



TOWN OF HADLEY
SELECT BOARD
August 22, 2012
Meeting Minutes

Meeting convened at 7:00p.m., Room 203, Town Hall. Joint Meeting with School Committee and Finance Committee:

Present: Gloria DiFulvio, Chair; Joyce Chunglo, David Moskin, Brian West **Absent:** Dan Dudkiewicz
Also in Attendance: Robie Grant, Molly Keegan, Humera Fasihuddin, (School Committee); Frank Aquadro, Linda Sanderson (Finance Committee); Peg Jekanowski (Administrative Assistant); Richard Trueswell (TV-5);

Discussion of Financial Plan (5-10 Year) for the Town of Hadley

Meeting was called to order. The meeting opened with discussion of revenue and possible ways to generate new revenue.

Brian West stated that the Town should consider borrowing for future capital infrastructure project expenses as the interest rate is at 0.49%. Borrowing at this rate will have minimal effect to the tax rate. It is something to consider for funding various projects. Molly Keegan cautioned that there is some risk, including maxing out borrowing, to keep in mind in pursuing this option.

Robie Grant voiced concern about how to address escalating operating cost. The value of the borrowing for capital projects is that it adds predictability into the planning process, thus one less variable in making decisions for operating costs.

Frank Aquadro stated that the Town is using Free Cash to balance the budget, so we cannot address enhancing any department budget with what we have coming in (for revenue). The question is: How do we generate revenue to address expenses. Discussion ensued about looking at departments to make sure departments are operating efficiently, and possibly redefining how money is spent. Taxes may also have to be looked at, perhaps a graduated tax system. Robie Grant stated that schools are spending money from School Choice to balance their budget, not to enhance any programs, and this will not work as a long term strategy. The School Committee is continuing to work on the process of meaningful financial reporting in regard to management of the school budget. Discussion ensued regarding unpredictability in school budgeting. Mr. Moskin mentioned that another area that will need to be addressed is (OPEB) retirement benefits.

How are we going to do this? Discussion ensued regarding inefficiencies in how Town departments may function, and the fact that all Town departments need to look at their operations to improve. Molly Keegan described the process the school is using. First, make sure the financial information is accurate. Second, they are reviewing administrative function in the office. Finally, be able to look at the (school) budget in a "programmatic" function...how much does each *program* cost. The goal is to be able to figure out how to function most efficiently by program

Robie Grant asked about bringing in Assessors to discuss potential tax revenue and what the impact of different scenarios might be. Ms. DiFulvio stated that it is hard to discuss what needs to be raised until we know the expenses. Discussion ensued and it was decided that discussions about what we need and how do we get there should run parallel. Humera Fasihuddin questioned whether a split tax rate could be considered and what the implications might be, and wanted to explore placing the financial load on the commercial sectors that put the most burden on Town services.

Chair DiFulvio asked that for next meeting the School and the Town come with an amount that will be needed for their budget, and asked that the Assessors be present to discuss tax implications/scenarios and projected new growth. The next meeting will for this group will be September 26, 2012 at 6:00 pm.

Meeting adjourned at 7:00 pm.

Respectfully submitted,

Margaret J. Jekanowski
Administrative Assistant