

2014 FEB -4 AM 10:25  
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Joint Budget Sub-Committee  
Meeting Minutes  
12/2/13

In Attendance: Jeff Nutting, Town Administrator; Tim Smith, Finance Committee; Susan Dewsnap, Finance Committee; Susan Rohrbach, School Committee; Maureen Sabolinski, Superintendent of Schools; Susan Gagner, Comptroller; Tom Mercer, Town Council; Andy Bissanti, Town Council; Peter Padula, Town Council; Miriam Goodman, School Business Administrator; Sally Winslow, Assistant Superintendent of Schools

Meeting called to order at 7:30 AM, Training Room, Municipal Building, 3<sup>rd</sup> Floor.

1. Welcome and Introductions:

New and former members of the Joint Budget Sub-Committee introduced themselves to one another. Jeff Nutting explained that this group meets about four times a year and the purpose is to enhance communication between both school and town regarding fiscal needs and concerns throughout the budget cycle.

2. Capital Plan Process:

Mr. Nutting explained that the capital plan process will be a little delayed this year. There is currently 2 M in free cash, which is 1.5 M less than usual. The town needs to keep money in reserves for big ticket items which may surface. Mr. Nutting mentioned that our XP licenses run out in April. He said that the Capital Budget will likely be presented to the Town Council in March.

3. Fiscal Policies:

Mr. Nutting provided copies of the towns current fiscal policies and some proposed changes. He emphasized that these are not by-laws, but are guidelines. The biggest issue which has yet to be addressed is OPEB. He explained that the practice the past few years has been to take 10% of free cash and put it aside along with an additional \$100,000. In order to meet our OPEB obligations, we would need to put 3.5 M away each year. Mr. Nutting suggested that there needs to be a more formal policy in place and that this will be on a future agenda. He explained that the town's pension obligation is different from the OPEB issue. Communities across the Commonwealth are struggling with the OPEB issue and statutory relief is needed. Mr. Nutting also reported that we are looking at 7% increase in health insurance premiums next year.

4. FY 15 Budget:

School department had its first budget sub-committee meeting on November 18<sup>th</sup>, and are just at the beginning of the budget process. There continue to be many variables and unfunded mandates that will have an impact, such as the discipline law that is scheduled to go into effect July 1<sup>st</sup>. It is unclear what the impact of the new FHS will be on people moving into town and enrollment and class sizes at all district schools, but we anticipate increased enrollment at the high school. The Charter School is also a big unknown as it is looking to leave town and add 450 students. If it leaves Franklin, there will be a big influx of students and will result in a space issue. The Space Needs Committee has asked that the town push off the removal of the Davis

Thayer modular classrooms for at least one more year and the modulars at JFK could last another 3-4 years. The live birth rate is also down and K enrollments are lower than in previous years so there are a lot of moving parts. Mr. Nutting noted that taxpayers will see an increase in their tax bills as the debt exclusion for FHS will take effect. In 2017, the Remington-Jefferson debt exclusion comes off.

5. Five Year Financial Forecast:

Mr. Nutting reviewed and discussed the five year forecast for the town in terms of estimated revenues, expenses and assumptions. He also provided a draft of enrollment trends at district schools from 2007-present. There has been a decrease in enrollment at the elementary and middle school level from the peak in 2008, whereas the high school's enrollment has increased since that time. The consensus was to review the 5 year plan through the Joint Budget Sub-Committee before going to the Council.

Next meeting date: February 3, 2014 at 6:00 PM.

Meeting adjourned at 8:30 AM.

Submitted by:

Sally Winslow  
Assistant Superintendent