

FINANCE COMMITTEE
Minutes

Date: March 13, 2006

Time: 7:00p.m.

Present: O'Connor, Turbitt, Raymond, Hachey, Hebert, Tripaldi, Floser

Absent: None

Meeting called to order at 7:00p.m.

Public Hearing began at 7:00p.m.

Raymond: The levy limit is \$14,690,392. The Sewer Department budget includes \$915,666 which goes towards the debt service on the new project.

Mary Ann Harris: We will start paying on the bond in November 2007.

Al Nelson: Part of this figure is for the finished project. Also, about 30 years ago it was voted at Town Meeting to have the Town finance ½ of the sewer projects and the users would pay for ½. This has not happened.

Raymond: We can't go back and fix that, but we will talk to the Sewer Commission about this.

Mary Ann Harris: The full cost of the medical insurance is charged to them under indirect costs.

Jane Pojani: How is the money from Sutton going to be applied?

Mary Ann Harris: Millbury is meeting with Sutton on Thursday. Whatever we receive from Sutton will go toward debt service.

Bernie Plante: That money will not help us with this budget.

Raymond: The total requested budget is \$31,926,417. The Town Manager's budget is \$30,430,638. There is a lot of money in the warrant articles. The total for those is \$451,650.

Jane Pojani: We are meeting with Joe Chase concerning Goff Street. We may be able to combine this article with ours.

Michael Moore: The \$10,000 article for McCracken Road and Greenwood Street is really for police patrol.

Al Nelson: With the sewer project on Greenwood Street, will there be enough personnel to use this? There will be a lot of details with the project. Maybe you could take this article out.

Bernie Plante: We will look at that. We didn't think of the project slowing down traffic.

Hachey: Concerning the worksheet we received tonight, do we have the detail?

Raymond: Yes, we do.

Mary Ann Harris: The SBA and the debt exclusion reimbursements came through.

Hachey: Is the manager proposing a layoff in the school?

Mary Ann Harris: I don't know.

Hachey: If they've been approved for a 3-1/2% increase, it seems that with this cut, he is looking at layoffs.

O'Connor: With the figures that I received from the Town Manager and the Schools, I show a \$461,000 deficit.

Jane Pojani: What did Blackstone Valley come in at for a percentage?

O'Connor: Their increase is 19.3% for Millbury.

Hachey: The formula was changed through the State. We need to find out if this is the last year of the large increase to catch up.

Al Nelson: My understanding is that we need to catch up to the new formula. We were on the low end for many years.

Hachey: We aren't catching up, but the increase is being done in increments.

Al Nelson: If you go to the Town meeting with this budget, the Selectmen will get more phone calls than they have ever received. If the government cuts, then we have to cut. If my budget goes down, I have to adjust. The Town should adjust to what they can afford.

Hachey: The Finance Committee will make a recommendation on a balanced budget.

Al Nelson: We are getting to the point where you are going to have to cut.

The Board of Assessors were in at 7:40p.m.

O'Connor: I want to thank the person that submitted this budget. It was very straight forward. We have been dealing with the budget requests. Your budget is \$5000 less with the Town Manager's recommendation.

Mary Ann Harris: The maps were reduced by \$5000.

O'Connor: We would like to meet sometime to look at a 2-tier rate versus a 1-tier rate. We would like to agree with the Selectmen on the rates. What month should we talk about this?

Paula Aspinwall: The rate is usually decided in October or November.

O'Connor: So, we should try to sit down in August.

Walter Hagstrom: Over the past years, it has been a cut and dry decision. We don't want to discourage business in Town.

O'Connor: Do you get any help from the State on some of your costs?

Paula Aspinwall: No, and we don't get any help from the Town either.

~~O'Connor~~Hachey: There is a law on State mandated programs. You may be able to get the money from them. Some towns have sued the State and received the money.

Hachey: Are you sticking with your new growth figure?

Paula Aspinwall: Yes, I am. It won't be certified until September, but I am basing it on what I have. I still need to be conservative in case the money is not there.

Raymond: Do we have a way of checking the trend of the new growth?

Paula Aspinwall: You would have to exclude the Mall in the figures because that is only for a couple of years.

Walter Hagstrom: It's better to under-estimate than to over-estimate.

The Board of Assessors left at 8:00p.m.

Dr. Fitzpatrick and Chet Hanratty of the Blackstone Valley Regional Vocational High School were in at 8:00p.m.

Raymond: We just wanted you to come in to explain your budget.

Dr. Fitzpatrick: I have answers to your questions. I want everyone to have a clear understanding on what is going on. There is a 17% increase in enrollment. We produce our budget early due to your early Town Meeting. The State re-calibrated Millbury's contribution. There is a 61\$ increase in the minimum contribution. We knew that the State would fix their mistake from the previous formula. We have applied and received many grants to try to keep the cost down. We even received a rebate on the construction project. The format of the preliminary document may have confused you. We had included the fringe benefits in the preliminary budget. The State reports this in a separate line.

O'Connor: We were just trying to compare your budget from year to year.

Raymond: We are also trying to understand the comparison between your budget and the State's budget.

Dr. Fitzpatrick: There is a reduction in the Additional Assessment. It is \$55,471 less than last year.

O'Connor: We are a fairly new committee. I have gone back to the DOE to see what Millbury's and Blackstone Valley's foundation budget should be. The DOE says that \$985,836 is an adequate budget. I have checked with other Towns. All of them are spending ~~up to~~ 120% of the minimum contribution recommended by the DOE. The amounts that the budgets are going up every year is unsustainable. People are spending more than 4-1/2% a year. I have seen nothing in this budget or any other one to stop the growth. You are asking Millbury for 19% more than last year.

Chet Hanratty: Your number of students has gone up over the past few years.

Floser: If we pulled out the additional students, would the budget only increase by 5%?

Dr. Fitzpatrick: It wouldn't be fair to those 13 students and their families to change the enrollment.

O'Connor: I am looking at the enrollment over the past 4 years. The budget has gone up 24% compounded yearly.

Dr. Fitzpatrick: We've been above the DOE for 14 years. I'm not in agreement that the State's figures are sufficient for education. The actual increase on the total budget is \$147,457. This is a partnership of 13 Towns. We have had to explain to other member Towns why Millbury received such a low assessment over the past years.

O'Connor: I don't know what your budget should be, but over the past few years, your budget has gone up considerably. We, with all of our budgets, are going to go over our levy limit. We want to stay under the levy limit. The Vocational School per pupil cost is \$15,000 and the Town school is \$9100 per pupil.

Dr. Fitzpatrick: There is a formula. We were told to base it as double the public schools. Is the Town Manager's budget within the levy?

Mary Ann Harris: His budget is within the levy.

Floser: It is not within the levy.

Raymond: When Millbury's school comes in with their budget, we have some say in negotiating the figures. When Blackstone Valley comes in, there is no group of people to negotiate with.

Dr. Fitzpatrick: Local schools can come back at a Special Town Meeting for additional funds. We only come to you once. We don't come back for additional funds. Altering your number, changes the whole budget for the other 12 Towns. If 9 Towns agree on the budget, the budget stands as presented.

Raymond: How did you cover the fuel increase? You have to have a buffer in your budget in case of an emergency.

Dr. Fitzpatrick: We deal with emergencies. Two years ago we had to let 11 people go. We find a way to manage or we do without.

O'Connor: We are just making a statement on what can happen to the landscape. We haven't had to ask for an override like other Towns have already had to do. If we vote an override this year, what happens next year?

Chet Hanratty: We warned you three years ago concerning the substantial increase for the next three years.

O'Connor: Our discussion with all of the departments over the next 3 weeks is going to be the same as this.

Dr. Fitzpatrick: What consideration are you giving for the total budget increase of 2.9%? A year ago I rebated money to offset the debts. I applied and received pothole grants. I did fundraising. I volunteer to write another pothole grant if it is available.

Raymond: What do we do next year if your increase comes in at double digits again? How can we deal with you to get the figure closer to what we can handle?

Dr. Fitzpatrick: The State drove the money up. We built the 2007 budget addressing all of our needs. It is unlikely that the State will raise your contribution over 50% again.

Raymond: How do you determine the money for the budget?

Dr. Fitzpatrick: The additional assessment is an equal amount based on the percentage of students.

Floser: I'm a taxpayer and I've been looking at your budget increasing dramatically over the past 5 years. It doesn't matter the reasoning. It is an astronomical increase. It doesn't matter what happened 10 years ago with the State. There won't be an override in the Town of Millbury. The Selectmen will not authorize one.

Chet Hanratty: I want to point out that the Salaries Elected was increased and I didn't request this.

Dr. Fitzpatrick: I raised \$350,000 in pothole money to get \$147,000. It's not a viable option to pull the students out of our school. They have a legal right to go to a vocational school. I don't envision another astronomical increase from the State.

O'Connor: You are the 2nd educator to commend on the foundation budget. If there is a problem, it is up to you to go to the State and let them know what is going on. I've heard comments that the system is broken. It needs to be fixed.

Dr. Fitzpatrick: Millbury is fortunate to have Mr. Roach for a Superintendent. I have written several letters to the legislature. The DOE shapes the budget but it is low by design. This needs to be addressed.

O'Connor: Another Town has ~~had tried~~ an override for the past 2 years and could not sell it. They cannot sell another override for this year. We need to be prepared for the citizens' not voting an override.

Raymond: The Schools need to sell an override.

Jane Pojani: Who sets the number of Millbury students that go to Blackstone Valley?

Dr. Fitzpatrick: There are admission tests. Discipline records and attendance records are looked at. Guidance interviews and makes the recommendation.

Jane Pojani: What is the increase percentage for salaries?

Dr. Fitzpatrick: It is 3%. Medical insurance is 85/15. It was 90/10.

Jane Pojani: What is the increase in staff?

Dr. Fitzpatrick: We have 7 new teachers.

Jane Pojani: Does Blackstone Valley Tech charge sports fees or parking fees?

Dr. Fitzpatrick: We charge \$20 for parking and the activity fees range from \$30-35. I wanted a zero increase, but we would have had to cut too many positions. We only went up a total of 2.46%. We are adding students for the next year due to the addition at our school. Millbury's student population may change. It will probably increase.

Raymond: I think that at Town Meeting, Blackstone Valley Tech, the Millbury School Department and the Municipal side of the budget do a presentation about what may happen next year on the budgets.

Hachey: What is your total enrollment today?

Dr. Fitzpatrick: We have 925 students.

Hachey: You plan to increase that to 1250 students. That is a 25% increase. Labor is your increased cost, unless you can continue to increase the class size.

Dr. Fitzpatrick: We introduced 3 new vocational classes. Each class has start up fee which are in the budget. This is not something that is going to happen every year.

Turbitt: Can you give me a percentage of the Special Education students?

Dr. Fitzpatrick: Seventeen percent of the student population is on IEP's.

Turbitt: Do you still have 504 plans?

Dr. Fitzpatrick: Yes, we do.

Turbitt: What is the percentage of 504's?

Dr. Fitzpatrick: I would need to speak to my SPED director. We have reduced the amount of 504's over the years.

Dr. Fitzpatrick will get the Finance Committee an explanation of the budget, to be put in the Finance Committee Recommendation Booklet.

Dr. Fitzpatrick and Chet Hanratty left at 9:30p.m.

Anna Lewandowski: I want to let you know that the ratio also includes the supplemental salaries.

Hebert: Ratios are mandated.

Turbitt: How do we do any work without accurate figures to work with?

Hachey: We may need to start at the levy limit and work backwards.

Motioned by Tripaldi, seconded by Turbitt to close the public hearing. Unanimous.

Motioned by O'Connor, seconded by Turbitt to accept the minutes of March 6, 2006 as written. Hachey abstained, rest for.

Memo from Joe Chase concerning the Gasoline/Diesel Account

We will need to fill the gasoline tank at least 1 more time before July 1st. The last fill up cost about \$18,000.

Motioned by O'Connor, seconded by Floser to ask the Finance Director for FY2005 cost centers that contributed to the \$817,000 in Free Cash. We would like to know where it

came from. How much was from local receipts and how much from the schools?
Unanimous.

Motioned by Floser, seconded by Turbitt to adjourn at 9:55p.m. Unanimous.