

FINANCE COMMITTEE MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, JANUARY 31, 2018
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The Chair opens the meeting

- Meeting was opened at 6:00 PM in the Upstairs Meeting Room
- **Selectboard Members present:** Richard Kuklewicz. Christopher Boutwell and Michael Nelson were absent.
- **Finance Committee members present:** Michael Naughton, Jen Audley, Fred Bowman, Richard Widmer, Chris Menegoni and John Hanold. Greg Garrison was absent.
- **Montague staff present:** Town Administrator Steve Ellis and Town Accountant Carolyn Olsen
- **Gill-Montague Regional School District (GMRSD):** Superintendent Michael Sullivan, Director of Business and Operations Joanne Blier, Tech Director Tina Mahaney, and School Committee members Timmie Smith (Chair, also Chair of Gill Finance Committee) and Jane Oakes
- **Gill:** Administrative Assistant Ray Purington, Selectmen John Ward and Greg Snedeker and Finance Committee Member Sandy Brown
- Others Present: Reporter Christine Wisniewski of the Greenfield Recorder
- The Finance Committee Chair announced that the meeting is being recorded by MCCI, and asked if anyone else was recording the meeting. No one else was recording the meeting.

Minutes –

Finance Committee Moved:

To approve the minutes of January 24, 2018.

Vote: 6 In Favor 0 Opposed 0 Abstained

GMRSD Fiscal Year 2019 Budget and Assessment

Superintendent Sullivan provided documents for and reviewed the preliminary budget approved by the GMRSD School Committee on January 23rd, which included the following points:

- An enrollment graph showed the trends for both foundation enrollment (all school-age children in the district) and district enrollment from 2006 to 2018. While both enrollments have decreased over time, the gap has been closing since 2016. This shows that more students have chosen to stay in the district in the last two years. It appears that the Hillcrest kindergarten enrollment may grow slightly.
- The District has recently been awarded two major grants. The \$200,000 Powertown in the 21st Century grant provides funding to design high school programs that award credit for demonstrations of competence rather than “time served” and that tie non-school experiences to learning. A second grant provides \$110,000 to explore increased efficiencies and potential regionalization with Franklin County Technical School (FCTS) and the Pioneer Valley Regional School District (PVRSD). The District is specifically looking at sharing programs with FCTS and sharing administration with PVRSD.
- Most revenue streams are fairly level, so town assessments are increasing more to meet a greater percentage of total budget increases. State Aid as a percentage of the budget is declining over time. Use of Excess & Deficiency (E & D) has been declining by design. The Governor’s budget includes Chapter 70 Aid increases of \$20 per student, but based on the assumption that the legislature will add to this amount, the District has budgeted an increase of \$30 per student.

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- Medicare revenue has dropped by over 50%. While the Fiscal Year 2018 budgets \$533,000 for Medicare reimbursements, the actual revenue is expected to be approximately \$260,000. The large reduction for Medicare reimbursement is based on the new understanding of the program. There will be a long payback period of what was over-reimbursed in past 10 years.
- The District proposes using only \$100,000 of E&D to reduce Fiscal Year 2019 assessments. As budgets are tighter, there is less surplus at end of year to become E & D.
- Charter school reimbursement revenues are expected to drop, but this is good because it means there are declining numbers of students leaving to go to charter schools.
- Transportation reimbursements are expecting to remain at about 70% of budgeted costs.
- In creating the Fiscal Year 2019 budget, the administration began by using Montague's affordable assessment of \$9,745,317 and extrapolating Gill's share for the total assessments to towns. Once that budget was created, the total town assessment was allocated according to policy. Due to changes in the minimum contributions required of each town by the state, the actual operating assessment to Montague increased by \$65,843 to \$9,811,160. This results in an assessment increase of 4.99% instead of 4.27%. At the same time, Gill's assessment dropped by \$65,843 from \$1,696,013 to \$1,630,170. The District would need to cut an additional \$74,627 from their budget to meet Montague's Affordable Assessment of \$9,745,317. This budget reduction would further reduce Gill's assessment to \$1,621,386.
- Activity in the Circuit Breaker Revolving Fund has leveled off, with revenues and expenditures remaining more balanced.
- Increasing beginning balances in the School Choice Revolving Fund act as a cushion for uncertainties.
- The increase in Montague's Affordable Assessment from Fiscal Year 2018 to FY2019 (net of excluded debt) provided a \$390,000 increase. The District tightened utility and maintenance accounts to reach the goal of the preliminary Affordable Assessment amount.
- The Administration budget increased due to increases in software license fees and shifting these expenses from Instruction to Administration, where they are more appropriate.
- Instruction includes costs for teachers, paraprofessionals, principals, textbooks, learning supplies, and computers. The budget includes step and cost of living increases for staff. The overall reduction results from a decrease in staff as well as reducing budgets for professional development and materials.
- Student Services includes transportation, nurses, athletics, student activities and food services. The major cause of the increase is transportation cost for out of district special education students.
- Operations include custodial/maintenance personnel, equipment, supplies, building repairs, grounds keeping, utilities, and network technology.
- Benefits & Insurance includes workers compensation, health insurance, retirement, unemployment, general insurance. In response to Mr. Naughton's question about the increase in the benefits budget, the budget includes a 5% health insurance rate increase and benefits for five new retirees. There is no change to health insurance plans, but there are changes in enrollment choices. Mr. Kuklewicz asked about the cost allocation between the district and the employees and retirees. The split ranges from 90/10 to 75/25 depending on the plan. Most employees and retirees choose plans with a 90/10 split. It was noted that this is more generous than the towns and also many surrounding districts.

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- Tuition includes a planned \$50,000 increase in school choice tuition, a \$150,000 decrease in charter tuition (expenditures vary by charter school but averages 15-16k per student), and an increase of \$226,000 for special education out of district tuition..
- The major budget reductions are \$25,000 for professional development, \$54,000 in textbooks, instructional supplies, and equipment, \$71,000 in facilities, operations, and utilities, and \$230,000 in faculty reductions. Two of the faculty reductions are teachers, and the District is trying to align reductions with people already planning to retire.
- Expenses that are desired, but not included in the budget are:
 - Additional elementary reading and math support positions
 - A school resource officer
 - A new elementary literacy program
 - Chromebooks for all high school students
 - An afterschool program at Hillcrest elementary school
 - Staff to provide instructional coaching and/or coordination for curriculum/instruction/assessment/professional development
 - Staff for expanded family support/outreach
 - A new maintenance vehicle.
- Mr. Naughton asked whether this list was ordered by priority, and Dr. Sullivan said it was not.
- The foundation enrollment ratio between Gill and Montague is fairly steady, but a greater percentage of Gill students (33% as opposed to 25% of Montague students) are not actually attending the District. This has caused an increase in Montague's share of the District assessments, which in turn has caused the total affordable assessment to rise at a slower rate than Montague's affordable assessment.
- Mr. Naughton noted that enrollment split would be even more weighted to Montague without the additional 17 Montague students going to the FCTS.
- Of the District's Capital requests totaling \$139,000, the most pressing need is \$72,000 for upgrading the electronic control system for the HVAC system at the High School. Mr. Ellis commented that the Capital Improvements Committee recently met with District staff to review their capital requests.
- Mr. Naughton noted that the 4% increase in Montague's Affordable Assessment is directly related to unusually high Fiscal Year 2018 new growth and the new Kearsarge rental income. While this funding will remain, the town is not expected to be able to maintain this level of annual increase going forward.
- Mr. Kuklewicz asked if there were any short term gains possible from collaboration with other districts. Possible ideas to be investigated are a shared psychologist, shared librarians, funding a bus between schools so students can take classes in other locations and possibly sharing some buses with the FCTS.
- Mr. Naughton feels there would be more willingness for Montague to come up with additional money if there was confidence that similar increases would not be required in future years.
- Mr. Hanold noted that some of the desired items would bolster existing efforts, while others would be new programs. Ms. Audley sees the possibility of an after school program at the Hillcrest school as a needed expansion of services to increase enrollment, as some parents choose to send their

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children to districts that provide these program so that they can have child care while they work. This view was supported by several others.

- Support was also voiced for staff for expanded family support and outreach. This would help to keep students not only in the district, but in school until graduation. This in turn would have multiple positive long-term effects for both the students and the community.
- The request for Chromebook computers for all high school students would enable all students to have one to take home for homework.
- Mr. Snedeker feels that a competition model for education/schools is not a good approach as it leads to hoarding information about good things rather than sharing information. Dr. Sullivan said that his first responsibility is to the district, and competition with other schools is a reality in the current environment.
- Ms. Brown asked about capital requests for Gill. These include a roof project, a double door, plus Gill's portion of the high school project.
- Ms. Smith is excited about working with other districts on transportation and possibly spearheading the creation of an autism program.
- Ms. Oakes commented that we need to think of programs as needs rather than just as costs.

Topics not anticipated within in the 48 hour posting requirements

Meeting adjourned at 7:40 PM

List of Documents and Exhibits:

- Minutes of January 24, 2017
- GMRSD Budget Handout

Next Meeting Dates:

February 7, 2018	Reserve Fund Transfer (6:00) Board of Health (6:05), Treasurer (6:30), Non-capital special article requests
February 14, 2018	WPCF, review potential 3-15-18 STM articles
February 21, 2018	Airport, FCTS, 3-15-18 STM votes if appropriate
February 28, 2018	Final New Growth, Revenue Estimates, Affordable Assessment
March 7, 2018	Libraries, RiverCulture
March 14, 2018	Preliminary budget recommendations
March 21, 2018	CIC Recommendations
March 28, 2018	Final Budget Recommendations
April 4, 2018	Draft FC Report, Policy actions
April 11, 2018	Revise FC Report, vote on articles
April 18, 2018	final re-votes, if required, approve FC Report
EOY Recap	How beneficial/useful were the department narratives?