

Meeting Date: March 2, 2011

Called to Order: 6:00 PM

Finance Committee Members Present: Lynn Reynolds, Rob Allen, John Hanold, and Andrew Killeen

Selectmen Present: Pat Allen, Chris Boutwell and Mark Fairbrother

Others Present:

Town: Frank Abbondanzio (Town Administrator) and Carolyn Olsen (Town Accountant)
Gill-Montague Regional School District: Superintendent Carl Ladd, Director of Business and Operations Lynn Bassett, School Committee Chair Emily Monosson

Minutes

Finance Committee Moved:

To approve the minutes of February 16, 2011.

Vote: 4 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To approve the minutes of February 16, 2011.

Vote: 3 In Favor 0 Opposed 0 Abstained

Airport Budget – Taxation Funding

The Airport budgets for Fiscal Years 2010 and 2011 were funded in part by \$6,277 of taxation in each year. The Fiscal Year 2012 budget request of \$36,427 is slightly less than the current year's appropriation.

Mr. Fairbrother observed that lease renewals for hanger space contain rent increases, so Mr. Hanold proposed keeping the estimated user fees the same in Fiscal Year as in Fiscal Year 2011 and reducing the amount of taxation to \$6,164 to reflect the reduction in budget request.

Finance Committee Moved:

To estimate \$30,263 in Airport User Fees and fund the remaining \$6,164 by taxation.

Vote: 4 In Favor 0 Opposed 0 Abstained

Selectmen Moved:

To estimate \$30,263 in Airport User Fees and fund the remaining \$6,164 by taxation.

Vote: 3 In Favor 0 Opposed 0 Abstained

Town Administrator's Report

Mr. Abbondanzio shared his 55-page report on the departmental impact of 10% and 20% budget reductions. The report reviews the significant changes in revenues and

expenditures over a ten-year period and how that has impacted the town budget and the allocation of resources. Mr. Abbondanzio's presentation included the following:

- The historical origin of the structural deficit
- The impact and consequences of a "Doomsday" scenario of wholesale, across the board cuts of 20%
- Alternatives to budget cuts
- The conclusion that this scenario is not a foregone conclusion, but that good management and a high level of fiscal discipline will be required to avoid its need

The full study is available in the minutes file.

Gill-Montague Regional School District Fiscal Year 2012 Budget and Assessment

- A two page summary of the budget was presented which showed the changes from the current year budget by major category.
- The school district is committed to proposing a level funded budget of \$16,408,162 in keeping with commitment made in the Compact for education funding.
- The largest increases were \$240,000 in salaries, \$120,000 in GIC Insurance, and \$30,000 in utilities.
- In order to arrive at a level funded budget the district need to make cuts of \$404,000 to offset increases in other areas.
- These cuts were in addition to the \$800,000 in cuts needed to provide a level funded budget for Fiscal Year 2011 and the \$200,000 in cuts needed to meet the Commissioner's budget for Fiscal Year 2010. Totals cuts are about 1.5 million in this period.
- Most of the cuts to offset the Fiscal Year 2012 increases were in personnel because most other categories had been reduced to minimum amounts during the previous rounds of cuts. The plan is a reconfiguration of the central office, a reduction in administration costs of \$240,000, and a reduction of other personnel at the building level of \$160,000. Some of the latter savings will take place by not replacing 3 retiring employees and reallocating their duties.
- The district is working to keep total expenses level at the same time they are trying to turn the district around. They are asking for more commitments to change practices and improve student achievement while holding back resources.
- The presented budget is really a business plan. It identifies priorities which are people. The strategies are to keep the impact of cuts as far away from the class as possible.
- Mr. Ladd noted that in the past the district has tried to be all things to all people, but the district doesn't have that capacity. The district has to focus on fewer priorities and some things will have to not be addressed.
- Mr. Killeen asked if the district is on a sustainable path with this budget. Mr. Ladd responded that there is a limit to savings from efficiencies and staff reductions and that this limit has been reached. Mr. Ladd does not feel that the district can absorb a third year of a level funded budget. Mr. Ladd noted that the

- Compact assumes 2.5% annual budget increases but that past increases averaged 4%. It will be a challenge to slow the budget growth as salary drivers alone make that difficult. The district's long term sustainability will end up as a community choice of whether the district is worth the investment. So if the increase needed is 3% rather than 2.5%, Mr. Ladd would hope the communities would support that.
- There was a discussion of the impact of School Choice and what could be done to improve it. Mr. Ladd stated that while the district currently has a net loss of \$400,000 due to School Choice and Charter schools, most people don't recognize that the district is the second highest in the county in terms of the number of students that Choice in. The district's goal is to make the district as user friendly as possible to parents in order to retain current students. It was also noted that the strong early education program, sports and theater programs, and advanced placement classes are draws to bring students into the district.
 - Mr. Hanold noted that the state is not meeting their part of the Compact regarding transportation and Chapter 70 aid, and asked if there was any hope that this would change. Mr. Ladd stated that the Compact is a three-legged stool and that the towns and district are doing their part. Mr. Ladd asked that when talking to legislators, we remind them that the state is not doing their part in making sure education is funded appropriately. The state also does not allow municipalities and districts to deal with health insurance outside of collective bargaining. Ms. Allen suggested that the Technical Committee communicate to the state that towns and school are doing their part and remind the state of their responsibilities.

Mr. Allen left at 8 PM.

Capital Requests

The district has submitted requests to the Capital Improvements Committee to pave the parking lot on the Sheffield campus, finish the chimney and liner at Sheffield, and make the steps of the Auditorium ADA compliant. The total estimated cost for all three projects is \$131,000, with the biggest project being the paving.

Response to Town Administrator's Report

The ad hoc committee, consisting of Pat Allen and Andrew Killeen, has some recommendations. Ms. Allen handed out suggested actions and noted that more work needs to be done.

List of Documents and Exhibits

- Town Administrator's Report "Planning for the Doomsday Scenario"
- 2011 Suggested Actions to control costs in future budgets (March 2011)
- Gill-Montague Regional School District summary budget for Fiscal Year 2012

Next Meeting

March 16, 2011	Franklin County Technical School, Capital Improvements
March 23, 2011	Retirement Articles, Finance Committee Report to Town Meeting
March 30, 2011	Preliminary Budget Votes including Funding

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April 6, 2011 Final Budget Votes
April 13, 2011 Final Changes to Finance Committee Report to Town Meeting

Adjourned 8:40 PM

Respectfully Submitted,
Carolyn Olsen