

## Finance Committee Meeting

April 3, 2019 7:30 PM EST  
Veterans Memorial Building, Room #229  
900 Main Street  
Millis, MA 02054

### In Attendance:

Jodie Garzon, Chairman  
Peter Berube, Vice Chairman  
Doug Riley, Clerk  
Joyce Boiardi  
Jim Borgman  
Jim Bullion  
Peter Jurmain  
Shawn Power  
Craig Schultze  
Mike Guzinski, Town Administrator  
Carol Johnston, Finance Director  
Steve MacInnes, Oak Grove Farm Commission, Chairman  
Nathan Maltinsky, Community Preservation Committee, Chairman  
Nancy Gustafson, School Superintendent  
Terry Wiggin, School Business Manager  
Steve Catalano, School Committee  
Robyn Briggs, School Committee

Jodie Garzon called the meeting to order at 7:30 PM.

### Oak Grove Farm FY20 Budget Presentation:

Steve MacInnes:

The commission is requesting an additional \$4,000.00 for FY20 to fund Gypsy Moth Spraying, \$2,000.00 and Certified Wood Chips, \$2,000.00. The total budget request for FY20 is \$5,636.00. The spraying is an effort to save several oak trees along Ridge Street that were severely damaged last year. If they are not sprayed, they will eventually fall into the road or on farm land requiring emergency removal. The request is to fund (1) application, the commission will fund the 2<sup>nd</sup> application. The Certified Wood Chips would replenish the "fall zone" at the playground. The commission has paid to have 28 diseased trees removed along the Historic Tree Alley and replaced them with Red and Sugar Maples. The wood from the trees removed cannot be repurposed to wood chips for the playground. The chips must be certified otherwise the town could be potentially liable. Certified Wood Chips cost approximately \$36.00 per cubic yard. In FY22, the entire "fall zone" will have to be replaced; there is a request for this project included in the Capital Planning Committee Report.

The farm, fields, playground and walking trails are used by many community members. Overall, the property is self-funded with many volunteers. Revenues have been declining due to the loss of their Soccer Premier League. In FY19, the league paid the commission to hold its fields in reserve if needed. However, they will not be doing so in FY20 as they have secured other locations.

### Community Preservation Committee Warrant Articles Presentation:

Nate Maltinsky:

The committee has two Warrant Article to be voted on at the May 2019 Town Meeting:

- (1) Annual Appropriations and Reserves:

The estimated FY20 CPA Surcharge is \$164,394.00; the Department of Revenue suggested using the same figure as FY19. The State Reimbursement is \$18,905.00; it is calculated at 15% of the commitment. The state's reimbursement has slowly declined since FY13. The reimbursement percentage is based on the surcharge percentage; Millis' is 1%. Several towns have a higher surcharge percentage; Medway's surcharge is 3%. The following is a list of expenses and reserves for FY20:

• Administrative Expenses:	\$ 9,165.00
• Historic Resources Reserve:	\$ 18,330.00
• Community Housing Reserve:	\$ 18,330.00
• Open Space Reserve:	\$ 18,330.00
• Budgeted Reserves:	<u>\$ 80,000.00</u>
Total:	<u>\$144,155.00</u>

The Long-Term Debt Principal on the Veterans Memorial Building Restoration Project: Principal = \$25,000.00 and Interest = \$12,200.00. The town's purchase of the Dewey Property located on the corner of Exchange and Orchard streets has been paid off.

- (2) Phase IV of the Niagara Hall Firehouse Restoration project in the amount of \$20,000.00 is the final request for this project. It will finalize lighting, alarms, trim, interior storms, glass for exhibits in the museum, etc. The amount will be funded by the Historic Resources Reserve. Phases I – III totaled \$277,000.00. Many local companies worked on the site pro bono and there were many community volunteers that worked to help reduce the overall price of the restoration. A “soft opening” was held a few weeks ago to assist a Senior Project – The History of Millis. Approximately 200 people attended, and they are hoping to have a Grand Re-Opening on May 25, 2019.

The committee remarked that the Niagara Hall Firehouse Restoration project is precisely what the Community Preservation Act was designed to accomplish.

School Department FY20 Budget Presentation:

Nancy Gustafson:

The School Department's Operating Budget Cycle begins in December with reviews of staffing, non-staffing expenses, capital needs, etc. During the month of January, the Superintendent and Business Manager analyze the budget and determine the fixed costs. In February, Warrant Articles are drafted and during March the School Committee holds a Public Hearing to review the Proposed Budget. The budget is presented to Town Meeting in May.

Eighty-three percentage of the Operating Budget funds staff. Expenses are monitored closely to avoid cuts to staff. It is assumed Federal Funding for FY20 will be less than FY19. The department cut expenses in FY19 by approximately \$420,000.00 but were able to maintain Level Service Staffing. The schools provide Personalized Learning, 21<sup>st</sup> Century Skills and SEL (Social and Emotional Learning). Curriculum is focused on STEAM (Science, Technology, Engineering, Art and Math). The School Department hopes to offer an Engineering Program in the Fall. An incremental bill from the State could offset costs for Special Needs, Transportation and Circuit Breaker Funding. Although Millis is not an urban community the town will benefit somewhat if the bills pass.

The Athletic Fields are inadequate, and the Town Park Fields have been compromised from the Clyde Brown School construction. The Capital Planning Committee is aware of the inadequacies and they hope to find a resolution soon.

The school's highest enrollment was in FY11, 1,471 students. There has been a steady decline since, FY19 1,227 students. Lower enrollment is not clustered to certain grades and therefore, staffing levels cannot be reduced. Lower enrollment results in lower Chapter 70 Funding; approximately \$10,000.00 per student. Of the 1,227 students, 11.8% are low income. Their hope is to see an increase in enrollment with the new developments in town. At the Elementary School

level class sizes are 18 – 23 students. In the Middle/High School class sizes increase in certain subjects such as Social Studies; there are only three Social Study teachers. School Choice-In Tuition Revenue, \$5,000.00 per student, helps to offset the cost of salaries by approximately \$85,000.00 per year. There has been an increase of students choosing Vocational Schools, Tri-County and Norfolk Agriculture, most likely due to the cost of a college education. The School Department is working to identify what programs they can offer to keep more students in the Millis School System. Millis' Per Pupil Expenditures, \$14,621.00 per student, are higher than Holliston and Medway but are less than the state average. OOD (Out of District) costs are comparable to other communities. OOD costs will see a 20% increase in FY20.

The FY20 Proposed Budget consists of:

Salaries:	\$13,206,356.00
Expenses:	\$ 616,828.00
Energy:	\$ 316,088.00
Maintenance:	\$ 290,401.00
Special Education:	\$ 1,314,941.00
Transportation:	<u>\$ 141,425.00</u>
Total:	\$15,886,039.00

Salary Percentages are broken down as follows:

Administration:	8.9%
Technology:	2.9%
Clerks/Secretaries:	4.1%
Maintenance:	3.9%
Teachers:	66.3%
Aides/Tutors/Therapists:	9.8%
Coaches:	2.1%
Transportation:	2.0%

Salaries – Fixed Costs:

COLA:	\$183,032.00
Steps:	\$159,330.00
Lanes:	\$ 59,447.00
Preschool Revolving Shortfall:	\$ 7,837.00
Kindergarten Revolving Shortfall:	\$ 14,261.00
Custodial and Tech Summer Help – Clyde Brown School:	<u>\$ 6,043.00</u>
Subtotal:	<u>\$429,950.00</u>

Expenditures – Fixed Costs:

Special Education OOD Tuitions:	\$252,045.00
Pre-Paid Tuitions:	(\$100,000.00)
2% Inflationary Expenses Increase:	\$ 47,125.00
Required New Expenditures:	\$ 28,678.00
New Clyde Brown School Contingency:	<u>\$ 50,000.00</u>
Subtotal:	<u>\$277,848.00</u>

**Total: \$707,798.00**

The New Clyde Brown School Contingency was initially estimated at \$100,000.00 but after further research it has been reduced to \$50,000.00 for anticipated utility costs. The Salaries are Level Service.

The following is a list of Warrant Article:

• Existing Bus Lease:	\$ 89,999.00
• Medicaid Administration:	\$ 5,000.00
• Existing Computer Lease:	\$ 69,900.00
• Engineering Study – MS/HS Roof and HVAC:	\$100,000.00
• Curriculum and Instruction Materials:	\$ 30,000.00
• Year Two Locker Replacement:	\$ 25,000.00
• Year Two Furniture Replacement:	\$ 20,000.00
• Wireless Network:	\$ 40,000.00
• Scoreboard:	\$ 20,000.00
• Uninterruptable Power Supplies:	\$ 7,000.00
• John Deere Mower and Parts:	\$ 14,750.00
• Skid Steer and Attachments:	<u>\$ 37,000.00</u>
Total:	<u>\$458,649.00</u>

The School Bus Lease is a 5-year lease for six busses and the Medicaid Administration results in approximately \$38,000.00 in reimbursement. The Engineering Study for the MS/HS is requested due to the number of roof leaks in the facility and an aging HVAC system. The study could possibly be less than \$100,000.00. The locker and furniture replacements would fund the second phase. After receiving a grant in 2016 for a Wireless Network it is now time to upgrade it. The scoreboard has been hit by lightening several times and does not work properly. The uninterruptable power supplies would be used on the MS/HS technology servers. The John Deere mower would assist with field maintenance and the skid steer would help with snow removal and could be used for other maintenance. The above listed Warrant Articles are prioritized.

The School Department offers three tiers of support/tutoring to its students:

- Tier I – is provided to every student in every classroom
- Tier II – supplements Tier I if additional support is needed
- Tier III – this support is more intense and is needed by 15% of the student population. It requires 1:1 support, counseling and academic assistance

Terry Wiggin outlined the reasoning for the Engineering Study and its cost of \$100,000.00. Basically, the roof leaks very badly; to replace a portion of it would require a study. With an aging HVAC system, it makes sense to have both studied at the same time. The study will include technical specs which in turn will reduce the cost of the bids for the project itself. The School Department's Maintenance Staff is understaffed due to budget restraints. Custodial and maintenance staff has increase by .8 FTE (Full Time Employee).

The committee raised concerns about the maintenance of the New Clyde Brown School and how the community was promised it would be maintained properly. Also, the contingency for the increased cost of utilities of \$50,000.00 seems low when comparing it to the significant increases in electricity, etc. in other town buildings.

#### Warrant Article Discussion:

Mike Guzinski

Town Counsel is working on wording for the DPW Project article as well as the Zoning ByLaw article. An article was added with an alternative if the DPW Project fails at Town Meeting. The Board of Selectmen will discuss this at their meeting, Monday April 8, 2019. A final approved Warrant should be available to the committee on April 10, 2019. With the unchanged Revenue Forecast the Municipal Operating Budget for FY20 should be level funded; above level service requests will be meager. The DPW Director will attend the Finance Committee's meeting on April 10<sup>th</sup> and will discuss the DPW Building Project and its projected costs as well as the financial implications if the article does not pass at Town Meeting. As noted before, the current facility does not meet OSHA requirements. The Capital Planning committee is meeting Thursday, April

4, 2019 and will have their recommendations for Capital Items. Their report will be included as an addendum to the Finance Committee's Report. A list of funded and unfunded Capital Items will be available on April 10<sup>th</sup>.

Warrant Article Assignments - Postponed

Meeting Minutes Approval:

Pete Jurmain made a motion to recommend approval of the March 27, 2019 Meeting Minutes as written; Craig Schultze seconded. Vote: 8/0 1 abstained motion carries

Old Business/New Business:

Jodie Garzon asked the committee members to review the Warrant Articles and note any questions they may have; article writeups for the Finance Committee Report will be due in a few of weeks.

Adjourn:

Pete Jurmain made a motion to adjourn the meeting at 8:53 PM; Peter Berube seconded. Vote 9/0 motion carries unanimously.

Respectfully submitted,  
Deirdre Gilmore