

**Finance
Committee
MEETING
MINUTES**

February 24, 2021

Virtually

Paul Flaherty, Rick McGuire, Nick Ensko, Shawn Craig, Stephen Bern
Many guests attended meeting to hear the School Committee presentation including Upton Board of Selectmen, Mendon Board of Selectmen and Mendon Finance Committee

1 The meeting was opened at 7:02 pm virtually.

2
3 Paul Flaherty stated Committee had received minutes. Upon motion of Rick McGuire, seconded by Nick Ensko to approved the minutes from January 17, 2021. Unanimously approved by rollcall vote.

4
5 DPW Director, Dennis Westgate presented DPW budget:

- 6 • Budget is level funded except for COLA, of 1.5% for salaries
- 7 • Water – capital expenses will be coming out of other funds
- 8 • WW \$7K increase – 5% health insurance and Medicare

9
10 Director Westgate discussed article to replace a truck; the truck being replaced the ‘worst’ truck in the fleet since it is used intermittently.

11
12 Paul Flaherty spoke about the warrant article for tree clearing. Residents on Walnut St are looking for tree clearing since storms have been impacted electricity. Dennis Westgate noted the trees that are falling are not ‘dead’ trees. The warrant article would supplement the \$43k in the budget to help clean up more trees.

13
14 Brief discussion regarding the geese article. Town is looking to hire a contractor to ‘annoy’ the geese and move them away from Pratt pond to save maintenance. This will help to avoid having the close the beach due to contamination.

15
16 Discussion about extending the water main – betterment? Dennis Westgate explained any extension of water/sewer requires to assess a betterment to the homeowners based on the total cost of the project. The residents have 1 year to connect to water/sewer. BOS are water commissioners and they can decide the ratio on betterment. This rule is included in our General bylaw.

17
18 Paul Flaherty introduced Superintendent Joe Maruszczak to present the MURSD FY2022 Budget:

19
20 Dr. Maruszczak presented a PowerPoint of the Fy2021-2022 budget. Highlights of the presentation follows:

21
22 Goals of the budget:

- 23 • To address the most critical academic and social-emotional needs of our students as we emerge from the pandemic crisis
- 24 • To ensure a level services budget so that we may maintain the class sizes, programs, and services that are currently provided to our students

41 • To move our district forward in the key objectives and initiatives as detailed in our
42 strategic plan, *Inspire*

43
44 To maximize efficiencies/savings in light of the increased fiscal burden on our two communities
45 per the state funding formula

46 2020-2021 enrollment: 2,194; 2021-2022 projected enrollment: 2,213

47 Increase of 20 students although high degree of variability due to the panic

48 October 1 Enrollment Distribution:

49 Mendon: 940 (44.36%)

50 Upton: 1179 (55.64%)

51
52 • Review of class sizes: Elementary 20-21, Miscoe at 23 and Nipmuc at 23 – very
53 favorable

54 • 10-year enrollment is showing overall growth; 5-year projections included live birth
55 death. Growth is coming from Upton and Mendon is flat

56 • Dr. Maruszczak is concerned the dip in enrollment in kindergarten probably due to the
57 pandemic. There is a sharp increase in birth data and enrollment is expected to increase
58 as well.

59 • Currently there are 46 students going to private school or are home schooled. This
60 amount could create an influx of students.

61
62 Initial Projections:

63 • A \$40,095,986 proposal that is a 6.92% increase (\$2,593,986) from FY2021

64 • Maintains level services and addresses the most critical areas of need

65 • Is focused on what our students need coming out of the crisis of the pandemic

66
67 FY2022 Budget Drivers:

68 • Salaries- Salary increases (including steps and lanes): \$1,077,981(5.38%)- reserved for
69 contractual steps and lanes increases and negotiations

70 • Employee Benefits- A 2% increase in health care insurance costs is budgeted (\$100,000);
71 5.67% increase in Worcester County Retirement assessment (\$69,772)

72 • Transportation-A 3.13% increase in Regular Transportation (\$57,536); A 4.34% decrease
73 in SpEd Transportation (-\$63,000)

74 • Student Services-A 13.00% increase in out of district tuitions (\$267,412); Increase of
75 \$36,475 for ELL contracted services; Norfolk Aggie Tuition (plan for increase of 3):
76 \$65,000

77 • Buildings & Grounds-A decrease of 13.05% (\$83,391) in utility expenses due to end of
78 LED financing; An investment of \$36,000 to replace four tractors

79 • Textbooks & Instructional Supplies-New elementary math series- (\$60,000); K-2 Phonics
80 Program (\$29,000); Replacement of Pearson digital text series (\$80,000); Renewal of
81 digital HS math texts: (\$72,652)

82 • Technology-Additional investments including: including the following: \$100,000
83 hardware replacement for wireless network; \$88,000 for HP Desktop lease; \$21,000 for
84 Zoom;

85 • Athletics-An increased investment of \$50,495 to compensate the loss of gate receipts
86 from 2020-21 and underinvestment

87
88 Critical needs: Additional Positions Included in the FY22 Budget Proposal:

- 2.0 FTE School Adjustment Counselors (\$160,000) (*Miscoe & Nipmuc Bridge Program*)
- 1.0 FTE 4th Grade Teacher (\$60,000) (*Memorial*)
- 2.0 FTE Elementary Instructional Coaches (\$120,000) (*Clough & Memorial*)
- 1.0 FTE Certified Library/Media/Information Services Specialist (\$70,000) (*Nipmuc*)-
93 RESTORATION
- 1.0 FTE Tech Support (\$40,000) (*District-wide*) – RESTORATION

94
95 FY22 Anticipated Revenue:

- State Aid- \$63,090 increase (0.51%) in Chapter 70 (\$30/student)
- Regional Transportation decrease of \$14,453 (-1.32%)
- Charter Net Reimbursement decrease of \$4,179 (-16.92%)

100 Total Net Increase: \$44,458 (0.33%)

101
102 Local Assessments

- MLC to Mendon decreases by \$2,419 (-0.13% decrease); MURSD requesting an additional \$868,174 not including debt service (8.51% increase)
- MLC to Upton increases by \$361,501 (3.96% increase); MURSD requesting an additional \$1,545,688 not including debt service (12.65% increase)

107 Total local assessment increase: \$2,413,862

108
109 District Receipts

- \$600,000 from E & D; ~\$250,000 from revolving accounts & Medicaid

111 Total district receipts: \$853,309 (increase of \$164,764, 24.29%)

112
113 Dr. Maruszczak reviewed Target Share and Minimum Local Contribution

- Overall goal in MA: municipalities cover 59% of foundation budget and state aid should cover 41%
- But variations exist based upon wealth of community.... Ex- low of Lawrence (14.70%) to high of 82.5% (161 communities, the cap)
- For the FY22 calculation, Mendon & Upton are at/above their Target Share for municipal contribution (first time); 46 communities are below target share for FY22
- Both communities' TS *decreased* from FY21 percentages... multiple variables
- Target share determines a community's Minimum Local Contribution (MLC) from year to year

114
115 In Summary:

- This is the first pass of the budget... it is still early in the process. There are still variables, including:
 - Health care insurance
 - Tech expenses
 - State aid/stimulus funds
- This is an aberrant year, where there are many trends that are difficult to predict
- However, our two towns will continue to be "minimum aid communities" and there will be no emerging SOA funds to access

133 • In all likelihood, the MURSD FY22 request will exceed each community's Proposition 2
134 ½ levy limit and will require an operational override
135

136 Recall FY21 Budget situation:

137 • The original FY21 MURSD certified on 3/9/20 was \$38,961,161 proposal (6.99%
138 increase)
139 • The pandemic struck, and on 5/5/20 the budget was recertified at a lower amount of
140 \$37,133,486 (1.97% increase)
141 • Uncertainty, savings....
142 • It was recertified again on 1/11/21 for \$37,501,581 to account for finalization of state
143 budget & federal stimulus funds (2.91% increase)
144 • However, the district still has critical needs which have only intensified during the
145 pandemic

146 Fulfilling our Promise:

147 • Inspire: The MURSD Strategic Plan
148 • The MURSD Portrait of a Learner
149

150 After the presentation the following questions were presented and answered:

151 Steve Matellian – questions asking why 7 additional FTE in the midst of current conditions
152 Dr. Maruszczak discussed these are critical needs of the students. Originally requested 20 FTE
153 and it was reduced to 7 for what the kids need emotionally and academically. The flagship
154 school (Nipmuc) does not have a librarian. Use of technology will become permanent as we
155 move out of the pandemic.

156 Paul Flaherty – how did Mendon MLC go down \$2k and Upton goes up \$300k? MLC is based
157 on house property values and is growing faster. Growth factor is 6% vs Mendon is 4% and more
158 students are enrolling from Upton. Lost more Mendon students than Upton.

159 Mark Reil - BOS Mendon – thank you for presentation and see the needs of the school system;
160 Town of Mendon has critical needs as well and projects have been delayed for years. This ask is
161 considerable and will need an override. At this point Mendon is looking to zero increase from
162 last year and put the whole budget increase in the override.

163 Maureen Dwinnell - BOS Upton is also recommending zero increase from last year and put the
164 whole budget increase in the override. District is currently in contract negotiations with the
165 teachers and the amount in the budget is an estimate of what the negotiations will result in.
166 Discussion on the bussing amount.

167 Mike Meroli Mendon Finance – like to see more information of the line-item breakdown and
168 make an informed decision. Concern about an override failing, level fund could be disastrous.
169 Jay Byer asked clarifying question on Mendon's increase.

170 Total increase of salaries includes the new position. Jay Byer has the line items and would be
171 happy to review with anyone interested.

179 Phil DeZutter – Town budget – revenue increase from the 2 towns. Kenny Costa - Upton
180 Finance Director stated 2.6% increase in new revenues \$960,000. Net out the \$259k is for a net
181 of \$700,000k

182
183 Kim Newman – new growth is 630,000 MURSD is \$200,000 less

184
185 Steve Bern – past years of students and staff show a budget 20% increase in 6 years – debt
186 retired is being moved into operational budget and concerns for the future. Steve will share
187 analysis. Dr. Maruszczak indicated 6-year span is about a 3% increase; needs of the student
188 body is more expensive. \$267k for 2 students placed out of district. This is an illustrative way
189 where the operational budget is non controllable. This happens every year.

190
191 Tom Zidelis – Acting Mendon Finance Director – surprised the increase does not reflect student
192 population. Is there a possibility of using CARES act for some of the expenses? Tom asked
193 clarifying questions in regards to some specifics of the budget.

194
195 Derek Brindisi – Upton Town manager stated at a recent area meeting, it was noted DESE grants
196 available – what has MURSD done in acquiring these grants. Jay Byer money received needs to
197 be spent this current fiscal year. Another grant has been released of about \$200k to be used next
198 year. Possibility of \$75k grant. Grants have been used to supplement this year's budget with the
199 expenses. It is unknown if able to offset this year's expenses with grant monies and accumulate
200 money in E&D to be used next year. MURSD increase is much higher than area school districts.
201 Upton earmarked \$375,000 and wondered how it was increased to \$1.4. Jay Byer clarified he
202 was asking on what the Town can afford within the levy. District present the budget and the
203 Town makes the decision on how to fund it (within levy and/or override).

204
205 Brett Simas – students in Upton are very important and we have had growth in our over 55 units.
206 Critical needs around the whole Town. Opportunity to make a significant investment by building
207 a community center for COA and library. This is a difficult year to ask for a \$1.5M override and
208 a \$12M building investment. Town needs to make sure we keep the total perspective.

209
210 Paul Flaherty thanked the school district for their presentation and we will figure out the number.

211
212 Next meeting will be on 3/11/21 to review Articles, BVT and Library, citizen petition.

213
214 Adjourn at 9:19 pm

215
216 Respectfully submitted,
217 Kelly A. McElreath