

APPROPRIATIONS COMMITTEE

February 27, 2010

Present: Chairman Elaine Kelly
Rick Nieber
Janice Hight
Dan McInnis
Bob D'Amico
Tony Poteete

Also Present: Town Administrator John W. Coderre
Superintendent Charles Gobron
School Business Manager Cheryl Levesque
ARHS Principal Tom Mead
Regional School Committee Member Sue Sartori

The meeting was called to order at 9:05 a.m. in the Selectmen's Meeting Room.

Algonquin High School Budget Discussion

By agreement, the committee took up review of the ARHS budget first. C. Gobron introduced Tom Mead, principal of ARHS.

ARHS started with a 2.19% increase but had to reduce further. They noted the busing contract came in lower and the energy conversion program was working to keep costs down.

For FY11, the School Committee voted to recommend a budget increase of 0.66%. The total budget will be \$17,522,642. Northborough's FY10 assessment of \$7,962,258 decreases by \$265,735 or 3.34%. This decrease is due to the wealth-based adjustment for State minimum contribution and Southborough's increase in enrollment. Southborough's assessment is projected to increase approximately 5% or \$275,945.

Appropriations Committee members discussed the need to eliminate part-time positions that are benefit eligible. Any employee over 19 hours/week is eligible. C. Gobron indicated they are aware of the expense and working to eliminate benefit-eligible part-time positions through attrition.

Committee discussed ARHS energy costs, grants received by the Regional School District not reflected in the budget appropriation, student out-of-district placements, Charter Schools, Personnel Summary, transportation expenses, and college graduation statistics.

E. Kelly expressed concern about the budget's reliance on \$700,000 from the Excess & Deficiency account and level State Aid funding. C. Gobron indicated that ARHS assessments

will not be changed if State Aid does not come in level funded; they will make further reductions that will not impact essential staffing levels.

Committee discussed \$700,000 in one-time funds, the wealth-based State formula shift, and the shift in enrollments from Northborough to Southborough. The Committee stressed the need to look out 3-5 years to try to plan for sustainability.

C. Gobron indicated the Excess and Deficiency account (ARHS equivalent of free cash) can, by law, be no more than 5% of the budget, which would be approximately \$900,000. The State Department of Revenue has not yet certified existing E&D.

The Committee discussed enrollment changes from FY10 to FY11. FY11 Assessments are based upon October 2009 enrollment figures. For FY11, total ARHS enrollment is projected to be 1416 with 807 students from Northborough, 605 from Southborough and 4 “other” students. For FY10, total ARHS enrollment is 1412 with 826 students from Northborough, 580 students from Southborough, and 6 “other” students. As Southborough’s enrollment climbs, Northborough’s share of the budget will continue to decline. Enrollment change is the primary factor affecting the shift in FY11 assessments.

Committee discussed historic trends in education costs and various State mandates related to 1993 Education Reform and changes in Special Education.

10:45 a.m. – The discussion regarding ARHS’s FY11 Budget ended, and the committee took a brief break.

11:10 a.m. – *Central Office Budget Discussion*

C. Gobron noted that the handout previously distributed to the Committee is not current because all Central Office salaries are being frozen. The Northborough K-8 budget will ultimately be reduced by its share of the Central Office decrease.

The Central Office costs are split 40% for ARHS, 30% for Northborough K-8 Schools and 30% for Southborough K-8 Schools. The Central Office uses 5 classrooms (4,328 sf) in Southborough’s K-8 Schools, and Northborough pays \$6,700 in “Building Maintenance” expenses to Southborough.

The Committee discussed the various costs included in the Central Office including the Health Insurance cost sharing. The Committee again stressed its desire to pool these costs and apply the 40/30/30 expense sharing formula. Currently that expense is split by Central Office staff volunteering to distribute their Health Insurance selection between the Regional Health plan, Southborough’s health plan and Northborough’s health plan.

The Committee questioned what other Central Office expenses were not being paid 40/30/30 and expressed their desire for consistency in how central costs are allocated.

The Committee discussed the possibility of moving the Central Office back to ARHS. The Superintendent stated that he will bring this topic back to the Regional School Committee for discussion.

11:50 a.m. Northborough K-8 School Budget Discussion

C. Gobron indicated that the K-8 budget is a 1.58% increase and noted the Town has indicated a 1.6% increase would fit into the revised revenue projections.

The FY11 Budget is predicated on the use of approximately \$217,312 in State Stimulus funds originally targeted for FY10, now being applied to FY11 salary increases.

Other savings are freezing Central Office salary increases and savings for the 5-year busing contract.

The Northborough K-8 School Budget can increase 1.6% from an FY10 budget of \$17,657,769 to \$17,940,566, or \$282,797. It was determined that the difference between a 1.58% increase and a 1.6% increase is \$4,383.

The Committee discussed SPED costs, the impact of Charter Schools and School Choice.

The Committee discussed capital projects previously approved by Town Meeting in April 2009.

E. Kelly and other Committee members questioned why Zeh School costs are generally higher than the other Elementary Schools. C. Gobron said they will look into why Zeh School appears to be higher and report back to the Committee.

Adjournment

2:00 p.m. J. Hight moved to adjourn; R. Nieber seconded, approved unanimously.

Respectfully submitted,

J. W. Coderre

Y:\John\appropriations\meeting minutes\2010Mn 02.27.10.doc