Finance Committee MEETING MINUTES

March 11, 2020

Town Hall

Paul Flaherty, Rick McGuire, Nick Ensko, Shawn Craig, Jonathan Calianos

Guests: Kelly McElreath, Derek Brindisi, Deb Teta, Maureen Dwinnell, Michael Fitzpatrick, David Bartlett, Steve Matellian, Sandy Hakala, Joe Maruszczak, Jay Byer, Phil DeZutter, Sean Nicholson, Vikki Ludwigson, Maureen Cohen

The meeting was opened at 7:15 pm.

Dr. Fitzpatrick from Blackstone Regional Vocation Technical High School presented BVT Budget:

- 4-year trend showing +14.29% for FY18; -4.62% for FY19; -6.45% for FY20; +9.34% for FY21
- FY2021 request is $1,339,441 from Upton including debt which is the minimum for the Town
- The Student Opportunity Act did not result in additional funds. 26 years ago, 75% came from State and Fed and 25% from member Towns. Now, it is 40% from State and 60% from member Towns.
- 2 additional students from last year
- Total budget increase is 3.9%
- $225,000 in reserves is being contributed
- Capital projects has been funded by grants
- Saving monies by utilizing solar farms for reduced energy costs; Self-funded the roof replacement – monies being held in reserves will be used and the MSBA will reimburse 55%;
- Review of the FY2021 Budget book and emphasis certain revenues and expenditures
- Dr. Fitzpatrick will share BVT capital budget plan with the Town Manager

Joe Maruszczak from Mendon Upton Regional School District presented the FY2021 budget:

- Education has changed over the last 25 years
- 1990s – traditional instruction and that is what was needed at the time
- List of most in-demand careers of the 2020s to show the difference in what is needed 25 years later
- Classrooms of today – no longer traditional desks-students are doing different activities throughout the room, students are debating among each other, using technology to enhance research, skyping with authors
- Skills and competencies students will need for the future
- Need for level service and critical needs
- Mission: We empower all learners to thrive
- October 1 Enrollment Distribution: Mendon: 963 (44.48%) - Upton: 1202 (55.52%)
- District has maintained reasonable class sizes for the past 5 years
- Review of NESDEC projection statistics – 1st time in 10 years there is a prediction of an increase. Prediction 300 students in 10 years and 100 students over the next 5 years; Most of the increase will come from the Town of Upton (270) and Mendon (34)

- A **$38,961,171** proposal that is a 6.99% increase ($2,546,229 from FY2021. It maintains level services and addresses some critical needs. Also maintains optimum class sizes and builds on the district's strategic priority of SEL supports and inclusionary practices
- Salary increases (including steps and lanes): $636,692 (3.17%)- reserved for contractual steps and lanes increases and negotiations
- Employee Benefits - A 11.96% increase in insurance costs is budgeted ($574,597) increase in premium, employee changes, & deductibles; 9.90% increase in Worcester County Retirement assessment ($77,050)
- Transportation - A 6.54% increase in Regular Transportation ($111,440); A 5.30% increase in SpEd Transportation ($65,000)
- Student Services - An 86.72% increase in charter school tuition charges: ($92,615); A 4.57% decrease in out of district tuitions (-$78,293)
- Buildings & Grounds- An increase of 7.15% ($90,550) in building maintenance, as Nipmuc burner ($20,550) remains a concern, and for maintenance of equipment
- Textbooks & Instructional Supplies - Upgrade of elementary literacy series: Reading Wonders 2020- ($28,520); Renewal of digital HS math texts: ($18,753
- Technology - An investment of $60,000 for purchase of student technology and applications at all levels
- Critical Needs included in the FY21 Budget Proposal: 2.0 FTE School Psychologists ($160,000) (coupled with reduction of $95,000 of contracted services): NET $65,000; 1.0 FTE Elementary Special Education Team Chair ($90,000); 1.0 FTE High School Certified Library/Media/Information Services Specialist ($80,000)
- Omitted form FY21 Budget include: Clough Math Coach, Clough Literacy Coach, Clough Academic Tutor (restore), Clough FLES Teacher, Clough SpEd Inclusion Teacher, Clough Admin Assistant (.5 FTE), Memorial Math Coach, Memorial Literacy Coach, Memorial Academic Tutor (restore), Memorial FLES Teacher, Memorial SpEd Inclusion Teacher, Memorial Admin Assistant (.5 FTE), Miscoe Special Education Teachers (4.0), Miscoe Health Teacher, Miscoe Library Media Specialist (restore), Miscoe School Adjustment Counselor, Miscoe Practical Arts Teacher, Miscoe Engineering Teacher, Nipmuc English Teacher (restore), Nipmuc Technology Teacher (restore), Nipmuc Math Teacher, Nipmuc Special Education Teacher, District-Wide Tech Support (restore)
- State Aid Revenue: $65,310 increase (0.52%) in Chapter 70 ($30/student), Regional Transportation increase of $19,715 (1.72%), Increase in Charter Reimbursement ($31,193), Offset by an Increase in Charter Tuition ($92,615), Total Net Increase: $23,603 (0.17%)
- Local Assessments Revenue: MLC to Mendon increases by $491,828 (6.80% increase); MURSD requesting an additional $803,205 not including debt service (13.38% increase or **$1,295,033**), MLC to Upton increases by $469,452 (5.42% increase); MURSD requesting an additional $1,002,245 not including debt service (12.57% increase or **$1,471,697**), Total local assessment increase: $2,766,730
- District Receipts Revenue: $0 from E & D ($300.000 less than FY20); $250,000 from revolving accounts & Medicaid, Total district receipts: $250,000
- School funding law lead by Governor Baker proposes $304M in new aid. Facts: 80% of all new funds are being allocated to 35 districts; 183 of 318 districts (57%) receive the minimum increase of $30/student

- Increase to Mendon is $**1,295,033** and to Upton **$1,471,697;** MURSD understands this is a significant request and are not within the Prop 2 ½ limit.
- Target Share: Starting in 2007, the State established the current funding formula… one where a greater burden for financing PK-12 education would be on municipalities. Target Share Contribution: establishes a goal of how much each municipality should contribute to public K-12 education, based upon two factors- Aggregate property values and Aggregate personal income levels
- 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 (13.70%) to high of 82.5% (157 communities are at the cap)
- Mendon & Upton are two of 101 communities (29%) that are below their Target Share for municipal contribution. Both communities are approaching the cap of 82.5%. Progress has been made but DESE changes most town's Target Shares annually…. Target share determines a community's Minimum Local Contribution (MLC) from year to year
- ***Bottom line full funding (noted above)***
- *Funding of level services*: Mendon FY21 Assessment: 10,848,821; Increase of $1,173020 or 12.21%; Upton FY 21 Assessment: $13,039,911; increase of $1,318,794 or 11.25%
- *Funding not based on needs but revenue based:* Mendon FY21 Assessment: 9,913,291; increase of $237,490 or 2.45%. Upton FY21 Assessment: $11,866,892; increase of $145,775 or 1.24%. This scenario, the total MURSD FY21 budget would be $36,577,695; increase of $163,765 representing a shortfall of $2.1M. The following implications could apply:
    a. Layoffs of 35-40 professional and support staff
    b. Class size increase to 28-33 across all levels
    c. Reduction of programs such as music, arts and world languages
    d. Few special education support and interventions for students with academic and social emotional needs
    e. Increase of user fees for MS and HS athletics.
    f. Cuts in tech and instructional supplies
    g. Adverse action against Nipmuc's Accreditation
- MURSD is at significant inflection point
- Neighbor communities of Northbridge and Uxbridge are cutting from school budgets and 118 students attend MURSD
- District could return to 2009-11 where 20% of the staff was cut
- District could also return to 2015 where 2 successful overrides passed where there are positive headlines of continues and unprecedented success such as Nipmuc is recognized as a national high school
- School Committee holds Superintendent to meeting the goals of strategic plan and MURSD Portrait of a Learner
- MURSD need community support again 5 years later to thrive through 2025.

Comments included the following:

- Per pupil spending is not a far comparison because of health care costs to single town district; healthcare is $5.5m. Hopkinton is $10,853 and MURSD is $10,551
- Charter school expenses

- 13 students at Aggie at $23k per student + transportation
- MURSD works with an agent in regards with health insurance. Harvard Pilgrim Health has been benchmarked fairly. 430 employees are on the insurance. There is no opt out provision.
- Need to finalize E&D number and reconcile with capital stabilization
- The number is what the number is and it needs to be determined what the amount of the override will be

Paul Flaherty updated the Finance Committee that the Community Center Building Committee met to interview one of the OPM candidates. More interviews will be held this week for a recommendation to the Town Manager.

Motion by JC, seconded by RM to approved the minutes from February 26. Voted unanimously

Update to Finance Committee from BOS review of ATM warrant:

- Elimination $5K from budget and article
- Elimination stabilization article
- BOS approved the $562,380 for road article
- Expecting $50K needed for snow and ice
- Elimination Maple Ave Sidewalk
- Elimination of Russell Ave
- Elimination of prior year invoices
- Discussion of NOVAtime for payroll – short term fix
- Article 17 – regarding ADA transition plan – resident is looking to have the BOS pay the $30k out of the trust fund JC/PF to reconsider the vote – majority for favorable recommendation

Paul Flaherty discussed a meeting held to discuss the ADA transition plan. There are older transition plans and unsure of the cost of the plan. Resident is looking for $15k from trust fund and remaining balance from CPC. It was noted an email received that CPC is not eligible to pay for transition plan

Motion by JC, seconded by SC to add qualification for favorable recommendation from the Finance Committee: review existing, older transition plans; apply for a grant for the transition and if they are disapproved for the grant, can use the article funds under the direction of the Town Manager. Voted by majority.

Next meeting March 24 with BOS at 7:00

Motion to adjourn at 10:15 pm

Respectfully submitted,
Kelly A. McElreath