

CITY COUNCIL
AND
CITY COUNCIL STANDING COMMITTEE

Budget and Finance

Thursday, March 19, 2009 – 6:30 p.m.

Council Conference Room – City Hall

Attendance: Councilor Jason Grow, Chair, Councilor Joe Ciolino, Vice Chair, Steve Curcuru

Also: Councilor Hardy, Jim Duggan, Marcia McInnis, Jeffrey Towne, Chris Rogers, Phil Dench, Greg Verga, Melissa Teixeira, Amy Beth Healey, Myles Schlichte

Absent:

The meeting is called to order 3/19 at 6:30 p.m.

1. Proposed executive session pursuant to M.G.L. Chapter 39, Section 23B.

Councilor Grow stated the purpose of this executive session is to discuss a recent matter with regards to the Assistant Auditor position. The meeting will reconvene in open session.

MOTION: On motion of Councilor Grow, seconded by Councilor Ciolino the Budget and Finance Committee voted by ROLL CALL 3 in favor, 0 opposed to enter into an executive session to discuss the reasons for the recent termination of an employee under the auspices of the City Council.

MOTION: On motion of Councilor Grow, seconded by Councilor Ciolino the Budget and Finance Committee voted by ROLL CALL 3 in favor, 0 opposed to come out of executive session.

The committee reconvened in open session at 7:00 p.m. No motions were made during executive session.

2. Chris Rogers of Sullivan, Rogers & Company, LLC.

Chris Rogers, Sullivan, Rogers & Co., LLC started a government auditing firm in 2002, focusing on audit and consulting services to Massachusetts governmental entities. Eleven professional audit staff, three CPAs and three professional consultants all CPAs, auditing and consulting are distinct and separate. They have performed audits in 33 municipalities in Massachusetts, varying in size from as small as \$6 to \$8 million to half a billion budget. The audit process involves the city as a large participant in the audit. It is a paperless audit process. There are complex accounting issues that need to be addressed. There are two phases of the audit. The price is fixed. The only time it may change is if there is a new accounting standard issued that requires more hours of our time.

Councilor Ciolino asked how do you transfer data from what we have now. Will there be an up charge to download data or get data from the other company.

Mr. Rogers has worked with software the city has to export to a data file and import that into our trial balance.

Councilor Ciolino asked what information you will need from the previous auditor.

Mr. Rogers stated there is a possibility he will have to get some papers from the other auditor but in the audit community it is a normal process to access the prior year audits.

Councilor Ciolino stated at \$110 per hour why would we need extra over and above those figures.

Mr. Rogers stated that is the composite billing rate to come up with those figures. If there is consulting it is a higher billing rate between \$135 and \$150.

Councilor Grow asked what is consulting.

Mr. Rogers replied only for something totally outside the scope.

Councilor Curcuru asked how you feel about the Unifund software.

Mr. Rogers has clients that use the same accounting system and it works for them.

Councilor Grow asked do you see any potential lingering problems.

Mr. Rogers doesn't feel everything has been combed out. Our consulting division did the cash reconciliation and capital projects work. We have worked with communities that have had a lot of accounting issues and sometimes it is three to five years until everything is resolved.

Marcia McInnis, City Auditor stated Budget Sense has reporting issues but the real software issues are in Revenue Sense. This is the only organization of this size that uses Revenue Sense.

Councilor Curcuru asked for an opinion on using the same auditor for 23 years.

Mr. Rogers stated there are three reasons to change. If you don't think they are doing a good job, price shopping and the perception that the auditor may not be independent.

Councilor Curcuru asked if these figures are within our realm.

Ms. McInnis replied yes, she feels this is a good value.

Councilor Ciolino stated this is a three year contract and asked what happens after the first year - is there an opt out clause?

Mr. Rogers stated the engagement letter is no way binding on an annual basis.

Councilor Ciolino asked does this have to go out bid.

Ms. McInnis stated this does not require quoting or bids under MGL Ch. 30b. This is the only company we solicited. We are in a unique situation. We need competent and steady people who have worked with other cities like ours. This firm has handled difficult reconciliation and personnel issues.

Councilor Hardy asked for a disclosure indicating whether or not the firm has had any personal relationship with any of our current administration.

Mr. Rogers concurred that they did not.

Ms. McInnis stated there was a relationship with the former CFO, Anna Tenaglia. She knew this firm from Chelsea.

Mr. Towne referred to page 15 of the audit proposal and noted the retirement system is not being included in our audit and he would like to do that, to remove the qualification in our audit report. The retirement system is a blended component unit.

Mr. Rogers stated you have an adverse opinion on your financial statements. We need to get rid of that and include everything necessary from a financial responsibility.

Mr. Towne referred to new pronouncements and the need to be kept abreast of new and current changes. Mr. Rogers will be intimately be involved with the audit.

Mr. Rogers stated from his standpoint he views the city as a high risk audit.

Councilor Curcuru asked if there are any pending issues against their company.

Mr. Rogers replied nothing has ever been filed.

Mr. Towne asked if risk assessment work done this spring will be part of next year's budget for audit fees.

Mr. Rogers replied yes.

Ms. McInnis referred to page 15 and noted the actual budget in the General Fund will have to include everything except the retirement because the grants don't have available funding for the audit.

Mr. Rogers stated if we don't audit the retirement system we will remove that charge.

Ms. McInnis asked about recommendations for auditors for the beginning of the year. The jurisdiction of the audit is through the city council and she would expect the city auditor's office would be the contact.

Councilor Grow asked that she check the references.

MOTION: On motion of Councilor Ciolino, seconded by Councilor Curcuru the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council

the contract services of Sullivan and Rogers for the annual city audit for fiscal year ended June 30, 2009, fiscal year ended June 30, 2010 and fiscal year ended June 30, 2011.

3. CSO debt transfer proposal (*cont from 3/5/09*)

Mr. Towne stated there is \$15.9 million outstanding in BAN's ending up with \$15.3 million to bond in the fall and \$600,000 will be issued through new PAT, \$18 million was permanently financed yesterday. Shifting debt involves a simple majority vote of the council with no public hearing requirement. Explained that the CSO debt shift will be about .27 to .28 on the tax rate and the sewer rate will go from \$12.09 to approximately \$10.16 for the sewer rate He hasn't done any formal calculations on the water.

Ms. McInnis stated if we opt for a lump sum it requires an annual vote of the B&F and the council. Having a clean harbor and clean water helps everyone. If we are going to get widespread support for a rate shift – some people would be more accepting if they received part of the benefit.

MOTION: On motion of Councilor Ciolino, seconded by Councilor Curcuru the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council adoption of MGL Ch 59, Sec. 21Cn that the City Council authorizes transfer of sewer and/or water debt from the enterprise funds to the tax rate for FY10 which will result in reduced water and sewer rates and FURTHER TO ADVERTISE FOR A PUBLIC HEARING.

4. Report from City Auditor re: accounts with expenditures exceeding their appropriations.

No action taken.

5. US Dept. of Justice COPS Grant.

MOTION: On motion of Councilor Grow, seconded by Councilor the Budget and Finance Committee voted 3 in favor, 0 opposed to accept the application for the U.S. Department of Justice COPS Grant for the Police Department under the terms of the agreement with the condition that the grant application be submitted so the city is not obligated to backfill positions being granted.

6. Snow and Ice Expenditures

Ms. McInnis requested an increase of \$150,000 for snow and ice for a new cap of \$1,350 million.

MOTION: On motion of Councilor Ciolino, seconded by Councilor Curcuru the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council acceptance of the provisions of MGL Ch. 44, Sec. 31D, snow and ice removal, emergency expenditures, an additional \$150,000 not to exceed \$1,350,000 over the FY09 appropriation.

7. Memo and info from Mayor re: FY09 budget cuts and FY10 budget update.

Mr. Towne reviewed the recommended budget cuts for FY09, roughly \$484,000 in state aid cuts, additional assistance and \$400,000 in other miscellaneous revenues. Any revenue we didn't have a budget for is booked as a reflection. Ambulance fees increased \$100,000, motor vehicle excise tax is decreased but billing went out three weeks early.

Ms. McInnis feels the assumptions being made are good.

Mr. Towne noted there are five properties taken for tax liens and all have gone by the redemption date. He reviewed the details of all the net revenue cuts and discussed reasons for each.

FY09 REVENUES

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Cherry Sheet State Aid – Additional Assistance revenue estimate from \$1,923,054, as voted in the original FY2009 revenue budget, to \$1,735,660 as a result of the Commonwealth's 9C mid-year cuts. (101000.10.111.46601.0000.00.000.00.660)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Cherry Sheet State Aid – Lottery revenue estimate from \$3,047,653, as voted in the original FY2009 revenue budget, to \$2,750,671. (101000.10.111.46602.0000.00.000.00.660)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Other Miscellaneous Revenue – Miscellaneous Receipts estimate from \$32,640, as voted in the original FY2009 revenue budget, to \$27,640. (101000.10.111.48920.0000.00.000.00.800)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Other Miscellaneous Receipts revenue estimate from \$11,650, as voted in the original FY2009 revenue budget, to \$9,000. (101000.10.111.48920.0000.00.000.00.890)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council

to estimate revenue from an Other Miscellaneous source entitled Varian – Blackburn revenue in the amount of \$50,000 for the FY2009. (101000.10.111.48930.0000.00.000.00.890)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to estimate revenue from A Miscellaneous One-time source account in the amount of \$7,650 for the FY2009. (101000.10.111.48950.0000.00.000.00.800)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Other Miscellaneous – Assessment Card revenue estimate from \$5,100, as voted in the original FY2009 revenue budget, to \$1,300. (101000.10.141.44320.0000.00.000.00.800)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Cherry Sheet Elderly Abatement revenue estimate from \$71,789, as voted in the original FY2009 revenue budget, to \$70,280. (101000.10.141.46160.0000.00.000.00.610)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the 2009 Motor Vehicle Excise Tax revenue estimate from \$2,900,000, as voted in the original FY2009 revenue budget, to \$2,850,000. (101000.10.145.41500.0000.00.000.09.150)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to increase the Interest/Penalties on Taxes revenue estimate from \$151,980, as voted in the original FY2009 revenue budget, to \$226,980. (101000.10.145.41700.0000.00.000.00.170)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Interest/Penalties on Lien Certificates revenue estimate from \$44,880, as voted in the original FY2009 revenue budget, to \$33,880. (101000.10.145.41730.0000.00.000.00.170)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Fines/Forfeits: Ticket Interest revenue estimate from \$11,220, as voted in the original FY2009 revenue budget, to \$5,720. (101000.10.145.47701.0000.00.000.00.770)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to increase the Interest Income: Savings revenue estimate from \$92,000, as voted in the original FY2009 revenue budget, to \$162,000. (101000.10.145.48201.0000.00.000.00.820)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Interest Income: Investments revenue estimate from \$203,000, as voted in the original FY2009 revenue budget, to \$133,000. (101000.10.145.48202.0000.00.000.00.820)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council to decrease the License/Permit Junk revenue estimate from \$1,000, as voted in the original FY2009 revenue budget, to \$250. (101000.10.161.44203.0000.00.000.00.420)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the License/Permit Dog revenue estimate from \$48,000, as voted in the original FY2009 revenue budget, to \$36,000. (101000.10.161.44207.0000.00.000.00.420)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the License/Permit Clerk Miscellaneous revenue estimate from \$12,240, as voted in the original FY2009 revenue budget, to \$9,240. (101000.10.161.44210.0000.00.000.00.420)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Other Miscellaneous Registration Book revenue estimate from \$3,060, as voted in the original FY2009 revenue budget, to \$560. (101000.10.163.48403.0000.00.000.00.840)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the License/Permit Liquor revenue estimate from \$131,580, as voted in the original FY2009 revenue budget, to \$116,580. (101000.10.165.44100.0000.00.000.00.410)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Fees for Zoning/Appeals revenue estimate from \$33,000, as voted in the original FY2009 revenue budget, to \$19,000. (101000.10.176.43240.0000.00.000.00.320)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to estimate revenue for Urban Redevelopment Excise Tax in the amount of \$44,435 for FY2009. (101000.10.181.46210.0000.00.000.00.620)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to increase the License/Permit Firearms revenue estimate from \$2,040, as voted in the original FY2009 revenue budget, to \$6,040. (101000.10.210.44508.0000.00.000.00.450)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to increase the Fines/Forfeits Court revenue estimate from \$59,160, as voted in the original FY2009 revenue budget, to \$64,160. (101000.10.210.47703.0000.00.000.00.770)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Fines/Forfeits Towing Cost revenue estimate from \$25,000, as voted in the original FY2009 revenue budget, to \$0. (101000.10.210.47705.0000.00.000.00.770)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to increase the Ambulance Charges revenue estimate from \$818,750, as voted in the original FY2009 revenue budget, to \$918,750. (101000.10.220.42403.0000.00.000.00.240)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the License/Permits Fire Department revenue estimate from \$45,900, as voted in the original FY2009 revenue budget, to \$33,900. (101000.10.220.44507.0000.00.000.00.450)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the License/Permits Building revenue estimate from \$872,260, as voted in the original FY2009 revenue budget, to \$547,260. (101000.10.241.44501.0000.00.000.00.450)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council

to decrease the License/Permits Gas revenue estimate from \$38,760, as voted in the original FY2009 revenue budget, to \$33,760. (101000.10.241.44502.0000.00.000.00.450)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council to increase the License/Permit Plumbing revenue estimate from \$57,120, as voted in the original FY2009 revenue budget, to \$62,120. (101000.10.241.44503.0000.00.000.00.450)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the License/Permit Electrical revenue estimate from \$143,820, as voted in the original FY2009 revenue budget, to \$128,820. (101000.10.241.44506.0000.00.000.00.450)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to increase the License/Permit Clam revenue estimate from \$43,860, as voted in the original FY2009 revenue budget, to \$46,860. (101000.10.296.44211.0000.00.000.00.420)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Trash Disposal Fee revenue estimate from \$1,227,150, as voted in the original FY2009 revenue budget, to \$1,077,150. (101000.10.403.42404.0000.00.000.00.240)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to estimate Street Betterment revenue in the amount of \$2,000 for FY2009. (101000.10.411.47501.0000.00.000.00.750)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Other Miscellaneous DPW revenue estimate from \$2,000, as voted in the original FY2009 revenue budget, to \$478. (101000.10.421.48404.0000.00.000.00.840)

MOTION: On a motion of Councilor Grow , seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed to recommend to the full City Council to decrease the Parking Fees – Daily revenue estimate from \$1,402,000, as voted in the original FY2009 revenue budget, to \$1,327,000. (101000.10.470.42410.0000.00.000.00.240)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to increase the Beach Concessions Rent revenue estimate from \$54,000, as voted in the original FY2009 revenue budget, to \$100,000. (101000.10.470.43600.0000.00.000.00.360)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to decrease the Rent of Public Property revenue estimate from \$59,000, as voted in the original FY2009 revenue budget, to \$54,000. (101000.10.470.43601.0000.00.000.00.360)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to estimate Health Department Fee revenue in the amount of \$1,240 for FY2009. (101000.10.510.43206.0000.00.000.00.320)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to increase the License/Permit Health Department revenue estimate from \$116,280, as voted in the original FY2009 revenue budget, to \$126,280. (101000.10.510.44505.0000.00.000.00.450)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to estimate Veterans Benefit Reimbursement Revenue in the amount of \$8,490 for FY2009. (101000.10.543.46606.0000.00.000.00.660)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 3 in favor, 0 opposed, to recommend to the full City Council to increase the Other State COLA revenue estimate from \$3,060, as voted in the original FY2009 revenue budget, to \$9,447. (101000.10.911.46811.0000.00.000.00.680)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to increase Treasurer/Collector interest income from \$162,000 to \$169,896.

TOTAL FY09 REVENUE REDUCTIONS \$846,845.

FY09 APPROPRIATIONS

The proposed reductions to the FY09 appropriations were discussed.

Fire Department reductions were discussed.

The School Department revenue reductions were also discussed. The schools propose taking reductions in their revolving accounts, \$145,000 from the Transportation revolving account.

Marcia McInnis noted that revolving accounts cannot be used to reduce the general fund budget according to state statute.

Amy Beth Healey, School Committee said there are job losses with these cuts and if we can't use those accounts then we are no where near the \$300,000.

Councilor Hardy requested that when we go into the budget review that copies of everything presented be made available to all members of the council, as well as everyone else who needs one.

At 11:10 p.m. it was moved and seconded to continue the meeting to 3/23 at 6 p.m.

Budget and Finance

Monday, March 23, 2009 – 6:00 p.m.

Council Conference Room – City Hall

Attendance: Councilor Jason Grow, Chair, Councilor Joe Ciolino

Also: Councilor Hardy, Jim Duggan, Marcia McInnis, Jeffrey Towne, Phil Dench, Melissa Teixeira, Amy Beth Healey

Absent: Councilor Steve Curcuru

The meeting reconvened 3/23 at 6:00 p.m.

Marcia McInnis, City Auditor gave a brief overview of the conference call with DOR including provisions of the law used to enact the revolving funds. DOR will allow a transfer from the school's transportation fund to the general fund this year alone; make journal entries from the general fund and reclassify expenditures to the building use revolving funds to free up that money; with the condition that the city get together with schools to determine the revolving funds and have the council revote these revolving funds. We will have to present this as part of getting our tax rate certified. This will need to be done as part of this budget process.

Revolving Fund - \$500,000

Jeff Towne, CFO found a deficit capital project fund for West Gloucester for \$400,000+ and another fund showing the same balance since 2004. He did some research and found there was SRF money that came into that fund that should have been posted against the deficit. An internal transfer needs to be made to clear those accounts up.

Vacation sick buyback

Mr. Towne noted two pieces to this, the \$10,000 are buyouts covered with lag funds and \$267,000 will require creative funding possibly using the 2008 overlay surplus of \$145,000 and \$102,000 from the stabilization fund with a transfer back in FY10 to the stabilization fund, leaving a balance remaining of \$20,000 to still be funded.

Favorable balances

Marcia McInnis, City Auditor spoke to payroll who explained that in order to run accurate reports they need to be run when the system is closed. She provided copies of the new reports with variances. (*copy in file*).

School Department

Amy Beth Healey, School Committee member noted there is \$561,000 in the FY10 that they don't know if can use because it has certain restrictions. There has been no formal request to the school committee for the reduction of \$300,000. They didn't want to comment on the budget status without first talking to Marilyn Reid or Superintendent Farmer.

The committee recessed briefly at 6:30. The committee reconvened at 6:40

School Dept FY09 budget reductions

- \$ 40,000 - Transportation
- \$ 31,000 - Professional development
- \$ 36,000 - Facilities offset
- \$ 16,000 - Reduction of district secretary
- \$ 10,000 - Math position O'Maley
- \$139,000- Revolving accounts
- \$ 28,000 - Contract funding balance

FY09 Snow and Ice deficit - \$1,037,000 to date.

\$55,000 for additional sick time/vacation buyback may add to what we need to fund and unemployment insurance from potential layoffs of 5 to 10 people in FY09.

Close \$27,650 gap of balancing the revenue cut deficit with the following:

\$17,754 from Treasurer Temporary Salary Wages out of \$32,754

\$ 2,000 from Auditor Professional Audit Services out of \$2,933.96

\$ 7,896 increase of Treasurer Interest Income revenue.

FY09 APPROPRIATION MOTIONS

**MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Auditor – Salary/Wages – Permanent Positions, as voted for the FY2009 budget, from \$212,957 to \$198,957.
(101000.10.135.51100.0000.00.000.00.051)**

**MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Treasurer/Collector Debt Service – Interest Temporary, as voted for the FY2009 budget, from \$364,294 to \$130,827.
(101000.10.145.59250.0000.00.000.00.059)**

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Assessors – Salary/Wages – Temporary Positions, as voted for the FY2009 budget, from \$7,000 to \$0. (101000.10.141.51200.0000.00.000.00.051)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Assessors – Salary/Wages – Part-time Position, as voted for the FY2009 budget, from \$15,102 to \$3,017. (101000.10.141.51250.0000.00.000.00.051)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Treasurer/Collectors – Salary/Wages – Permanent

**Positions, as voted for the FY2009 budget, from \$468,261 to \$388,261.
(101000.10.145.51100.0000.00.000.00.051)**

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Treasurer/Collector, Sal/Wage-Longevity, as voted for the FY2009 budget, from \$5,700 to \$4,950. (101000.10.145.51400.0000.00.000.00.051)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Treasurer/Collector, Legal Consultations, as voted for the FY2009 budget, from \$27,000 to \$17,000. (101000.10.145.53140.0000.00.000.00.052)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Treasurer/Collector, Fin Serv-Bond Counsel, as voted for the FY2009 budget, from \$64,600 to \$44,600. (101000.10.145.53170.0000.00.000.00.052)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for City Legal Dept, Legal Consultations, as voted for the FY2009 budget, from \$28,500 to \$15,000. (101000.10.151.53140.0000.00.000.00.052)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for City Legal Dept, Witness Fee/Lit Support, as voted for the FY2009 budget, from \$4,500 to \$3,500. (101000.10.151.53800.0000.00.000.00.052)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Personnel, Employee-Health Insurance, as voted for the FY2009 budget, from \$4,311,683 to \$4,261, 683. (101000.10.152.51750.0000.00.000.00.051)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Personnel, Medical Service, as voted for the FY2009 budget, from \$11,084 to \$6,084. (101000.10.152.51780.0000.00.000.00.051)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council

to decrease the appropriation for Personnel, Social Security Tax, as voted for the FY2009 budget, from \$442,773 to \$342,773. (101000.10.152.51840.0000.00.000.00.051)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Personnel, Contractual Services, as voted for the FY2009 budget, from \$47,500 to \$39,332. (101000.10.152.52000.0000.00.000.00.052)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to increase the appropriation for Mng Info Systems, Data Proc-Services, as voted for the FY2009 budget, from \$13,850 to \$20,800 for the purpose of CPA and water sewer programming for tax bills. (101000.10.155.53180.0000.00.000.00.052)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Mng Info Systems, Replace Equipment, as voted for the FY2009 budget, from \$58,200 to \$53,950. (101000.10.155.58700.0000.00.000.00.058)

MOTIONS: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 1 in favor, 1 opposed (Grow), to recommend to the full City Council to increase the appropriation for Fire Department, Tuition/Train-Employ, as voted for the FY2009 budget, from \$14,700 to \$64,700. (101000.10.220.51910.0000.00.000.00.051)

MOTIONS: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 1 in favor, 1 opposed (Grow), to recommend to the full City Council to increase the appropriation for Fire Department, Replace Fire Equip, as voted for the FY2009 budget, from \$0 to \$50,000. (101000.10.220.58780.0000.00.000.00.058)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Civil Defense, Sal/Wage-Perm Pos, as voted for the FY2009 budget, from \$2,000 to \$0. (101000.10.291.51100.0000.00.000.00.051)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to increase the appropriation for Veteran's Services, Vets-Direct Assess, as voted for the FY2009 budget, from \$42,750 to \$119,723. (101000.10.543.57700.0000.00.000.00.057)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Gen Fd - Sal/Wages Perm Positions, as voted for the FY2009 budget, from \$43,889 to \$27,650. (101000.10.900.51100.0000.00.000.00.051)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for Reserver for - Council Special Reserve, as voted for the FY2009 budget, from \$133,559 to \$0. (101000.10.920.59600.0000.00.000.00.059)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for the School Department, as voted for the FY2009 budget, from \$36,173,881 to \$35,873,881.

MOTION: On a motion of Councilor Grow , seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed , to recommend to the full City Council to decrease the appropriation for Auditor Professional Services permanent positions, as voted for the FY2009 budget, from \$134,250 to \$132,250. (101000.10.135.53130.0000.00.000.00.052)

MOTION: On a motion of Councilor Grow, seconded by Councilor Ciolino, the Budget and Finance Committee voted 2 in favor, 0 opposed, to recommend to the full City Council to decrease the appropriation for, Treasurer/Collector Salary/Wage temporary positions, as voted for the FY2009 budget, from \$34,800 to \$17,046. (101000.10.145.51200.0000.00.000.00.051)

TOTAL FY09 APPROPRIATION REDUCTIONS \$846,845.

It was moved and seconded to adjourn the meeting at 7:52 p.m.

Respectfully submitted,

June Budrow

Clerk of Committees