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Ragucci to impose spending freeze Town officials wrestling with \$600K deficit in current year budget

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STONEHAM - Clamping down on spending in the hopes of absorbing the shortfall, Town Administrator David Ragucci advised the Selectmen last week about an approximate \$600,000 deficit in the current year budget.

During a meeting last Tuesday night in Town Hall, Ragucci explained that this winter's frequent snow storms decimated the DPW's snow and ice budget for this year, resulting in a \$400,000 shortfall in that account alone.

Exacerbating the problem, the town's police department has experienced an unusually high number of injuries resulting in paid medical leave, a loss of manpower that has spiked the demand for overtime and created another \$100,000 deficit.

Lastly, school officials

have informed the town administrator about an am \$100,000 overrun in its utility budget, while the town's Planning and Zoning Board of Appeals have also run a \$3,000 shortfall in personnel line-items due to a heavier than anticipated workload.

"Licenses and permitting fees are exceeding what we had anticipated. So the revenues for FY'14 are trending very well. But on the expense side of the ledger, we are struggling," the town administrator commented.

For a number of years now, Stoneham has joined a number of its surrounding neighbors in intentionally underfunding snow and ice accounts as a way to manage budgetary restraints in other departments.

Because snow removal line-items are the only accounts that cities and towns are allowed to deficit spend from, town officials are more willing to take a risk and bet on a mild storm

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season when setting that budget.

That gamble paid off in 2012, when an unusually forgiving winter left many communities with surpluses, but more often than not in Stoneham in recent years, town officials have had to absorb deficit spending during fall Town Meeting.

According to Ragucci, because Stoneham is also contending with another \$200,000 shortfall that must be contended with at May's Town Meeting, he plans on waiting until free cash is certified at the end of the summer to deal with the snow and ice overrun.

"We're hoping we can address that once we get free cash certified, so we're not going to be looking at extinguishing that deficit at May's Town Meeting," he explained. "That's perfectly okay and

legal to do. That's the one account that you can carry over a deficit in until the following [fiscal] year."

During the recent meeting, the town administrator admitted that finding the money to balance the rest of the deficit will prove difficult.

Aware earlier this winter that the police department overtime account was being drained at a fast pace, he did notify other department heads to rein in extraordinary spending from their own budgets, but now Ragucci is prepared to enact a virtual spending freeze.

"We're hoping to be able to manage our shortfall by tightening our belt from this point forward. We've been doing that since January, but now we're going to stop spending. If you don't need it, don't buy it," he said.

The only board member or

audience member to ask questions about the deficit, Selectman Ann Marie O'Neill expressed concern over whether "belt tightening" measures like blocking the purchase of office supplies and restricting overtime approvals will be enough.

The town administrator conceded that the task will prove difficult, but saw no other viable option.

"I didn't really realize the extent of the problem [until recently], but I've been squeezing our department heads and telling them to put the brakes on spending [for months now already]," Ragucci responded.