

MINUTES OF THE SELECTMEN'S MEETING FINAL
November 5, 2009 5:00pm
Sanford Hall, Medway Town Hall, Medway, MA

Present: Chairman Andrew Espinosa, Selectmen Dennis Crowley, Richard Dunne, John Foresto, Glenn Trindade; Town Administrator, Suzanne Kennedy and Board Secretary Wendy Harrington

Absent:

The meeting was called to order at 5:04pm

Public Comment: none

The purpose of this meeting is to finalize the Policy Statement.

Administrator Kennedy reviewed some details as presented by her financial team. It was suggested that the Selectmen consider level funding revenues as \$39,947,653, which is based on the 2010 figures (2 ½% and \$100K for new growth is included).

If reduce the level funding revenue by 5% in state aid: \$39,427,103

If reduce the level funding revenue by 10% in state aid: \$38,906,553

The question remains, once the revenue number is decided upon, how should the revenue be allocated. Administrator Kennedy suggested that it might be the best scenario to use the Schedule 19 figure that is submitted at the end of each year to the state, as it is the most fair and equitable. It is the amount appropriated at Town Meeting plus the charge backs (retirement, health insurance, parks and park maintenance etc), also called indirects/unclassifieds. This number is determined by an old formula that was agreed upon between the town/school years ago. The debt service is school reported within the Schedule 19.

Administrator Kennedy reviewed the Revenue Allocation Medway School Department Historical Schedule 19, The Allocations to other Town Budgets, and the FY2011 Revenue Allocation applied to projected revenues with 5% state aide reduction charts.

The reserves and possible stimulus monies have not been factored into these equations. .

The staff reviewed some other methodologies but this is the only one that really makes sense.

It was suggested at the last meeting that the plan should be to put a best guess on the revenue number, then both the school and the town build their budget knowing this is their piece of the pie. Each side presents through the head of staff (Administrator Kennedy and Dr. Evans so there is not multiple meetings and/or one with every

department. The departments would be given their number and they will have to work with it.

When you move the indirects (3.9million) from Schedule 19 and move to town side, where it's paid, the figures are 56% to the school and 46% to the town.

Mrs. Borgatti presented the Medway Public Schools FY2010 & 2011 Budget Forecast November 5, 2009. School side revenues seems to be in line with the numbers we have had presented by the Town Administrator.

Selectman Crowley asked Mrs. Borgatti to clarify the ARRA revenue v. expense and explain where the difference of approximately \$350K has been spent. Mrs. Borgatti will investigate and report back to the Selectmen. Discussions took place on the IDEA money as well.

All agreed that \$39,947,653 as the level funded number, this number is the basis of the conversations going forward. The question still remains how to set the policy with \$39,947,653 as the starting point.

Selectmen Trindade is fine with the 66% to the schools and 33% to the town.

Selectman Foresto is ok with the 5% reduction, but 10% may be a reality. He is comfortable with building the budget with the 5% reduction.

Selectman Dunne is optimistic at 5% and 67/33.

Selectman Crowley is on board with 5% reduction and 66/33 and believes that the \$17,349,000 is \$500K short in the municipal side.

Chairman Espinosa is fine with the 5% reduction but would like 2 scenarios requested. Give each side two revenue numbers to work with, one number being level funded and the second a 5% reduction. There are still unknowns (reserves and other funding).

The policy is....you get this much money and you're going to need to work with it.

Selectman Crowley believes the school budget is higher than it was last year and wants to be certain the Selectmen are comfortable with the school getting more money this year than they got last year.

Administrator Kennedy explained that both the town and school are being cut by \$500K, but the school has their reserve from last year and that's just the way it goes.

Chairman Espinosa believes that the Board of Selectmen establish a policy based on the charter, if asking for a level funded and 5% reduction that the school needs to be prepared to work accordingly.

Administrator Kennedy explained the 56/44 because the town has to absorb the charge backs. \$22,077,494 and 17,349,609

Ms. Phillips, Treasurer/Collector believes they should be given the numbers and ask the department heads for impact statements and make decisions from there.

Selectman Crowley moved that pursuant to the Charter, the Board of Selectmen will set a Budget Policy Statement based on an anticipated revenues of \$39,427,103 (which reflects a 5% reduction in state aid), with \$22,077,494 being allocated to the school and \$17,349,609 being allocated to the town. All departments will provide the Board of Selectmen with impact statements, which will outline in detail the net impact of their operations. Selectman Dunne second; 4-1 (Chairman Espinosa opposed).

The policy statement will be voted on at the 11/16/09 meeting and then be released. Administrator Kennedy will organize a joint meeting of the Selectmen, School Committee and Finance committee after 11/16/09.

There was a brief discussion regarding the solar contract that is possibly being due to be signed by the School Committee later this evening. Town Counsel has clarified that the School Committee is empowered to sign the contract. It was agreed that the contract should be signed based on the Town Meeting approval.

Selectman Crowley would like to see the changes to the contract that have been made. Mrs. Borgatti explained that as of yesterday the School Committee had not seen the contract yet.

Selectman Dunne asked if everything was all set with ConCom and if the consultant had produced an opinion/interpretation. Selectman Crowley advised he is comfortable with the Attorney's interpretation. Copies will be made for distribution at the ConCom meeting later this evening.

Selectman Foresto moved at 6:23 to adjourn for the evening; Selectman Trindade second; No discussion; All ayes 5-0.

Respectfully submitted,
Wendy Harrington
Board Secretary
*Approved 12/7/09