

FRANKLIN BUDGET WORKSHOP
MINUTES OF MEETING
January 11, 2012

A budget workshop was held on Wednesday, January 11, 2012 at the Franklin Municipal Building, 355 East Central Street, Franklin, and Massachusetts. Officials, Town Councilors, Committee Members present: Jeff Nutting; Town Administrator, Sally Winslow; Assistant Superintendent of Schools, Beth Fitzmaurice; Director of Special Education, Miriam Goodman; Director of Finance, Maureen Sabolinski; Superintendent of Schools, Susan Gagner; Comptroller, Jim Dacey; Treasurer/Collector, Tina Powderly; Town Council, Judy Pfeffer; Town Council, Tom Mercer; Town Council, Pamela McIntyre; School Committee, Sean Donahue; School Committee, Sue Rohrbach; Vice Chair School Committee, Jim Roche; Finance Committee, Susan Dewsnap; Finance Committee, Phyllis Messere; Finance Committee, Brett Feldman; Finance Committee, Graydon Smith; Long Range Financial Planning Committee, Doug Hardesty; Long Range Financial Planning Committee, Andrew Bissanti; Town Council, Matt Kelly; Town Council, Bob Vallee; Town Council, Robert Dellorco; Town Council, Mike Dufour; Finance Committee, Linda Heumpfner; Finance Committee, Patricia Goldsmith; Finance Committee, Chris Quinn; Finance Committee, Tim Smith; Finance Committee, Glenn Jones; Town Council.

PRESENTATION: *School Department Budget* – Superintendent of Schools Maureen Sabolinski, Director of Finance Miriam Goodman, Director of Special Education Beth Fitzmaurice and Assistant Superintendent of Schools Sally Winslow provided a brief presentation of the FY 2012 Budget Drivers. The four main Budget Drivers are: Salaries, which account for 75% of the School Department Budget, Health Insurance, which account for just under 8% of the School Department Budget, Transportation at 4.6% of the budget, and Special Education. Special Education is a heavily regulated, complex program with many variables that make the program difficult to anticipate or control costs. Franklin Public Schools offer a range of programs to meet the needs of those students identified as requiring Special Education services. While most special education students are educated “in-district”, there are students with disabilities requiring out of district placement. The tuitions for out of district placements range from \$24,000 - \$247,000 per year, per student. Transportation is another Special Education driver. Transportation of students with severe disabilities range from \$5,000 - \$67,000 per year, per student. The School Department also face challenges with an increased enrollment of English Language Learners. Over the past four years, the district has seen an increase from 27 students to 94 students whose primary language is not English. Transportation is another budget driver. The cost to the district is approximately \$600 per student being bused to school. The Pay-To-Ride Program charges families \$325, with the district picking up the difference. There was discussion regarding why the district has opted to subsidize transportation fees for students who are not mandated to receive free transportation. Cost to families, as well as increased congestion at the schools during arrival and dismissal were cited. Additional budget drivers include: Contractual Services, Psychological Services, Adapted Equipment/Assistive Technology, Independent Educational Evaluations, Legal Cases/Hearings and Emergency Evaluation and Placement Needs. The District has been able to provide the current level of services by joining Educational Collaboratives, the use of Revolving Accounts and Grants. The District has received funds from the American Recovery and Reinvestment Act of 2009, and the Education Jobs Funds. Another source of State funding for the School District is from a fund known as the Circuit Breaker. The Circuit Breaker offers local relief to offset the cost of programs for students with intensive needs. The amount of local aid received varies from year to year depending on the amount of funds available to the State, and how these funds are divided by all of the State school districts.

Municipal Department Budget – Comptroller Susan Gagner and Town Administrator Jeff Nutting presented an overview of the Town’s Operating Budget.

Reliance on one-time revenue, primarily from the Stabilization Fund was how the Town balanced the budget until 2009 when available funds dropped off significantly. In addition to the reduction in State Aid, the Town also saw revenue generated from Property Taxes, Motor Vehicle Tax, License/Permit Fees, Fines & Forfeits and Investment Income all reduced. To illustrate the tremendous drop in income, Investment Income in 2008 was \$950,000. In 2012, Investment Income was \$50,000. The only place where the Town has seen growth, are in the Fees that are collected. Ambulance Fees in particular have been on the rise. A review of the Police, Fire, DPW, Library, Facilities and “Other Municipal” all showed negative growth. The only growth was in Fixed Cost Debt and Employee Benefits. An analysis of Fixed Cost showed: Liability Insurance (Property & Casualty Insurance) costs increased due to industry wide changes; Employee Benefits were mixed. Health Insurance has shown 14% growth for Active Employees. Worker’s Compensation, Medicare and Unemployment costs have all declined. The decline for these costs are due to the reduction in employees. The Town began funding Other Post-Employment Benefits (OPEB) in 2011. The General Fund Debt increased to almost 34% since 2009, but is still within the Town Council Policy of 3.5% of Revenue. Overall, the budget increased .9% since 2009. The Public Schools comprised of 59% of the budget and the Municipal side of the budget accounted for 29% of the budget. The Town maintains four Revolving Accounts: Senior Center Activities, \$15,000 Balance; Senior Center Supportive Day Program, \$32,000 Balance; Fire Training, \$1,800 Balance and Town Use of Facilities, \$128,000 Balance. It was noted the Town Use of Facilities Fund are monies collected from renting out facilities and are used to cover expenses related to maintenance and utilities. Mr. Nutting noted the Town has had a flat budget for the last 4 years, with the exception of Property Taxes; other sources of revenue have struggled. Mr. Nutting does not expect the Town to receive a huge increase in State Aid. The challenge is to provide the best for everybody with the dollars that are available.

ADJOURN: Meeting adjourned by Mr. Nutting at 7: 58PM.

Respectfully Submitted,

Jan Brecht, Recording Secretary