

JOINT BOARD OF SELECTMEN AND FINANCE COMMITTEE MEETING
7/28/10

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Meeting Date: July 28, 2010

Called to Order: 6:00 PM

Finance Committee Members Present: John Hanold, Andrew Killeen, Lynn Reynolds and Michael Naughton

Board of Selectmen Members Present: Pat Allen, Chris Boutwell and Mark Fairbrother

Others Present: Frank Abbondanzio (Town Administrator) and Carolyn Olsen (Town Accountant), Jeff Singleton (Gill-Montague Regional School District School Committee)

Minutes

Finance Committee Moved:

To approve the minutes of July 14, 2010 as amended.

Vote: 3 In Favor 0 Opposed 1 Abstained

Board of Selectmen Moved:

To approve the minutes of July 14, 2010 as amended.

Vote: 3 In Favor 0 Opposed 0 Abstained

Election of Officers and Set Meeting Times

The committee periodically addresses the best time for meetings. Mr. Hanold asked it there was any sentiment to move the meeting time up to 5:30 PM. There was consensus to leave the meeting time at 6 PM.

Mr. Hanold asked for nominations for Finance Committee Officers.

Mr. Naughton nominated Mr. Hanold for Chair, seconded by Ms. Reynolds.

Vote: 3 In Favor 0 Opposed 1 Abstained

Mr. Hanold nominated Mr. Naughton for Vice-Chair, seconded by Mr. Killeen.

Vote: 3 In Favor 0 Opposed 1 Abstained

Mr. Killeen nominated Ms. Reynolds for Secretary, seconded by Mr. Hanold.

Vote: 3 In Favor 0 Opposed 1 Abstained

Recommendation for the Special Town Meeting Article requesting an additional \$386,316 for the Fiscal Year 2011 Gill-Montague Regional School District Assessment

Mr. Hanold asked for brief description of pros and cons of a compromise budget as opposed to a vote for no additional funding for the district.

The compromise under discussion is to offer the district 50% of the difference between the requested amount and the current town appropriation.

The advantages to a compromise budget are:

- It sends a positive message to both the community and the state regarding collaboration between the school district and the town.
- If we continue to hold out until December, the Department of Elementary and Secondary Education will emphasize that the district has level funded their budget and force town to accept full amount.
- There is concern that if we don't at least support a compromise budget, the state will see the town as intransigent and give the school a higher percentage of their requested budget. If we offer a compromise, there is some thought that the state might then consider reducing the final budget and assessment amounts.
- The spirit of the Annual Town Meeting was to support a compromise.
- If a compromise amount is approved by both Town Meeting and the School Committee, it eliminates the time and expense of dragging the process through District Meeting and another Special Town Meeting.

The disadvantages to a compromise budget are:

- It is not responsible to support a compromise budget without a clear plan to resolve the structural deficit.
- By the town not approving a budget that the district can agree to, the state is forced to stay involved and presumably assist in solving the structural problem.
- The Technical Committee does not see how a compromise now will help in the future unless it can be tied to either reductions in the district budget or additional state funding in the future. Therefore the Technical Committee does not support a compromise until after the November 1st deadline for the Department of Elementary and Secondary Education to create a plan for the district's fiscal stability. They are looking forward to supporting a compromise by Dec 1st.
- There does not appear to be any motivation for the School Committee to support anything less than the 1/12th budget currently approved by the Department of Elementary and Secondary Education (which is equal to the Fiscal Year 2010 budget).
- Mr. Singleton noted that if the compromise goes through, the school district will probably have to use their Excess and Deficiency funds to make up the shortfall, and this will make it unavailable for their current plan to use it for next year.

Mr. Hanold asked if there was any support for paying the entire request. No one supported this.

Board of Selectmen Moved:

To recommend to Town Meeting, in spite of the fact that the numbers are unsustainable, an additional amount of \$193,068 for the Fiscal Year 2011 Gill-Montague assessment, with \$129,355.93 to be funded from the Gill-Montague Regional School District Stabilization Fund and \$63,712.07 from the Town's Stabilization Fund, with the understanding that the Department of Elementary and Secondary Education will be coming to the Gill-Montague Regional School

District on September 1st to work on the educational plan as well as meeting the November 1st deadline for creating a plan for fiscal sustainability for the school.

Vote: 2 In Favor 1 Opposed 0 Abstained

Finance Committee Moved:

To recommend the amount of \$193,158, for the Fiscal Year 2011 Gill-Montague assessment, with \$129,355.93 to be funded from the Gill-Montague Regional School District Stabilization Fund and \$63,802.07 from the Town's Stabilization Fund, with the stipulations offered by the Selectmen.

Vote: 2 In Favor 2 Opposed 0 Abstained

Finance Committee Moved:

The Finance Committee recommends that no additional money be appropriated at this time. We recognize that the amount recommended at the Annual Town Meeting may not be enough to fund the district adequately, and we recognize the need to use reserves to help the school district achieve financial stability but we are unwilling to recommend doing so without a plan for how such stability will be achieved, and therefore we do not recommend using any additional reserves at this time.

Vote: 2 In Favor 2 Opposed 0 Abstained

Target for Reserve Use for Fiscal Year 2012 Budget

There was general consensus by both committees to work towards using reserves only for non-recurring capital items for the Fiscal Year 2012 budget.

The Board of Selectmen concur, but Mr. Boutwell noted that if we need to use reserves for the school budget and the town needs something, fair would be fair.

The Board of Selectmen adjourned at 7:15 PM.

Areas of early Committee emphasis during Fiscal Year 2011

Mr. Killeen would like to advocate a thorough review of municipal compensation and benefits to determine if we're in a responsible position relative to competitive private levels. He would love to extend that to the GMRSD.

Mr. Naughton noted that there was the expectation that the town website would affect things, and suggested that departments document the effect of the website on their operations as part of their budget package.

Mr. Hanold is interested in a more coordinated use of information technology in the town, and adequately funding it.

Mr. Hanold would also like to review the stipend situation and decide if we need to address it for Fiscal Year 2012.

Mr. Naughton would like the Finance Committee to have a larger role in the budget package that gets sent to department heads. It would be nice to discuss with the Selectmen what the Finance Committee would like to see in the scenarios. There was general consensus that the practice of requesting different scenarios of flat percentage reductions is not particularly useful, and therefore is not an effective use of time to create.

Items for the next meeting's agenda:

- Special Town Meeting result
- Follow up on the meeting between the Technical Committee and the Department of Elementary and Secondary Education on August 10th

Listing of Documents and Exhibits

- Stabilization balance estimates for funding various amounts for the Fiscal Year 2011 Gill-Montague Assessment and a summary of Stabilization funds used for Fiscal Year 2011.
- Mr. Singleton's requested resolution regarding the Special Town Meeting Article.

Next Meetings:

August 11, August 25, September 8

Adjourned at 7:45 PM

Respectfully Submitted,
Carolyn Olsen