

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING
1/13/10

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Meeting Date: January 13, 2010

Called to Order: 6:01 PM

Finance Committee Members Present: Rob Allen, John Hanold (left at 7:45 PM), Andrew Killeen, Michael Naughton, Marge Levenson and Lynn Reynolds.

Montague Selectmen Present: Patricia Pruitt and Mark Fairbrother

Others Present: Frank Abbondanzio (Town Administrator), Carolyn Olsen (Town Accountant) and Jeff Singleton (GMRSD School Committee).

Welcome: New Finance Committee member Andrew Killeen was welcomed.

Minutes

BOS Moved: To approve the minutes of December 2, 2009.

Vote: 2 In Favor 0 Opposed 0 Abstained

BOS Moved: To approve the minutes of January 6, 2010.

Vote: 2 In Favor 0 Opposed 0 Abstained

FC Moved: To approve the minutes of January 6, 2010.

Vote: 4 In Favor 0 Opposed 2 Abstained

CDBG Letter for Unity Park

Mr. Hanold signed a letter on behalf of the Finance Committee to the Department Of Housing and Community Development stating that the Finance Committee will be unable to support additional town funding for Unity Park improvements, but would like to see the project supported by the DHCD.

FC Moved: To approve the letter to DHCD.

Vote: 5 In Favor 1 Opposed 0 Abstained

Hearing Schedule

Updates in the budget hearing schedule were provided.

The Finance Committee and Board of Selectmen decided to meet with the Council on Aging and Veteran's Agent. They would also like to see a written explanation from the Veteran's Agent discussing the increase in that budget.

Early Issues for FY11 Budget

Tree Warden Budget – the Board of Selectmen prefer to leave this as a separate budget.

Historical Funding for the Town and the GMRSD

Mr. Naughton reviewed his spreadsheets showing the use of various funding sources for the operating costs of the GMRSD and the Town for FY09 and FY10. The historical percentage allocations for Town-GMRSD using just ATM appropriations were 51.97%-

48.03% in FY09 and 51.45%-48.55% in FY10. The final allocations were slightly more weighted to the GMRDS due to supplemental appropriations from reserves, but Mr. Naughton feels that the ATM allocation best reflects intent and affordability.

When we met in December to discuss how to create an affordable assessment we decided on a 50/50 split. Last week there was discussion on whether this was an appropriate split given the historical percentages. Mr. Naughton asked if we should revisit the split.

Mr. Naughton would like to have entities like the state and federal government start keeping their promises to fund education so that only 45% or less of town funds are going to GMRSD. Recognizing the unlikelihood of this happening, using the FY09 split of 52% Town 48% GMRSD is better than the 50/50 split and will help prevent further reduction of services on the town side.

Ms. Levenson thinks changing the split is changing the message that we gave GMRSD earlier. Mr. Naughton responded that members of the School Committee asked what the town felt was an affordable assessment, and we now have reasonable and historical information on which to adjust the split.

Mr. Singleton noted that last year we hammered the affordable assessment calculation and he thinks we should stick with what was done last year. If you radically change what you did last year you have to have a very specific reason for it. If you kept last year's affordable calculation, you could keep the percentage from last year.

Mr. Allen feels that a compelling reason for going to the 50-50 split is to set the guideline that this will be the split for the next two years and the town is willing to give the GMRSD a little more this year in exchange for that consideration.

Ms. Reynolds passed out a revision of last year's affordable assessment calculation.

Mr. Naughton responded to Ms Levenson that we are not setting any revised split as a bottom line to take it or leave it, we are giving them information about what the town considers to be affordable. And he doesn't think the 50% is affordable.

FC Moved: To change the allocation of the revenues and available funds for operating budgets from 50/50 to 52% to the Town and 48% to the GMRSD.

Vote: 4 In Favor 2 Opposed 0 Abstained

It was reiterated again that this is still a starting point, and may be subject to change.

Preparation for Meeting with DESE

We have received responses from Senator Rosenberg, Representative Kulik and Representative Donelan, all of whom plan to attend the meeting if their schedules permit.

We are now in second year of fiscal oversight by state due to lack of agreement on district budget. This resulted in the Commissioner of DESE setting the District budget and the town assessments. At same time, the GMRSD has been labeled as underperforming, and member towns are struggling with how to fund the district. There are roles here for the towns as payers of assessments, the School Committee as determiners of their budget, the GMRSD administration as providers of education, DESE as oversight, and the state in setting standards and funding mandates. The question is does the town have the responsibility to pay whatever no one else will pay or do we have a role to say "this is all we have". The same is true for DESE and the state. Part of objective of this meeting is for people to talk together at one time.

Ms. Levenson stated that last year meetings resulted in patch, and now we want to come up with a plan with long term fiscal sustainability. We want rational budgeting.

Ms. Reynolds added that while it sounds terrible that the state's taking us over, this is an opportunity because now they must acknowledge their responsibility to fund education. Now if they do things to us that cause us to fail, then they will be asked to take responsibility.

Mr. Naughton sees this meeting as focusing on what DESE going to do to help us get an affordable plan.

Ms. Pruitt said that we have to demonstrate our appreciation of the school's financial bind if we hold our financial line. The GMRSD has an approximately \$790K increase in their preliminary level services budget.

Mr. Hanold left at 7:45 PM.

Mr. Abbondanzio is concerned that if the state administration decides that education is more important, they may not cut Chapter 70 aid for FY11, so they may cut state aid to towns instead. He noted the impact of charter schools drawing resources away from towns and questioned when the state is going to start looking at other education polices.

Mr. Singleton offered his opinion that we should separate out our decisions about using reserves and explain what we're doing and why. We need to develop a rationale for not using more reserves in order to get School Committee buy in.

Next Meeting: January 20, 2010 at 6:00 PM

Adjourned at 8:05 PM.

Respectfully Submitted,
Carolyn Olsen