



APPROPRIATIONS COMMITTEE

MEETING MINUTES

Saturday, March 9, 2019
Selectmen's Meeting Room
9:00 a.m.

Present: Chairman, Elaine Kelly
George Brenckle
Robert D'Amico
Janice Hight
Richard Nieber
Anthony Poteete

Also present: John Coderre, Town Administrator
Christine Johnson, Superintendent of Schools
Gregory Martineau, Assistant Superintendent of Schools
Marie Alan, Director of Student Support Services
Rhoda Webb, ELL District Coordinator
Rebecca Pellegrino, Human Resource Administrator
Sara Praguski Walsh, Principal, Algonquin Regional High School
Helynne Winter, Regional School Committee
Susan Lawrence, Northborough School Committee
Kelly Guenette, Northborough School Committee
Jason Perreault, Selectman
Leslie Rutan, Selectman

The meeting was called to order at 9:05 a.m.

FY2020 BUDGET UPDATE

Mr. Coderre referenced the following overall budget goals and objectives as discussed at the December 13, 2018 Financial Trend Monitoring Presentation:

1. To protect and improve the Town's overall Financial Condition
2. To develop a budget that is in conformance with the Town's comprehensive financial policies
3. To maintain Northborough as an affordable place to live and operate a business
4. To protect the Town's long-run solvency

Following a brief review of the FY2020 revenue assumptions, including State Aid, New Growth and Local Receipts, Mr. Coderre reviewed the following issues that will impact the key budgets.

UPDATE ON PRELIMINARY FY2020 BUDGET CONT. . .

The first issue is the status of the outstanding union contract negotiations as well as the ongoing Classification/Compensation Study. All five collective bargaining contracts expire June 30, 2019 and are currently under negotiation for FY2020. The Town is also in the process of conducting a comprehensive Classification/Compensation Study designed to update all position job descriptions and conduct a market survey to ensure the Town's compensation and benefits remain competitive. The results of the Study will be brought forward to Town Meeting for approval and will likely have financial impacts where market adjustments are warranted.

The second issue relates to recent developments regarding the worldwide recycling market and the pending solid waste contract bid. The Town's solid waste collection contract will expire on June 30, 2019. The recycling industry is currently going through a tumultuous period adjusting to the recent changes in marketability of the recycling commodities worldwide. As a result, Town staff is evaluating the most cost effective and lowest risk means for the Town to manage this portion of the program, which means restructuring the contract and bidding it out. Depending upon the bid results, the tax subsidy to the Solid Waste Enterprise Fund may need to increase by approximately \$200,000.

The third issue is that increased Northborough student enrollment at the Algonquin Regional High School (ARHS) will once again result in significant increases to the Town's FY2020 Assessment. While the overall ARHS Budget is only increasing 3%, Northborough's Assessment share will increase by 8.33%, or \$941,577, which will require significant use of the Town's excess levy capacity.

Mr. Coderre stated that in order to accommodate the increased ARHS Assessment, the budget model will require the Town to dip into its unused levy capacity by approximately \$900,000, resulting in an estimated tax impact to the average single family home of about \$361. Had the ARHS Assessment increase come in at 3.5%, we would only need to use \$353,000 in levy capacity (\$547,000 less), resulting in an estimated single family tax bill of \$278 (\$83 less). Mr. Coderre noted that the ARHS Assessment increase is not the result of any decision made by the School Administration and is mainly the result of increased Northborough enrollment as it relates to the State's Chapter 70 formula for Minimum Local Contribution. He publicly thanked the School Superintendent and School Committees for their excellent collaboration in bringing the K-8 budget and overall Algonquin Regional High School budget in at reasonable levels.

Mr. Coderre proudly announced that the Town concluded its FY2020 Health Insurance negotiations with Fallon and successfully secured a 0% rate increase. This renewal drives home the fact that the collaborative approach between the Town and School Department to seek carrier consolidation under Fallon for FY2019 was the right move. Although there will still be an increase in the FY2020 Health Insurance budget due to increased enrollment and other factors, most active employees will not see any increase in their FY2020 payroll deducted premiums. The FY2020 Health Insurance budget is estimated to increase just 2%.

Lastly, Mr. Coderre reported that based upon revised assumptions, the target budgets for the key departments are estimated to increase as follows:

- Northborough K-8 Schools increase \$662,965 or 2.73% to \$24,928,558
- General Government (Town) increases \$757,193, or 3.5% to \$22,391,273

UPDATE ON PRELIMINARY FY2020 BUDGET CONT. . .

- The overall Assabet Valley Vocational HS operating budget is increasing 4.25%. However, Northborough's Operating Assessment increases by \$82,416, or 13.46% to \$694,822 as enrollment increases from 41 to 45 students. Debt service associated with the completed renovation project decreases from \$145,316 to \$141,488 a 2.63% reduction.
 - Net effect of the combined Operating Assessment and new debt service is \$836,310, an overall increase of \$78,588, or 10.37%
- The overall Algonquin Regional High School (ARHS) budget is increasing 3%. The ARHS Operating Assessment is increasing \$947,799, or 8.38% to \$12,252,513 based upon Northborough enrollment and related impacts to the State's foundation budget and minimum local contribution formula. The debt for ARHS increases by \$10,668 or 1.75% to \$621,442.
 - Net effect of the combined Operating Assessment and new debt service is an overall increase of \$958,467, or 8%

K-8 NORTHBOROUGH PUBLIC SCHOOLS

School Superintendent Johnson reviewed an information packet with the Committee and proceeded to review a power point presentation, which was provided to the Committee in paper form. The presentation represents the operational budget subcommittee's recommendation. This final version was formally approved by the K-8 School Committee at their February 6, 2019 meeting.

Ms. Johnson reviewed the K-8 School Committee's FY2020 Budget goals:

- Maintain and support high quality staff and instructional programs and support class student/teacher ratios in accordance with Policy I-240
- Meet the needs of all learners with instructional classroom models that are researched-based and reflect best practices
- Expand professional development for all teachers with an emphasis on providing support for programs and professional development to support structured, multi-sensory based reading programs and the social and emotional health of all children
- Maintain the District's capital assets with a special emphasis on safety and energy efficiencies
- Ensure all students an educational program consistent with the Massachusetts Curriculum Frameworks and prepare all students for success in district-based and state assessments
- Meet State Benchmarks for educational technology and the funding goals identified in the Technology Implementation Plan
- Determine the feasibility of transitioning to a tuition-free full day kindergarten program

Ms. Johnson indicated that overall, the K-8 Schools have retired 3 full-time employees due to declining student enrollment. Enrollments are down from 1588 in FY2019 to 1493 in FY2020. Ms. Johnson reviewed new programs and initiatives in the school delivery model.

Ms. Johnson reported that the FY2019 Zeh School boiler replacement project is complete at approximately \$150,000 under budget. Approximately \$130,000 of the remaining boiler budget will be used to fund the FY2020 K-8 communication and security enhancement project.

Ms. Johnson then reviewed the School Department's capital request for FY2020:

K-8 School Communications and Security Enhancements - \$185,000

This request seeks funding for communications and security enhancements to Northborough's K-8 schools. The project will include installation of a new telecommunications system, including a public address system, security card access (keyless entry) to buildings, and interior and exterior camera installations. The telecommunications systems at the Melican Middle School and Proctor and Zeh Schools are unreliable and outdated analog systems that the District seeks to replace with a modern digital VoIP solution. Melican, Peaslee, Proctor and Zeh Schools do not currently have keyless entry systems in place. Replacing keys with a card-access system allows for a streamlined means of controlling faculty and staff access and provides greater building security. In addition, these facilities currently lack security cameras. Installation of cameras would allow the District to better monitor the campuses during and after school hours. The proposed equipment has already been installed at Algonquin Regional High School and the Southborough Public Schools.

Overall, the K-8 School Budget is proposed to increase \$662,965, or 2.73% , to \$24,928,558.

Ms. Johnson reviewed a power point presentation regarding a transitional plan to move to a tuition-free, full-day kindergarten program. The goal is to phase-in the elimination of kindergarten tuition by FY2023.

At the request of Ms. Kelly, Ms. Johnson discussed enrollment and class size in more detail. She reviewed enrollment preparations and class size ratios. All schools and all grades are within the School Committee's class size policy of 22 students for K-2 and 22 students for grades 3, 4 and 5. Melican Middle School is unique due to the mix of students in each class, resulting in no standard one-size policy. Ms. Johnson reviewed the School Committee's redistricting policy for new students entering the district. Overall, enrollments are proposed to decline 7% through 2029. Ms. Johnson noted that there are fewer options to reduce staff in the future due to each K-5 school needing at least 2 teachers per grade.

K-8 Budget Presentation concluded at 11:00 a.m.

ALGONQUIN REGIONAL HIGH SCHOOL (ARHS) FY2020 BUDGET

Ms. Johnson reviewed the Algonquin Regional High School FY2020 recommended budget, which was provided to the Committee in paper form. The final version was formally approved by the Regional School Committee at their meeting on February 27, 2019.

Ms. Johnson reviewed the FY2020 School Committee Budget priorities:

- Maintain high quality staff, instructional programming and instructional resources
- Strive to achieve class sizes according to School Committee Policy
- Prepare all students for high levels of success in college and career readiness
- Fund the initiatives of the School Improvement Plan
- Meet the goals set forth for educational technology in the district technology plan
- Create and fund a short and long-term Capital Plan for the high school

Overall, the Algonquin Regional High School FY2020 Budget is proposed to increase \$692,490, or 3.0%, to \$23,775,448.

Ms. Johnson reviewed the Algonquin Regional High School’s capital needs and discussed potential options for private fundraising through the Algonquin Boosters organization and possible naming/ advertising options.

Ms. Johnson reviewed the start time options at the high school and the implications for lower grades. The district has hired a transportation consultant to review options and analyze budget implications. More information will follow at a later date, but discussions continue.

Ms. Johnson discussed the reductions necessary to bring the overall Algonquin Regional High School budget down to 3%, including the reduction of 3.2 full-time equivalent positions. Reductions were made through attrition, while maintaining class size policy.

The FY2020 Budget Distribution is as follows:

FY2020 Recommended Budget		\$23,775,448
Regional Transportation	717,792	
Miscellaneous Income	<u>20,000</u>	
	\$3,891,006	(\$3,891,006)
FY2020 Budget After Offsets		\$19,884,442
Northborough Minimum Local Contribution		8,470,957
Southborough Minimum Local Contribution		<u>5,281,563</u>
FY2020 Budget After Required Contributions		\$ 6,131,922

The Non-Exempt Budget Assessment Calculation Revised:

Northborough Portion		\$6,131,922	Southborough Portion	
	61.67%			38.33%
\$ 3,781,556	Apportionment by Regional Agreement		\$2,350,366	
+ <u>8,470,957</u>	FY2020 Minimum Local Contribution		+ <u>5,281,563</u>	
\$ 12,252,513			\$7,631,929	
\$11,304,714	FY2019 Assessment to Towns		\$7,633,941	
947,799	Decrease/ Increase in FY2020 Assessments		(\$2,012)	
8.38%	FY2019 Assessment Increase *		0%	

*Non-Exempt – Calculations based on Governor’s FY2020 Budget Projections

3.0% increase

It is important to remember that the minimum local contribution factor is not controlled by the Town and is difficult to forecast. This component of the State Chapter 70 formula is a major factor in Northborough's increase in assessment.

The Committee members expressed their appreciation with the high level of collaboration between the Town and Schools and thanked the Superintendent for her excellent presentation and especially for her years of service to the Town. Ms. Johnson is due to retire as of June 30, 2019.

NEXT MEETING DATES

March 14 Budgets of the Assabet Valley Regional Technical High School, the Senior Center and the Library.
March 25 Joint Budget Hearing with Board of Selectmen
March 28 Department Budget Presentations Continued

ADJOURNMENT

Mr. Poteete moved the Committee vote to adjourn; Mr. D'Amico seconded the motion; all members voted in favor.

Meeting adjourned at 12:00 p.m.

Respectfully submitted,

John W. Coderre, Town Administrator

Documents used during meeting:

1. March 9, 2019 Meeting Agenda
2. FY2020 Budget Update
3. Northborough K-8 School FY2020 Budget Presentation packet
4. ARHS FY2020 Budget Presentation packet