

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
4 by Nick Ensko to approved the minutes from January 17, 2021. Unanimously approved by
5 rollcall vote.

6
7 DPW Director, Dennis Westgate presented DPW budget:

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

11
12 Director Westgate discussed article to replace a truck; the truck being replaced the ‘worst’ truck
13 in the fleet since it is used intermittently.

14
15 Paul Flaherty spoke about the warrant article for tree clearing. Residents on Walnut St are
16 looking for tree clearing since storms have been impacted electricity. Dennis Westgate noted the
17 trees that are falling are not ‘dead’ trees. The warrant article would supplement the \$43k in the
18 budget to help clean up more trees.

19
20 Brief discussion regarding the geese article. Town is looking to hire a contractor to ‘annoy’ the
21 geese and move them away from Pratt pond to save maintenance. This will help to avoid having
22 the close the beach due to contamination.

23
24 Discussion about extending the water main – betterment? Dennis Westgate explained any
25 extension of water/sewer requires to assess a betterment to the homeowners based on the total
26 cost of the project. The residents have 1 year to connect to water/sewer. BOS are water
27 commissioners and they can decide the ratio on betterment. This rule is included in our General
28 bylaw.

29
30 Paul Flaherty introduced Superintendent Joe Maruszczak to present the MURSD FY2022
31 Budget:

32
33 Dr. Maruszczak presented a PowerPoint of the Fy2021-2022 budget. Highlights of the
34 presentation follows:

35
36 Goals of the budget:

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

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

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

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

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

October 1 Enrollment Distribution:

Mendon: 940 (44.36%)

Upton: 1179 (55.64%)

- Review of class sizes: Elementary 20-21, Miscoe at 23 and Nipmuc at 23 – very favorable
- 10-year enrollment is showing overall growth; 5-year projections included live birth death. Growth is coming from Upton and Mendon is flat
- Dr. Maruszczak is concerned the dip in enrollment in kindergarten probably due to the pandemic. There is a sharp increase in birth data and enrollment is expected to increase as well.
- Currently there are 46 students going to private school or are home schooled. This amount could create an influx of students.

Initial Projections:

- A \$40,095,986 proposal that is a 6.92% increase (\$2,593,986) from FY2021
- Maintains level services and addresses the most critical areas of need
- Is focused on what our students need coming out of the crisis of the pandemic

FY2022 Budget Drivers:

- Salaries- Salary increases (including steps and lanes): \$1,077,981(5.38%)- reserved for contractual steps and lanes increases and negotiations
- Employee Benefits- A 2% increase in health care insurance costs is budgeted (\$100,000); 5.67% increase in Worcester County Retirement assessment (\$69,772)
- Transportation-A 3.13% increase in Regular Transportation (\$57,536); A 4.34% decrease in SpEd Transportation (-\$63,000)
- Student Services-A 13.00% increase in out of district tuitions (\$267,412); Increase of \$36,475 for ELL contracted services; Norfolk Aggie Tuition (plan for increase of 3): \$65,000
- Buildings & Grounds-A decrease of 13.05% (\$83,391) in utility expenses due to end of LED financing; An investment of \$36,000 to replace four tractors
- Textbooks & Instructional Supplies-New elementary math series- (\$60,000); K-2 Phonics Program (\$29,000); Replacement of Pearson digital text series (\$80,000); Renewal of digital HS math texts: (\$72,652)
- Technology-Additional investments including: including the following: \$100,000 hardware replacement for wireless network; \$88,000 for HP Desktop lease; \$21,000 for Zoom;
- Athletics-An increased investment of \$50,495 to compensate the loss of gate receipts from 2020-21 and underinvestment

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*)-
RESTORATION
- 1.0 FTE Tech Support (\$40,000) (*District-wide*) – RESTORATION

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

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)
- Total local assessment increase: \$2,413,862

District Receipts

- \$600,000 from E & D; ~\$250,000 from revolving accounts & Medicaid
- Total district receipts: \$853,309 (increase of \$164,764, 24.29%)

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

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

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

Recall FY21 Budget situation:

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

Fulfilling our Promise:

- Inspire: The MURSD Strategic Plan
- The MURSD Portrait of a Learner

After the presentation the following questions were presented and answered:

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

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

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

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

Mike Meroli Mendon Finance – like to see more information of the line-item breakdown and make an informed decision. Concern about an override failing, level fund could be disastrous. Jay Byer asked clarifying question on Mendon's increase. Total increase of salaries includes the new position. Jay Byer has the line items and would be happy to review with anyone interested.

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

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

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

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

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

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

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

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

Adjourn at 9:19 pm

Respectfully submitted,
Kelly A. McElreath