

# Town of Ayer

## Finance Committee

### Ayer Massachusetts, 01432



Location: Ayer Town Hall, Meeting Room  
Finance Committee Minutes

Wednesday February 8, 2012

Present: Brian Muldoon; Chairman, Scott Houde; Vice Chairman, John Kilcommins; Clerk, Michael Pattenden; Member

Shirley Finance Committee; Frank Kolarik: Chairman, Mike Swanton; Member, Rebecca Caldbeck; Member Joe McNiff; Member.

In Attendance: Mary Spinner, Mary Arata, Pauline Conley, Carl Mock, Pat Kelly, Evan Katz, and Mary Beth Hamel

Called to order at 7:00 pm by Brian Muldoon

- Ayer Shirley Regional School Budget
  - CM Initiated a discussion of five scenarios for the FY13 budget.
  - CM-The process began last fall, this is more than just combining the Ayer and Shirley budgets.
  - CM-Scenario A is a broad stroke, it is the first pass based on anticipated growth and deficits. Scenario B is an in-between scenario, it falls between A and C with C being a 2.5% overall assessment. Scenario D is level funded, we worked from the bottom back to the top at the request of Frank Kolarik. A through D are just intended to give a flavor of where we stand. Scenario E represents the budget presented to the School Board. This is the best estimate of what we need to do what we are currently doing plus some improvements. E represents the cover sheet (of that evenings hand out) and draft one of the budget.
  - CM Reviewed preliminary budget highlights such as new teaching positions.
  - CM-We are trying to make realistic estimates of revolving funds, we are borrowing to fund athletic programs now.
  - FK-Have you made any plans for the loss of grants and stimulus money?
  - CM-No, we lost the revenue source, we are open to suggestions.
  - FK-You (the schools) knew this was one time money at this point last year.
  - CM-Don't think we have a plan for that.
  - PK-We pushed a portion of those funds into this year to fill in gaps.
  - CM-We expected 70K more in Chapter 70, turns out the state is level funding us.
  - BM-Do you have a number on Chapter 70?
  - PK-78,440.36. The vast majority of school districts didn't get any help.
  - CM Led a discussion of the budget.
  - CM-Under central office we are carrying the effect of collective bargaining. Once the contracts are settled we'll move to appropriate line items.
  - SH-There is a large increase in central office, can you quantify this?
  - EK-It's about 2%.
  - BM-Does the health insurance offset have a sunset provision?
  - PK-As people leave yes but I can't specify any more until the contracts are ratified.
  - CM-Our challenge on contracts is that we have two different school systems, different benefit packages, pay scales etc
  - SH-All employees need to be on a GIS or better plan by law. Why is the school's health insurance up?
  - BM-How does this law affect the RSD?
  - EK-We are subject to the same laws. It is better for us to get the structure into place. We have spent most of our time on collective bargaining.
  - RC-I thought the law was drafted to simplify this (health care) pull out of collective bargaining on this.
  - CM-We're not exempt, our primary objective is to come together.
  - SH-I would hope that it would be a priority. This hurts all three parties at this table.
  - RC-What was the job grant for 500K used for?
  - EK-It was used to offset employee costs. We thought health insurance was the way to go.
  - CM-I think it was a legitimate use. We didn't show it as revenue, it is an offset.

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- MBH-I wrote the grant. It made no sense to use this on one year positions.
- CM-The biggest item here (Facilities) is fuel cost.
- JK-The high schools electricity is down 18% yet the oil is up?
- EK-This is the payoff for re-lamping, we'll see similar results at Page Hilltop.
- JK-The custodian vacation/sick line item is 27.6K, is this new from collective bargaining?
- EK-An existing cost that we identified more precisely, basically we moved money here.
- CM-The SPED tuition numbers are somewhat soft, it depends on kids moving it and out.
- SH-The collaborative day/summer tuition went up from 737K to 1.075M?
- CM-We built in a factor for what we don't know yet and this is where we put it.
- BM-That's for SPED?
- CM-Yes.
- MP-Private tuition is 535K, what does this cover?
- CM-Students placed and receiving services that are not available in a collaborative or public school.
- FK-How does this stack up against SPED this year?
- CM-We are under budgeted this year. We are factoring that into this budget.
- MP-There are SPED salaries of 205K (in the Page Hilltop budget), why aren't these on the SPED page?
- CM-There are SPED teachers throughout the schools, the SPED budget is primarily for the district costs, not the individual schools.
- JK-Is book purchasing aligned throughout the schools? For examples do LAW and PH 4<sup>th</sup> grades use the same math text in order to take advantage of economies of scale?
- PK-That's what we're working toward.
- Swanton-This (Other Districts) is the drain on our budget. We could easily level fund the schools without this. We embarked on regionalizing to encourage students back into the district. I'd be interested on your opinion on how we are doing.
- CM-We won't have an answer for a few years. Some people make their decision based on facilities. We will see a construction bump.
- Swanton-You have to run it like a business. Look at the competition. What can we win back? Two million dollars of our education budget is going to someone else.
- CM-We have to highlight the good things that we do and let people know about it. We don't do a good job of this. Some of what we do is real good and we need budgetary support.
- MP-Do we pay the charter schools like school choice?
- EK-The mechanics are the same, tuition is calculated a little bit differently.
- Swanton-If kids opt for charter schools do we lose Chapter 70 money?
- EK-No, it's based on all the students that we are responsible for.
- FK-Is all your capital spending in your operating budget? Do you plan to continue that?
- CM-Yes.
- CM-Where do we go from here? I know that we need to certify a budget 45 days before town meeting. We need some direction and feedback.
- SH-2, 2.5% increases allows the town to break even. The 11.5% scenario equals an 800K hole for the town.
- BM-You may be looking at an override.
- Swanton-Last year Shirley had an override and a debt exclusion. We took money out of the capital budget and used it to balance the budget. In my opinion Shirley is not in the mood for another significant override. We need something more reasonable between (scenarios) B and C.
- Swanton-I don't see anything in your budget that is a waste its money well spent. The problem is that we don't have the money to spend well. I don't see how Shirley could afford scenario E.
- Swanton-You'll be going back to the same well to do the high school.
- SH-It's a public opinion problem.
- MP-An 11.5% increase will lead to mayhem in the streets, it is just not possible. The money is just not available. We are asking the other departments to look at level funding as well as 1 and 3% decreases.

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- Swanton-We need you guys to go back and articulate the impact of scenarios B and C. We need to know what this means to the educational programs.
- SH-It's a scary situation. It is frustrating as both a parent and a taxpayer. We've seen several years of presentations on savings and now we are facing an increased budget at the same time we can't even afford a new mower. This has to be a balancing act. We want to have the gem of the area but have to also have fire and police departments. I'm with Mike; give us something between B and C, as it is we are scrapping the bottom of the barrel now.
- PK-to clarify we have not asked for anything. These are just talking points, there is nothing approved yet.
- MP-I am frustrated in regards to the lack of savings. There are two new teachers hired, what are the decreased costs?
- PK-We saved 300K in the central office last year.
- MP-I see no savings other than that. You need to show me where the real savings are. I want to see level funding based on savings versus increased costs.
- CM-We need to problem solve. I see three parts. 1/3<sup>rd</sup> we need to your help to cover the 500K grant. 1/3<sup>rd</sup> we'll work with you to cut. The middle third is the problem; we need to maintain the quality of programming.
- BM-The town administrator and town accountant will meet with the RSC to work this out. When is Shirley looking to wrap up?
- FK-We have a February 27<sup>th</sup> meeting with the BOS. We are still showing a 400K deficit. It's true that it costs more to run the schools than the rest of the town.
  
- Motion to adjourn at 9:45 pm

Motion	SH
Second	JK
B. Muldoon	Aye
S. Houde	Aye
J. Kilcommins	Aye
M. Pattenden	Aye
Vote	4 – 0

Brian Muldoon, Chairman \_\_\_\_\_ Date \_\_\_\_\_

Scott Houde, Vice Chairman \_\_\_\_\_ Date \_\_\_\_\_

John Kilcommins, Clerk \_\_\_\_\_ Date \_\_\_\_\_

Michael Pattenden, member \_\_\_\_\_ Date \_\_\_\_\_