue gap of \$2,776,917 for Fiscal '90 - '93. Mr. Helmreich summarized the total estimated revenue available for fiscal 1994 and estimated that there needs to be a reduction of \$662,772 from the current Fiscal 1993 budget in order to meet the estimated revenues available for Fiscal 94. (See attached PEH Budget Analysis). When the increases over the Fiscal '93 budget found in the initial FY '94 department budgets are factored in, the gap is increased to \$1,637,596.

Next, Mr. Helmreich spoke about three possible ways to approach the 1994 fiscal crunch. These possibilities include: 1) cut the gap in half, with both the school and municipal "sides" reducing their initial FY '94 figure by \$818,798;

2) Municipal	School
\$331,386 (1/2 the reduction from '93)	\$331,386 (1/2 the reduction from 93
\$260,000 (increase in health insurance)	\$597,824 (increase in budget
\$117,000 (increase in dept. proposed	_____ proposal over FY '93)
_____ budgets over FY '93	
\$708,386	\$929,210

This alternative would be in accord with policies used in the preceding several fiscal years.

3) Municipal	School
\$331,386 (see above)	\$331,386 (see above)
\$130,000 (1/2 increase in budgeted health costs)	\$130,000 (1/2 increase in budgeted health costs)
<u>\$117,000</u> (see above)	<u>\$597,824</u> (see above)
\$578,386	\$1,059,220



Mr. Helmreich reiterated that the figures presented tonight are only estimates or requests for level funding. He stated that the Finance Committee must present a balanced budget at Town Meeting.

Chair Gouveia thanked P. Helmreich for his presentation and opened the floor for questions. In response to questions, Chair Gouveia explained that the Finance committee is trying to help the Townspeople understand where the town is fiscally and that it is the Finance Committee's charge to recommend a Town budget that meets the limits of proposition 2 1/2. Mr. Gouveia explained that this would be a very complicated year, especially in light of the Education Reform Bill. He noted that Dr. Spillane would meet with the Finance Committee to explain the impact of the Education Reform Bill.

Chair Gouveia stated that the Finance Committee would meet in February with all School and Municipal Department Heads to discuss the Town Manager's preliminary budget.

Paul Helmreich moved that the Finance Committee adopt as a guideline that the revenue shortfall of 662,000 and the medical shortfall of \$260,000 be divided in half between the school side and the municipal government side.

It was moved, seconded and voted that Formula 3 (see above) should be the guideline on which the Committee would proceed in its subsequent budget deliberations. This means that "municipal" will be asked to reduce its initial FY '94 budget proposals by \$578,386; and the school department budget to reduce its by \$1,059,210.

In Favor: unanimous

Chair Gouveia will inform the Town Manager, the School Committee and the Superintendent of Schools of the Finance Committee's position.

The meeting adjourned at 9:00 p.m.

