

JOINT FINANCE COMMITTEE AND SELECTBOARD
MEETING MINUTES
UPSTAIRS MEETING ROOM
1 AVENUE A, TURNERS FALLS, MA
WEDNESDAY, JANUARY 30, 2019
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The Chair opens the meeting

- Meeting was opened at 6:01 PM in the Upstairs Meeting Room
- **Finance Committee members present:** Fred Bowman Greg Garrison and Chris Menegoni, Richard Widmer, Jen Audley, and Michael Naughton. John Hanold was absent.
- **Montague Selectboard members present:** Chris Boutwell, Michael Nelson and Richard Kuklewicz.
- **Gill Selectmen present:** John Ward and Greg Snedeker. Administrative Assistant Ray Purington was also present.
- **Gill Finance Committee members present:** Claire Chang
- **GMRSD School Committee members present:** Jane Oakes, Timmie Smith, and Michael Langnecht
- **GMRSD Administration present:** Superintendent Michael Sullivan and Director of Business and Operations Joanne Blier
- **Others present:** Town Administrator Steve Ellis and Town Accountant Carolyn Olsen
- Vice Chair Michael Naughton, as acting 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 23, 2019.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectboard Moved:

To approve the minutes of January 9, 2019.

Vote: 3 In Favor 0 Opposed 0 Abstained

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Selectboard Moved:

To approve the minutes of January 16, 2019.

Vote: 3 In Favor 0 Opposed 0 Abstained

GMRSD Budget Request

Mr. Sullivan reviewed the handout.

Budget priorities:

1. As the growth of expenses continues to outpace the growth of revenues, our budget efforts continue to focus on strategic cost reductions. Our ability to support new initiatives of significant expense remains quite limited.
2. The Fiscal Year 2020 budget includes funds for new elementary reading and writing resources. We anticipate funds will be available in Fiscal Year 2019 for a new math program.
3. The Fiscal Year 2020 budget includes funds for continued expansion of the secondary 1:1 Chromebook initiative as well as maintaining high performing information and communications technology systems for students, teachers, and staff at all levels.
4. We continue to support teacher leadership positions and training for elementary team leaders, middle school team leaders, and secondary curriculum coordinators. These positions, as well as the part-time director of elementary teaching and learning, continue to play key roles in advancing our curriculum and instruction initiatives.
5. To better address social and emotional learning needs of students at the secondary level, and to do so in a manner that is informed by best practices, including restorative practices, the budget includes funds for an additional dean of students. With no director of teaching and learning, or subject area coaches, or data specialists, the secondary principal remains the predominant instructional leader at the school and it is essential that she have the time to do this work.
6. Providing extra instruction, outside of the general education classroom setting, for students who need it remains an area where we are understaffed. This includes specialists in reading, math and social and emotional skill development across all levels.

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7. While community engagement work is everyone's work, this budget does not fund any positions with time carved out especially for outreach or communications. Grant funding for the Community School Partnership does not extend into Fiscal Year 2020 and the district will not have the continued contribution of the Partnership's two staff members.
8. We continue to provide small class sizes across the district, which allows teachers to get to know their students well and to address their learning needs. At the high school level we are still able to provide a full complement of college preparatory courses, including AP courses, three world languages, and dual enrollment at GCC.

The most significant changes of revenues as a percentage of total revenues are in town assessments and Medicaid/Other. Town assessments as a percentage of total revenues have increased from 49.4% in Fiscal Year 2017 to an estimated 52.7% for Fiscal Year 2020. Medicaid/other revenue have dropped from 2.4% to 0.9%, primarily as a result of corrections to the process for Medicaid reimbursements.

Regarding the Medicaid over reimbursement from prior years, the state has allowed the district to repay the amount over 20 years. The School Committee has resolved the dispute with the billing company, and now uses another company for this service.

Total revenues are expected to increase by \$649,436, or 3.6%. The most important revenue trend is the increase in Chapter 70 aid. The recommendations of the foundation budget review commission are expected to be implemented over the next 7 years. As a result of the increase in our FY20 chapter 70 estimate, the district is no longer in the hold harmless category as had been the case for many years. Even though enrollment declined by 27 students, the district still received an increase in Chapter 70 aid, which is really good news.

The balance of the Excess and Deficiency (E & D) fund is settling down; the annual balance is decreasing due to tighter budgets. The current plan is to use \$50,000 of E & D for the Fiscal Year 2020 budget. E & D, certified at the end of each fiscal year much like a town's Free Cash, is primarily used to help fund the following year's budget. Additional use of E & D during a fiscal year would require town meeting approval.

Mr. Naughton said the town appreciates the district's commitment to make the Affordable Assessment amount work, and that this has made a positive change in town's ability to plan budgets.

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The district's calculation of town assessments begins with trying to meet Montague's Affordable Assessment, and then working out what Gill's assessment will be. These amounts then get adjusted after accounting for state-determined minimum contributions. The current budget plan needs additional revenues or expenditure reductions of \$52,614 to meet Montague's preliminary Affordable Assessment.

Mr. Naughton asked about history of assessment percentages between Gill and Montague. Gill's percentage of total enrollment has decreased.

Circuit Breaker Revolving Account – the district plans to spend current year revenues, but in an emergency this fund can be used to pay for additional expenses.

School Choice Revolving Account – The district plans expenditures approximately equal to the beginning balance so that we can build budgets that spend funds we know we will have rather than what we anticipate we might receive the following year. The balance had been dangerously low in this fund a few years ago and so we have worked to bring the balance up to a more manageable level.

Ms. Chang asked where we're losing students. It's kind of across the board, but there are larger drops from grades 8-9 as students go to the Franklin County Technical School.

There's a lot of movement in School Choice enrollments.

High schools are becoming seriously competitive in academics. If any positions are added back to the budget, they'll be at the Turners Falls High School.

Mr. Langknecht said that all districts are losing population.

Expenditure categories:

- Administration: Central office and school committee expenditures, including salaries and computer systems. The net reduction of 6.7% is partially due to the shift of technology management expenses to operations.
- Instructional: Includes teachers, para-professional, school administrators, instructional materials, student and school computers. The net increase of 2.9% includes step increases, additional staffing, instructional materials increases, and these staffing changes:

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- Increases – a 0.4FTE occupational therapy assistant, a bilingual para-professional, a middle school life-skills teacher, and a secondary dean of students.
- Decreases – a first grade teacher at Hillcrest Elementary (returning to 3 teachers for 62 students.)
- Student Services: This includes bussing, food service, athletics, student activities, and nursing (it is not special education). There is no net change in this area.
- Operations: This includes custodial/maintenance/grounds personnel, equipment and supplies, utilities and phones. The 12% increase is related to the shift of technology management and staff salaries and contract wage increases. (Some of these are multi-year and were not reflected in prior budgets.)
- Benefits and Insurance: the 0.8% increase includes shifts in health insurance rates and enrollees, premiums for other types of insurance, and contributions to the town retirement system for non-teachers and non-administrators, and anticipated negotiated wage increases.
- Tuitions: Includes special education out of district placements, school choice, and charter school tuitions. The 6.3% increase is based upon the following estimates:
 - An increase in one Out of District placement
 - An increase in school choice tuitions of approximately \$100,000
 - A decrease in charter school tuitions of approximately \$15,000

The total preliminary Fiscal Year 2020 budget totals \$22,398,127, an increase of \$649,438 or 3.0%. Operating assessments are estimated at \$11,592,472, with \$9,920,962 for Montague and \$1,671,510 for Gill. There is an additional capital assessment of \$202,884, with \$189,087 for Montague and \$13,797 for Gill.

It was noted that the preliminary GMRSD budget often comes with significant staff reductions, and we are happy that this is not the case this year.

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Superintendent Sullivan said that the official hearing on the budget will be at the February 12th School Committee meeting, and that the School Committee votes on the final budget on March 12th.

Mr. Langknecht noted that the Governors' plan for Chapter 70 aid is also good news because it gives the district an idea of what future year's state revenues will be, allowing the district to plan accordingly.

Ms. Oakes noted a huge improvement in working together with civic leaders and other groups.

Michael Nelson left at 7:43 PM.

Special Town Meeting

There are two financial articles: \$47,975 to increase Article #3 of the February 15, 2018 Special Town Meeting, which appropriated \$49,000 to repair or replace all or part of the Shea Theater building roof and related appointments, and \$165,000 to repair or replace the Town Hall and Town Hall Annex roofs.

Shea Roof – Mr. Ellis went over the attached handout and reviewed the history of the project. This will fix the upper roof and address any current issues with the lower roof, which was recently resealed, but has no warranty. The original idea was to spend \$49,000 to reseal the upper roof, but we could not get a warranty for that project. We can get a 20 year warranty with a \$96,000, 60 mil rubber roof with additional work. The proposition is to move forward with the larger project, adding to the existing appropriation for original resealing option. Mr. Ellis noted that this includes a 25% contingency due to age of building. The roof consultant expects that the roof will outlive the 20 year warranty.

Finance Committee Moved:

To recommend \$47,975 to increase the appropriation for Article #3 of the February 15, 2018 Special Town Meeting, which appropriated \$49,000 for the purpose of repairing or replacing all or part of the Shea Theater building roof and related appointments, including any and all incidental costs related thereto, said sum to be raised from Free Cash.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectboard Moved:

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To recommend \$47,975 to increase the appropriation for Article #3 of the February 15, 2018 Special Town Meeting, which appropriated \$49,000 for the purpose of repairing or replacing all or part of the Shea Theater building roof and related appointments, including any and all incidental costs related thereto, said sum to be raised from Free Cash.

Vote: 2 In Favor 0 Opposed 0 Abstained

The town hall annex is the single floor area housing the shop area for the DPW grounds maintenance staff in addition to other, smaller storage and miscellaneous areas. This annex has a failed roof, and leaks regularly. The roof drains and liner have failed. This roof needs to be replaced immediately. Another small roof over the machine room is in very poor condition and needs to be replaced. A third section which is part of the back entrance just needs some protective padding installed. General parameters are the same as for the Shea roof; strip the existing roofing, adding R30 insulation, installing a 60 mil membrane with a 20 year warranty, and improving soffits. This plan includes a 15% contingency. This article is fully supported entirely by the Capital Improvements Committee.

Finance Committee Moved:

To recommend \$165,000 to repair or replace some Town Hall and Town Hall Annex roofs and related appointments, including any and all incidental costs related thereto, said sum to be raised from Free Cash.

Vote: 6 In Favor 0 Opposed 0 Abstained

Selectboard Moved:

To recommend \$165,000 to repair or replace some Town Hall and Town Hall Annex roofs and related appointments, including any and all incidental costs related thereto, said sum to be raised from Free Cash.

Vote: 2 In Favor 0 Opposed 0 Abstained

WPCF Budget Requests –

Suggestions, concerns to be resolved, and what we want to highlight or explain to the public about these budgets.

Ms. Audley's one concern is that budget does not allow enough for emergencies or contingencies.

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Suggestions for inclusion in the report:

1. Emphasize the reduction in sludge costs, increase in debt service costs, and the hope/expectation that current staffing level will be supported by the state Department of Environmental protection.
2. The planned solar array, the planned expansion of the composting program, and the possible anaerobic digester in Greenfield are potential positive future changes.
3. Upgrades to pump stations to increase automation and remote access lead to reduced required manpower for maintenance.
4. Millers Falls Inflow and Infiltration article.
5. State the actual Fiscal Year 2020 appropriation for Erving's treatment of flow from Millers Falls.

Topics not anticipated within in the 48 hour posting requirements -

Next Meeting Date: – February 6th to meet with the Libraries, review non-capital special articles requests, and review what to include in the Finance Committee Report regarding the GMRSD.

Meeting adjourned at 8:38 PM

List of Documents and Exhibits:

- Minutes of January 23, 2016
- Shea Theater Upper Roof Background

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Shea Theater Upper Roof Background

Selectboard's Request

This is the third appropriation requested relative to the She Theater and its roofs (upper and lower) over a four year period. The total appropriated to date is \$69,000, with an additional \$47,975 requested through this article, which would bring total costs \$116,975 for past repair of the Shea's lower roof and a current project to replace and properly insulate the upper roof.

This request reflects a shift from an understanding that we could simply re-seal/repair the upper roof to a better grounded understanding, informed by professional assessment, that replacement is the most viable and efficient option. Through this project, we hope to settle the matter of the Shea's roof for many years to come and to dramatically enhance the building's energy efficiency through insulation that meets modern energy code.

Project History

In May of 2015 Town Meeting granted an initial appropriation of \$20,000 to deal with the deterioration of the Shea's roof, with a focus on the smallest "lower" section of the Shea's roofline, closest to Avenue A. The project goal was to improve the most vulnerable areas of the Shea's aging roof through re-sealing of its existing rubber membrane. This work was completed in October of 2017, at the time of installation of new HVAC ducting. The ducting project was supported by Green Communities funding.

In September of 2017, as part of a request for estimates of the lower roof re-sealing job, the Town also received a quote for re-sealing the upper roof. This was understood to be a viable, warrantied, 10+ year solution for that larger roof. The estimate was much lower than expected and it was believed that both the lower and upper roofs could be re-sealed at the same time for < \$27,500. Doing this at the same time the HVAC duct replacement project was performed would have been very desirable.

When formal bidding was completed in the opening days of October, quotes for the upper roof portion of the job were much higher (\$43,800 to \$52,900) than the estimate we received. Accordingly, at the October 5, 2017 Special Town Meeting, the Selectboard requested a "no" vote on an article to add \$7,500 to the original \$20,000 appropriation of May 2015, with the stated intention of bringing a new article forward at a future STM and improving the upper roof in 2018. The lower roof work was completed in October 2017, but that late October and early November featured pounding rains followed by extreme cold. The upper roof proved fragile and leaked substantially, leading to an insurance loss. The leak has not recurred, but the roof remains vulnerable.

At the February 2018 STM, based on the quotes received in the fall 2017, Town Meeting was asked to appropriate \$49,000 to re-seal the upper roof. Discussion of the article included

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concern that repair may not offer the best value and replacement should be considered; but there was also sensitivity to cost. The \$49,000 was approved. When the Town bid the project in May 2018, neither of the original bidders attended the on-site inspection. Contractors who did attend raised concerns about the project and their ability to warranty the work, with one issue being the need for a fastening system to be designed to replace the functionality of stone ballast that was to be removed through the re-sealing project.

In June 2018 an architect and a product manufacturer were engaged and a fastening schedule was developed; however, the manufacturer later deemed the project unwarrantable due to uncertainty regarding both the membrane and its substrate. At this point the CIC requested a professional roof estimate for the Shea upper roof to provide a better basis for decision making and cost planning for the project, which the Selectboard supported. The vendor, Northeast Roof Consultants, recommended against re-sealing and presented the expected costs of partial or full replacement. Total replacement was described as the most cost-effective and beneficial option and this recommendation was affirmed by the Montague CIC.

The Current Request

The Shea Theater is a town-owned building and it is expressly our responsibility to maintain its basic structure, including the roof. The Capital Improvements Committee believes that the Town now has a credible plan that will ensure the integrity of the upper roof for decades to come, with the benefit of greatly improved energy efficiency over that time period. It will also be much easier to maintain than the current, ballasted roof system. Having fully explored other, lower cost options to the fullest extent possible, this is viewed as the right proposal for Montague.

The cost of the currently proposed project is \$96,975, which includes a substantial (25%) construction contingency. The CIC views as necessary due to the age of the building, uncertainties of what may be found when the existing roof is removed, and the complexity of lifting and re-installing the HVAC ducting. We hope not to have to spend the contingency, but the goal is to complete the project and not have further delays if bids or change orders are greater than expected.

The project will include removal of all roofing ballast, and existing roof and insulation down to the upper roof's wooden deck. The new roof will feature a 60 mil EPDM membrane and R-30 insulation, as well as installation of new pads under the HVAC ducting and any other structures, as well as walkway pads for maintenance access. A 20-year warranty is anticipated, with the roof likely to outlive that warranty with proper maintenance. The project will also include a re-inspection of the lower roof and address any issues that may be identified with that project, as it was re-sealed rather than replaced.