

**TOWN OF MILTON
2009**



Special Town Meeting

Monday, February 23, 2009

**Milton High School Auditorium
7:30 p.m.**

WARRANT

**INCLUDING THE REPORT OF THE WARRANT COMMITTEE
AND RECOMMENDATIONS ON ARTICLES
as required by Chapter 3, Section 4, of the General Bylaws of the Town**

**INDEX
WARRANT ARTICLES**

ARTICLE NO.	TITLE	PAGE
1	Fiscal 2009 Budget Reductions	
2	Authorize School Energy Contract Extension	

In compliance with the Americans with Disabilities Act, this warrant can be made available in alternative formats. The February 2009 Special Town Meeting, if requested, will be offered by assisted listening devices or an interpreter certified in sign language. Requests for alternative formats should be made as far in advance as possible.

Should you need assistance, please notify the Board of Selectmen at 617-898-4843 or 617-696-5199 TTY.

Smoking and other tobacco use is prohibited in school facilities and outside on school grounds by MGL Chapter 71, Section 37H, "An Act Establishing the Education Reform Act of 1993." This law applies to any individual at any time.

2009

SPECIAL TOWN MEETING WARRANT

Commonwealth of Massachusetts) SS.
County of Norfolk

To any of the Constables of the Town of Milton in said County:

GREETINGS:

In the name of the Commonwealth of Massachusetts, you are hereby required to notify and warn the inhabitants of the Town of Milton, qualified to vote in Town affairs, to meet at the Milton High School Auditorium on Gile Road, in said Milton on Monday, the twenty-third day of February next at 7:30 o'clock in the evening, then and there to act upon the following Articles to wit:

Articles 1 through 2

And you are directed to warn said inhabitants qualified as aforesaid to meet at the times and places and for the purposes herein mentioned by posting attested copies of the Warrant in each of the Post Offices of said Town fourteen days at least before the twenty-third day of February and leaving printed copies thereof at the dwelling houses of said Town at least fourteen days before the date.

Hereof fail not and make due return of this Warrant with your doings thereon to the Town Clerk, on or before said twenty-third day of February, next.

Given under our hands at Milton this twenty-second day of January, two thousand and nine.

Kathryn A. Fagan
John Michael Shields
Marion V. McEttrick

A True Copy: Attest

Stephen Freeman
CONSTABLE OF MILTON

**REPORT OF THE WARRANT COMMITTEE
FOR THE FEBRUARY 23, 2009 SPECIAL TOWN MEETING**

Tonight Town Meeting will be asked to hear and vote on two Articles. One of the Articles is directly related to the fiscal dilemma that our Town and many other communities in the Commonwealth are facing. The other Article will ask Town Meeting to grant the School Department permission to enter into a long-term contract for energy.

As many residents are aware the Town of Milton like most other Massachusetts communities has what is called a structural deficit. A structural deficit occurs when the rate of the growth of expenditures in a city or town exceeds its ability to raise revenues. Short term deficits due to changes in the economy are called cyclical deficits. When the economy improves the cyclical deficit is usually corrected. A structural deficit occurs because of the manner in which the municipality is organized and how it expends funds to achieve its goals and objectives. Structural deficits generally are not corrected until the structure and spending patterns of the municipality change or the ability to generate revenue increases. The Town of Milton unquestionably has a structural deficit. It currently is being further exacerbated by a cyclical deficit caused by the current recession. The cyclical deficit will eventually correct itself when the economy improves. As such with the exception of some very painful belt tightening or an operating override there is no need to look long-term to correct the cyclical deficit. On the other hand when the dust settles and the economy improves the Town will continue to face structural deficits. There are two simple ways to address a structural deficit, spend less or increase revenues. The problem with spending less is that it affects the ability of the Town to provide critical services to its residents. The problem with increasing revenues is that the Town to a large degree is statutorily limited as to type and amounts of revenues that can be raised and most of those revenues come directly from the residents. The Town can impact the structural deficit without adversely affecting critical

services by improving the efficiency and effectiveness of providing those services. The Warrant Committee understands that this is an easy statement to make and much harder to implement. While the Town may never be able to totally correct the structural deficit and thereby eliminating the need for overrides it has an obligation to the residents to make every effort possible to provide necessary services within the confines of available revenue. The reason that we are here tonight is in large part due to the deficits that the Town faces.

Article 1 seeks to reduce the Town's appropriation for fiscal year 2009 in the four largest departments and the reserve fund. The Warrant Committee has recommended total reductions of \$410,300. The reductions are in response to the looming probability that the State will reduce local aid for fiscal year 2009.

Mass General Laws Chapter 29: Section 9C requires the Governor to make budget reduction when, in the opinion of the Commissioner of Revenue, available State revenues will be insufficient to meet State expenditures. Section 9C only permits the Governor to make reductions in budgets and departments that are under his control. This power cannot be used to cut local aid, the courts, the legislature, or other constitutional offices. The Governor has, at the time of writing, requested and received approval from the State legislature to expand his powers to include cuts in these areas, however the nature of the cuts have not yet been released.

The State's current estimates are that it will be necessary to trim 1 billion dollars from the State's budget in addition to the 1.4 billion that the Governor cut in October. While it is uncertain as to whether local aid will be affected and if so to what extent it seems highly unlikely that with such deep cuts local aid will not feel some impact.

In October the Warrant Committee presented a plan to the Board of Selectmen to mitigate the affect of a potential reduction in local aid for fiscal year 2009 of 10% or approximately \$900,000. That plan

called for the Schools, Fire Department, Police Department and the Public Works Department to voluntarily curtail a portion of their spending so that each of those departments would be able to absorb a certain amount of budget reductions should the need arise. The plan called for the Schools to curtail spending equal to approximately .65% of its fiscal year 2009 appropriation. The Police and Fire Department share was 1% each. Public Works was approximately 1.4%. Those spending reductions aggregated \$350,300. The Warrant Committee would hold back \$60,000 from the reserve fund. The balance of a 10% reduction in local aid would be made up from free cash.

The Board of Selectmen embraced the plan and a joint memo was distributed to the departments affected. The Warrant Committee met with each department to discuss the plan, its impact on the department and implementation plans. All of the departments have since implemented a plan to achieve their spending reduction goal.

The School Committee has asked for approval to enter into a contract that exceeds three years. By State statute MGL 30B §12 a Municipality cannot award a contract that exceeds three years in duration without the express approval of Town Meeting. The School Department is currently assessing the concept of making certain behavioral changes in the approach to the use of energy in school buildings in an effort to significantly conserve the consumption of energy. The School Department has received initial estimates that there is a potential to save approximately \$4,000,000 in energy costs over a ten year period simply by changing the habits of teachers, students and staff. The concept is known as a formalized people oriented energy management & conservation program. The concept will require an analysis of the physical school facilities and training of teachers, students and staff as well as the implementation of an in-house monitoring program. The School Department is estimating that the contract will cost approximately \$600,000 payable over the life of the contract. Any contract that is negotiated will include a money back guarantee of the savings proposed.

The Warrant Committee applauds the School Department for proactive steps to redirect funds that would otherwise be non service providing into funds that could be used to provide critical educational services. It is this type of effort that will help to make inroads into the Town's structural deficit.

While any cost cutting initiatives should be encouraged there can be dangers associated with long-term contracts. It is for this reason that Massachusetts General Law stipulates a three year duration limit on supply or service contracts. It would be unwise to grant carte blanche long-term contracting authority to the School Department or any other Town Department. It is the responsibility of the Warrant Committee and Town Meeting to determine on a case by case basis if long-term contracts are in the best interest of the Town.

Respectfully submitted,
January 23, 2009

Tom Hurley, Chair
Ewan Innes, Secretary
Stefano Keel
Leroy Walker
Brendan McLaughlin
Barbara Martin
Kevin Chase
John Folcarelli
Omar Sanchez
George Mandell
Jean H. Powers
Raj Pathak
Eric Kelley
Maurice (Mo) Mitchell
Robert (Bob) G. O'Brien
Helen Kiddy, Clerk

ARTICLE 1 To see if the Town will vote to reduce the following appropriations voted by Milton Town Meeting for the twelve month period beginning July 1, 2008:

Department or Item	Town Meeting Vote	Current Appropriation
Reserve Fund	Article 49, May, 2008 Annual Town Meeting	\$582,924
Fire – Salaries and Wages	Article 15, May, 2008 Annual Town Meeting	\$3,884,552
Police & Youth – Salaries and Wages	Article 15, May, 2008 Annual Town Meeting	\$5,116,997
Public Works – Public Works General	Article 20, May, 2008 Annual Town Meeting	\$1,450,583
Schools	Article 36, May, 2008 Annual Town Meeting; Article 7 and Article 8, October, 2008 Special Town Meeting	\$31,779,120

and to act on anything relating thereto.

Submitted by the Board of Selectmen

RECOMMENDED that the Town vote to reduce the following appropriations voted by Milton Town Meeting for the twelve month period beginning July 1, 2008:

Department or Item	Town Meeting Vote	Current Appropriation	Reduction	Adjusted Appropriation
Reserve Fund	Article 49, May, 2008 Annual Town Meeting	\$582,924	\$60,000	\$522,924
Fire – Salaries and Wages	Article 15, May, 2008 Annual Town Meeting	\$3,884,552	\$40,000	\$3,844,552
Police & Youth – Salaries and Wages	Article 15, May, 2008 Annual Town Meeting	\$5,116,997	\$56,300	\$5,060,697
Public Works – Public Works General	Article 20, May, 2008 Annual Town Meeting	\$1,450,583	\$50,000	\$1,400,583
Schools	Article 36, May, 2008 Annual Town Meeting; Article 7 and Article 8, October, 2008 Special Town Meeting	\$31,779,120	\$204,000	\$31,575,120

COMMENT: In response to the worsening state financial picture and in expectation that the Governor's cuts would be followed with further reductions which would include local aid, the Warrant committee proposed to the Selectmen a "worst case" scenario in which the State cut \$895,800 (or about 10%) of our FY09 local aid in January 2009. This cut in local aid would have to be made up by cuts in departmental spending as well as applying reserves. The Warrant committee reviewed a number of methods of handling this cut and determined that using \$545,500 in reserves and cuts of \$350,300 in the "big four" budgets would allow the local aid cuts to be absorbed. The "big four" budgets were chosen as they have the most flexibility to meet cuts in their budgets in mid-year. This proposal was presented to the Selectmen in October with the recommendation that the departments affected endeavor to hold aside those funds in the event of cuts in January. This recommendation received their endorsement. The Warrant Committee then met with each department in turn to determine how they would hold aside the money and the effects of the cuts. At the time of going to press, the Governor has asked for and received the authority to make additional cuts to the State budget. The details of the cuts have not yet been announced but are expected to include local aid. Should the amount of the cut be less than the Warrant Committee's estimate, we will seek to hold departments as harmless as possible. Should the amount cut be greater than that forecast, further cuts may be necessary

ARTICLE 2 To see if the town will vote to authorize the School Committee to enter into a contract for energy education services for a term which exceeds three (3) years;

and to act on anything relating thereto.

Submitted by the School Committee

RECOMMENDED that the Town vote to authorize the School Committee to enter into a contract for a term not to exceed four (4) years to develop and implement an energy management conservation program for the School District

COMMENT: Massachusetts General Law Chapter 30B §12 prohibits a Municipality from procuring contracts for supplies or services for a duration in excess of three years without approval of the municipalities governing body. The proposed contract in question would design and implement a people oriented energy management conservation program for Milton Public Schools. Estimates received by the School Department indicate a potential savings approximating \$5,000,000 over a ten year period with an implementation cost of approximately \$600,000. The School department has concluded that four years is the time period necessary to properly design and implement the program. The Warrant Committee has received assurances from the School Department that the School Committee will not commit to any contract from energy conservation that does not guarantee the attainment of the projected savings. Based on the facts presented there does not appear to be undue risk for the Town by allowing the School Committee to enter into a contract of this nature for a period of four years. Conversely the potential rewards resulting from the proposed contract appear to far outweigh any risk.

SPECIAL TOWN MEETING
Monday, February 23, 2009
7:30 P.M.
Milton High School Auditorium

POSTAL CUSTOMER RESIDENT
MILTON, MA 02186

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