

A work session of the Town Council held for the Town of Scituate on Thursday, October 26, 2006 in the Town Council Chambers, 195 Danielson Pike, N. Scituate was called to order at 7:30 PM. Council President Richard presiding.

Council members present were Councilmen Marcello, Budway, Farrar, Marchant and Council President Richard. Councilmen Winfield and Salisbury were absent.

Council President Richard briefly explained the contents of this evening work session. He explained that this meeting is to review the upcoming budget process and give the Town departments an abbreviated look at past and future trends. He said that this is the first time in his ten years on the Council that the budget process has started this early. He said that it is good so that when the department budgets are drafted, everyone will be on the same page. He feels with the increasing difficulty in balancing the budget, we need to set priorities and long range goals. He explained that the State is phasing in a new cap on the percentage that property taxes can be raised. He explained that every year the amount will decrease until it is at a 4% level.

Council Vice-President Budway explained that the Finance Committee was formed two years ago and is composed of himself, Ted Przybyla, Don Stinchfield, Patricia Archambault and George Kuzmowycz. He said that one of their goals was to set priorities and see what the long-range plan looks like. He said that they asked each department to compile a list of capital expenditures for the next ten years and to prioritize them.

Town Treasurer Przybyla presented a power point presentation that explained the retiring of the town debt service. He said that the Council has always tried to wait until some debt was retired before going out for bonds for capital improvements. He explained that this has allowed for the Town's debt service to remain fairly constant.

Councilman Marcello asked if the Town has to pay back taxes to the PWSB will it increase our debt service?

Town Treasurer Przybyla said that that is not factored into this presentation because it is still an unknown. He also handed out a sheet of comparative information in regards to current and past budgets and what a 5% increase in taxes will yield each year. He said even with the tax increase we would still be deficient. He also explained that this is not considering the PWSB issue. He said that the debt service line item will keep increasing until 2008, at which time it will be \$1.4 million. After that time, it will go down if we do not incur any more debt.

Council Vice-President Budway said the reason for this meeting this evening is to inform the departments that it will be a hard budget year, and that they have to be very careful when preparing their budgets. They have to take a realistic look at their capital expenditure wish list and prioritize what is absolutely necessary. They also have to research new revenue sources.

Paul Lescault, Superintendent of School explained that the new mandate for the schools this year is that they can not raise their budget more than 5 ¼%. Even though the contractual obligations are far exceeding that percentage. He further explained that 80 % of the school budget is based on contractual obligations.

Don Campbell, Chief Hope Jackson Fire Company, asked the Council if they have thought anymore about instituting impact fees on new home construction.

Council Vice-President Budway said that the Council is currently looking into impact fees and limiting the amount of building permits issued each year.

Council President Richard said that instituting impact fees is not as simple as it looks. He explained that the Town would have to justify the impact fees and show the State why the money is needed and what it will be spent on.

Council Vice-President Budway said that if we start collecting impact fees, it will not have a significant impact on the overall budget, even though every little bit helps.

Paul Lescault asked if the school department should keep the 300,000 in capital expenses out of their operating budget like they did last year.

Town Treasurer Przybyla said that is a good idea.

Council Vice-President Budway said that he is asking that the town departments start to prepare their budget requests, with serious consideration to the capital expenditures and bring the capital requests out for three years with the priority noted. He said that the Budget Committee will be able to better plan for the future with a clear idea of the capital requests and their priority.

Council President Richard said that it would be easier for the department heads if they at least know what number to start with as far as salary increases.

Chief Mack stated that with the way pension and salaries are increasing, we will have to decrease services and manpower to maintain the budget. He said that the Town will actually be going backwards.

Council President Richard said that the Town has to try to get legislative relief, and if we do not, things are looking very bleak for us. He said that the Town is getting skinned on both sides, first of all we only have a residential tax base and our taxes are so low that any increase will not generate enough money to cover the contractual increases.

Councilman Marchant said that it is hard to go on a diet and lose weight if you have nothing to lose.

Council President Richard said that we will never come out ahead as far as PWSB goes, we will either stay even or lose but we will never come out ahead.

No motions or votes were taken.

Motion made by Councilman Budway, seconded by Councilman Marchant and voted by consent agreement to adjourn the meeting at 8:25 PM.

Attest:

Margaret M. Long, Town Clerk