

TOWN OF PRINCETON MA
Princeton Advisory Committee
Meeting Minutes
February 13, 2019

AC members in attendance: Bill Lawton, Mary Jo Wojtusik, Wayne Adams, Judy Dino, Helga Lyons, George Handy (5:50 pm)

Absent: Krista Penning

Advisory Committee (AC) Agenda

5:00 – 6:00

- Town of Princeton Department Budget Review
- Approve AC Annual Report
- Approve Minutes from previous AC meeting(s)
- Review schedule of upcoming AC meetings
- Advisory Committee Annual report draft

6:00 – 8:00

- WRSD Officials Budget presentation and discussion; joint session with Select Board

Meeting Minutes

Meeting Started at 5:05PM

Town of Princeton Department Budget Review (with Nina Nazarian, Town Administrator and Jim Dunbar, Treasurer)

There was a review of the various town government department budgets. Items of note included request from the TA for a project manager position to handle upcoming projects (140 Road project, various building stabilization projects, CoA space renovation, etc.). There was some discussion as to whether this position should be an employee or a contract position since the various projects have a finite lifespan. Further discussion regarding justification is anticipated.

There is a \$3k expense in the Treasurer’s budget for new software. While the new software is more expensive than previously used software, there is an anticipated labor savings to be realized.

A budget for \$3k for holiday lights was a new item in the Select Board budget. The AC suggested that this item likely belonged in a more appropriate place in the budget. In past years, PMLD provided their services free of charge to the Town to decorate at holidays (holiday lights, Memorial Day decorations). They informed the Town that they would no longer be doing this.

There was a review of the debt schedule with specific focus on the fire truck and police cruiser loans and leases, respectively.

Approve AC Annual Report

The AC voted to approve the Annual Report drafted by Wayne Adams.

Approved 6-Y, 0-N, 0-A

Approve Minutes from the last meeting

Approved: 6-Y, 0-N, 0-A

Reference Documents

AdvCmteAnnual Report 2018 final 2 14 2018

WRSD Prelim FY20 Budget Review - Princeton

Proposed Department Meetings

Regular meeting, February 20 at 5:00

Saturday March 2nd 11:00 - 1:30

Meeting adjourned at 6:03 pm.

WRSD Officials Budget presentation

Darryll McCall (Superintendent) and Daniel Deedy (Director of Business and Finance) represented WRSD. Megan Weeks and Bob Imber, Princeton School Committee members were also in attendance. A copy of the presentation is included with the minutes (see Reference Documents)

Superintendent McCall presented the draft budget which can be found at the following link.

https://www.wrsd.net/plans_documents

Minutes recorded by Mary Jo Wojtusik, AC Member

Princeton Advisory Committee – Feb 2018- Feb 2019 Annual Report

<u>Advisory Committee Members</u>	<u>Title</u>	<u>Term ends</u>
Wayne M. Adams	Chair	June 2019
Judy Dino	Member	June 2020
George Handy	Member	June 2019
Bill Lawton	Vice-Chair	June 2020
Helga Lyons	Member	June 2019
James M. O'Coin	Member	Sept 2018
Krista Penning	Member	June 2021
Don Schoeny	Member	June 2018
John W. Shipman	Former Chair	June 2018
Mary Jo Wotusik	Secretary	June 2021

AC members met numerous times in 2018-2019 to review town departmental operational budgets, capital requests, borrowing requirements, make reserve fund transfers, and to review and vote on the articles in the annual town warrant including the Facilities Committee stabilization, restoration, and new construction articles. AC produced a one-page overview for 2018 ATM reflecting AC votes per article, potential tax bills for the average household should all articles be passed, and relevant fiscal best practice ratios and percentages for sustainable budget aligned with general industry cost increases. The AC hosted a public hearing for listening and understanding citizens opinions and concerns regarding the town's financial picture as well as to discuss the Annual Town Warrant articles and the AC recommendations for the ATM Warrant.

The AC ongoing guidance to town leaders is long-term financial sustainability as the principal goal in town spending, especially in light of the new and incremental capital-intensive investments needed in town buildings and town roadways. For FY2020, we advised that operating budget formation guidance be level funded instead of level service, to enable more discussions and analysis in support of sustainable budget growth and operational efficiencies.

Town spending levels have been running higher than the cost of inflation and compounded 2.5% growth. AC recommended the FY19 budget not to exceed a tax levy of \$8.5M. The tax levy of \$8.5M represents 5.06% compounded rate over the past 2 years, staying within 2.5% year over year growth. FY19 compared to FY17 (Two year): Total FY19 +11.4% %, Municipal +14.3%, Municipal Operating +7.5%. Compared to a 5.06% compounded rate. FY19 compared to FY14 (Five year): Total FY19 +20.7% %, Municipal +43.0%, Municipal Operating +33.0%. Compared to a 13.14% compounded rate, if staying within 2.5% increase year over year. FY19 Actual tax levy was \$8.7M

The town, school district and state budgets are challenged to fund ongoing operations. Funding at above average year-over-year costs for OPEB, health insurance, infrastructure construction and K-12 school systems is a difficult balance of choices. The desired outcome for improving the town's budgeting processes is to wisely manage town spending and ensure the spending is aligned with the town's most pressing projects and that funding is controlled within the intent of Proposition 2 ½.

The AC was involved in reviewing our town's responsible share of the state's Chapter 70 K-12 school funding calculations. AC is supportive of the Senate bill to review Regional School Chapter 70 funding formula calculations and making refinements for fairer town assessments and regional allocations.

In a prior year, the AC advised the Select Board to continue to pursue additional MBI funds to offset the town's broadband make-ready expenses; the town did and will receive \$100K to become part of free cash to be applied to ongoing town expenses and make-ready debt. In a prior year, the AC advised the Planning Board to work more closely with town business, especially retail businesses, for the revised Sign bylaws. The resulting amendments were completer and more accepted by the town voters and business owners. In the prior year, AC discussed water on wheel options with

the Fire Chief that resulted in a deferred request from a STM to ATM, with the reconsideration decision to acquire one new fire truck and instead acquired two used fire trucks with increased total town water carrying capacity.

AC has taken on some additional projects to further town planning in the future, including drafting a financial policy, drafting a town budget preparation schedule, and assisting the TA in reviewing town insurance carriers, policies, coverage, and rates.

The AC has onboarded three new members, two in July and one in January. Time is being spent in meetings providing historical context for today's decisions. Several AC members have attended DLS and MMA workshops to learn about available resources, best practices, and meet cross-community peers.

Background

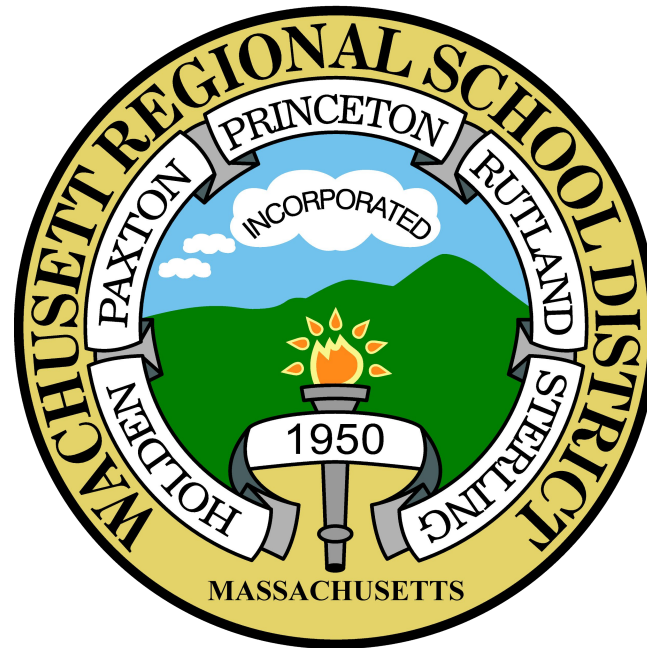
Massachusetts towns with a property valuation of \$1 million or more must create, by either charter or bylaw, a finance committee, also known as an Advisory Committee (AC). The Town's Select Board appoints Princeton's seven AC members. The AC is the official fiscal overseer and is tasked with conducting annual reviews of fiscal questions on behalf of all the citizens. The Princeton AC is primarily responsible for submitting its recommendations on the annual budget to the Princeton Town Meeting, along with recommendations for all articles on Warrants, be it for the Annual Town Meeting or Special Town Meeting.

Along with the Town Administrator and the Select Board, the AC is occupied with assisting in the process involving the development of the budget. The AC statutory authority is limited by town statute to making transfers from the Town's reserve fund to other line items in the budget as requested and making recommendations to the voters at the annual town meeting. The Town of Princeton has established bylaws that govern AC activities.

Overall, the AC works to identify and monitor areas that threaten the town's unique and historic ability to remain fiscally prudent. The AC does provide strong guidance to improve the operating budget planning process and capital improvement requests by departments. As the SB, TA, and AC continue to improve on the yearly financial planning processes, we anticipate several more years of attention and discipline by all concerned in the budgeting process to accomplish long-term fiscal planning. One aspect of the planning process is for the AC to have adequate time to review and research spending requests, consider alternative proposals to satisfy the service, cost-justify expenditures with detailed explanations and make recommendations to maintain and enhance town service levels.

Wayne M. Adams, Chairman, Princeton Advisory Committee

Wachusett Regional School District



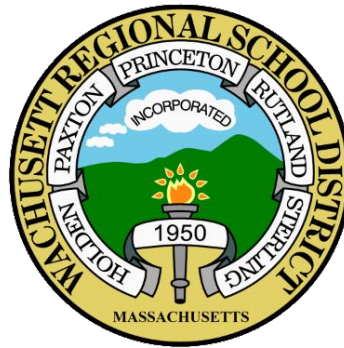
Preliminary FY20 Budget Review
February 13, 2019 - Town of Princeton

The WRSD seeks to ensure meaningful student growth and promote social emotional well-being in a safe and nurturing environment. We will integrate the talent, experience, and knowledge of all members of our community to develop lifelong learners, equipped to think critically in an ever-changing, global society.

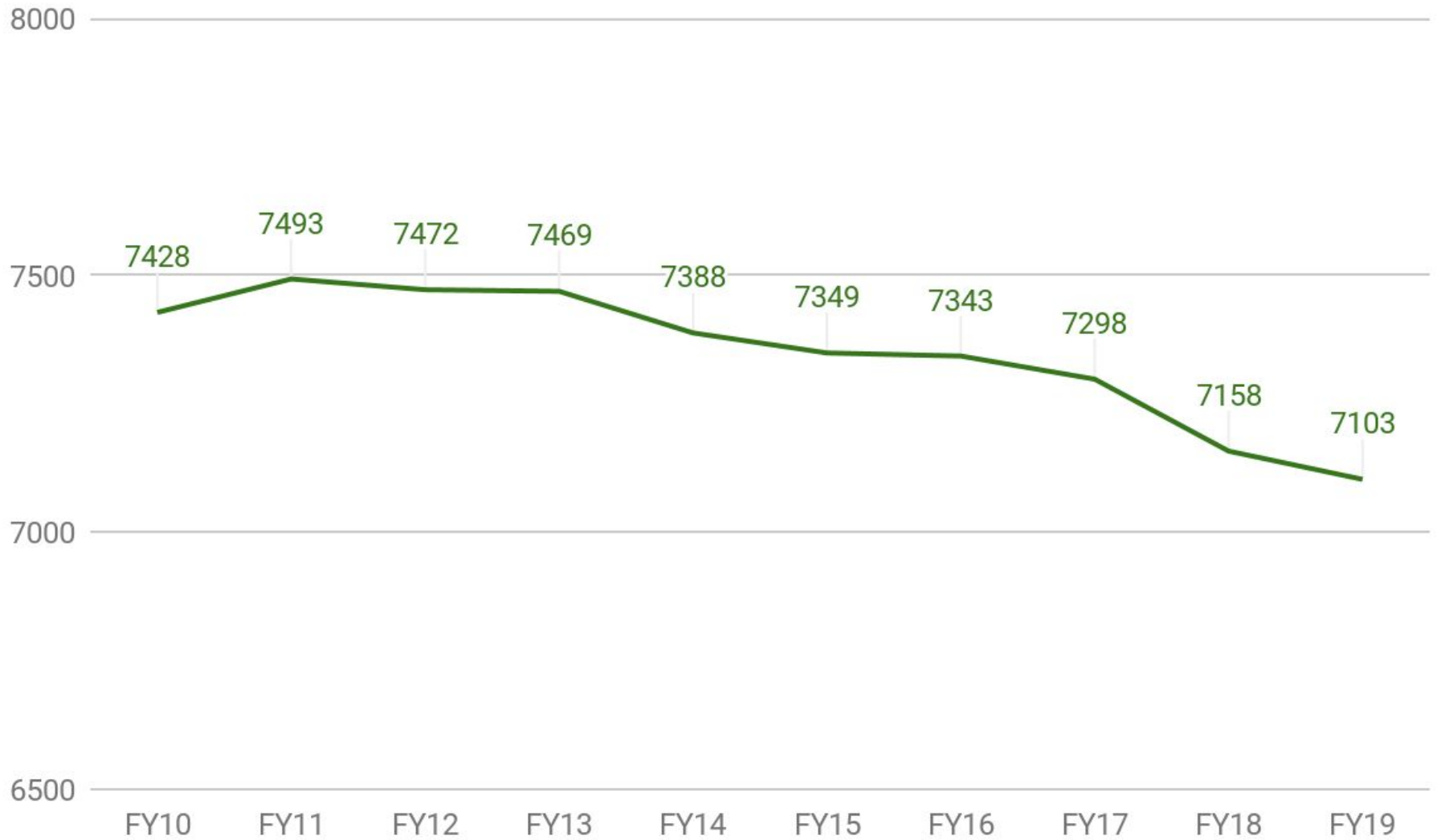


- Enrollment
- Per-Pupil Spending
- FY20 Salaries & Benefits
- FY20 Instruction & Operations
- FY20 Fixed Costs
- FY20 Total Budget
- FY20 Revenues
- Budget Calendar

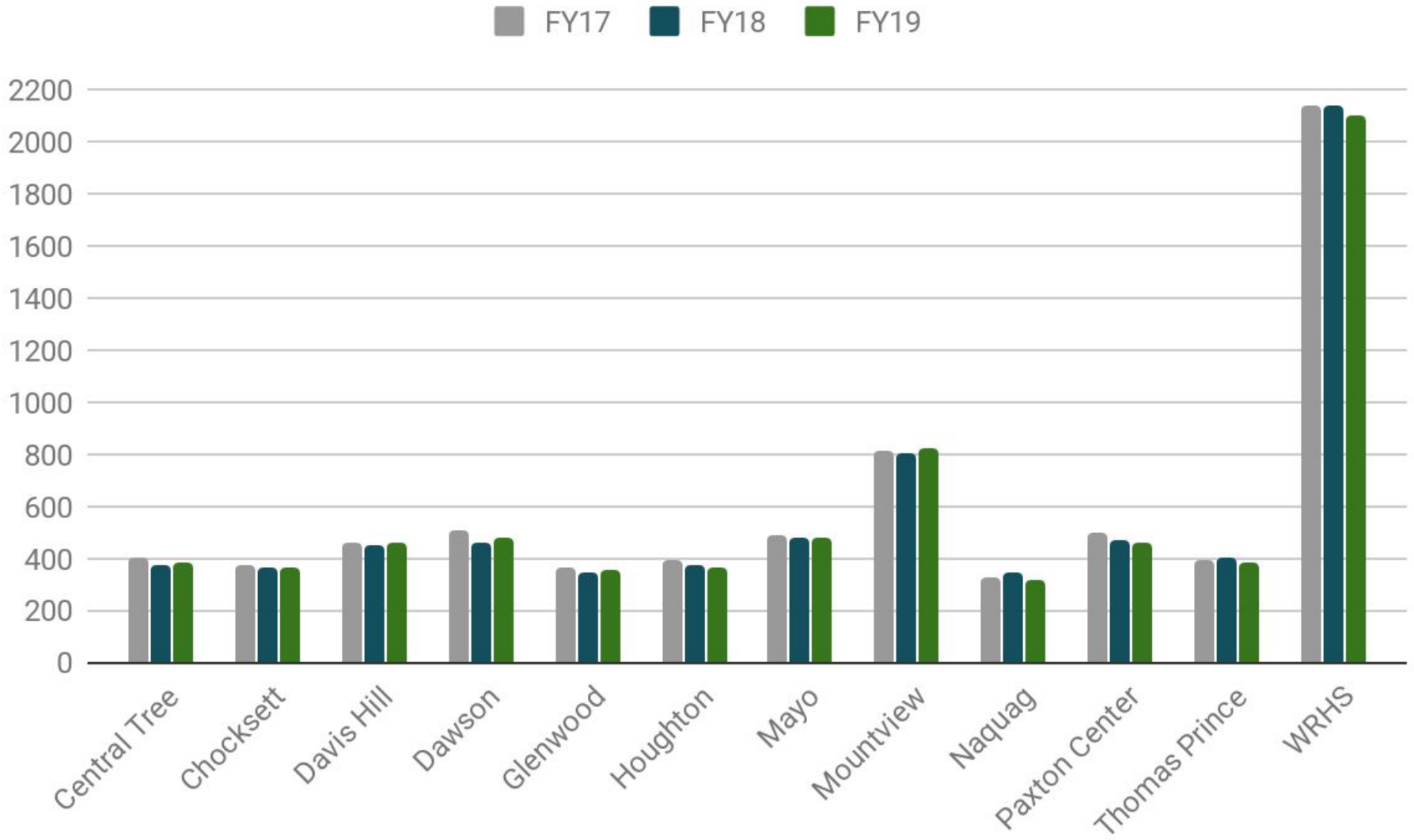
Enrollment



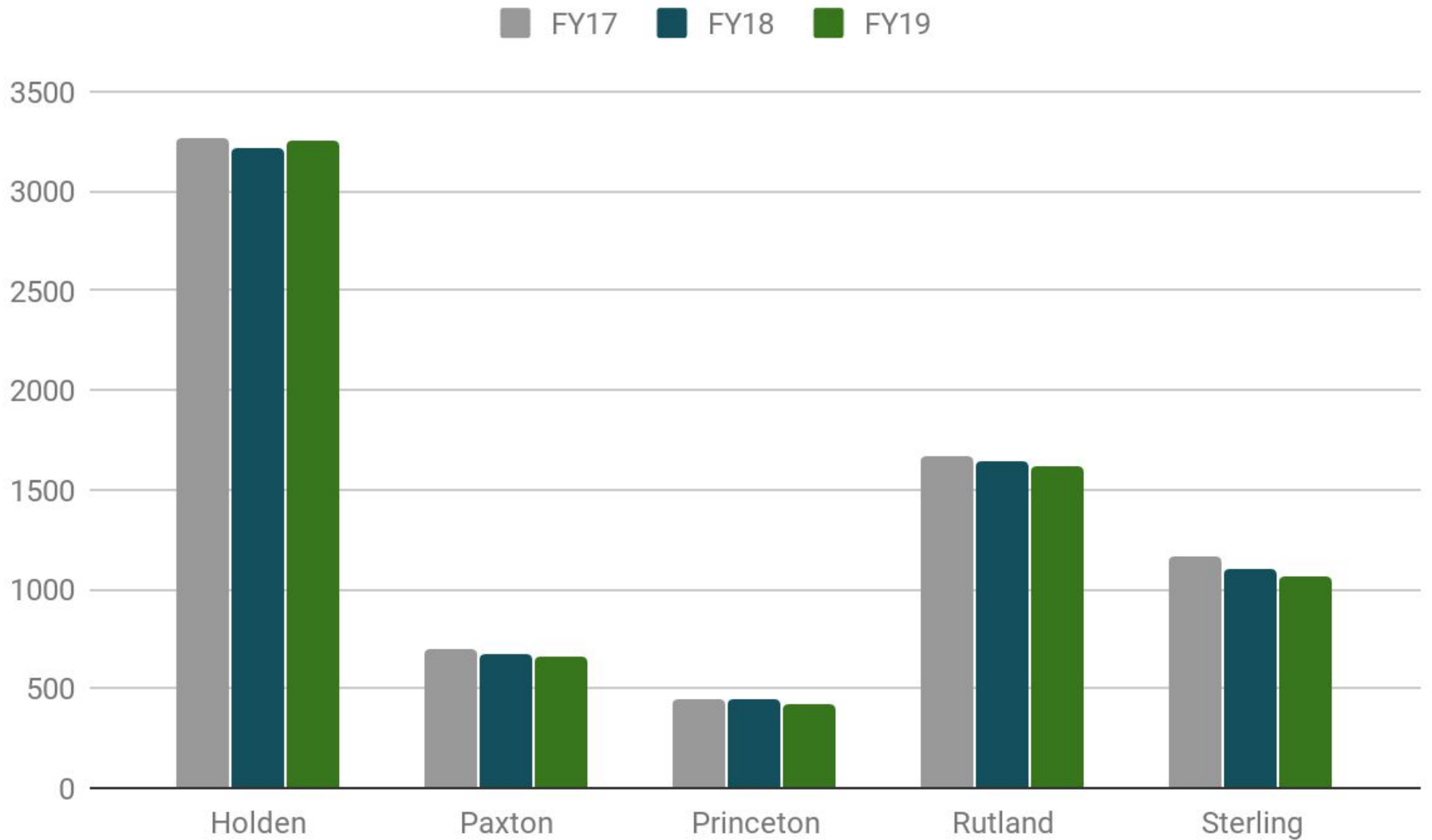
HISTORICAL DISTRICT ENROLLMENT



ENROLLMENT BY SCHOOL



ENROLLMENT BY TOWN



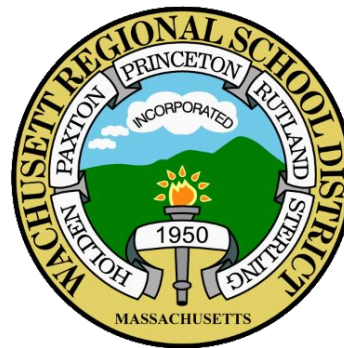
DISTRICT ENROLLMENT SHARE

Overall District	FY 2019		FY 2020		Difference	
Town	Count	Percentage	Count	Percentage	Count	Percentage
Holden	3,219	45.40%	3,258	46.50%	39	1.21%
Paxton	677	9.55%	654	9.33%	-23	-3.40%
Princeton	442	6.23%	423	6.04%	-19	-4.30%
Rutland	1,647	23.23%	1,612	23.01%	-35	-2.13%
Sterling	1,106	15.60%	1,060	15.13%	-46	-4.16%
Total	7,091	100.00%	7,007	100.00%	-84	-1.18%

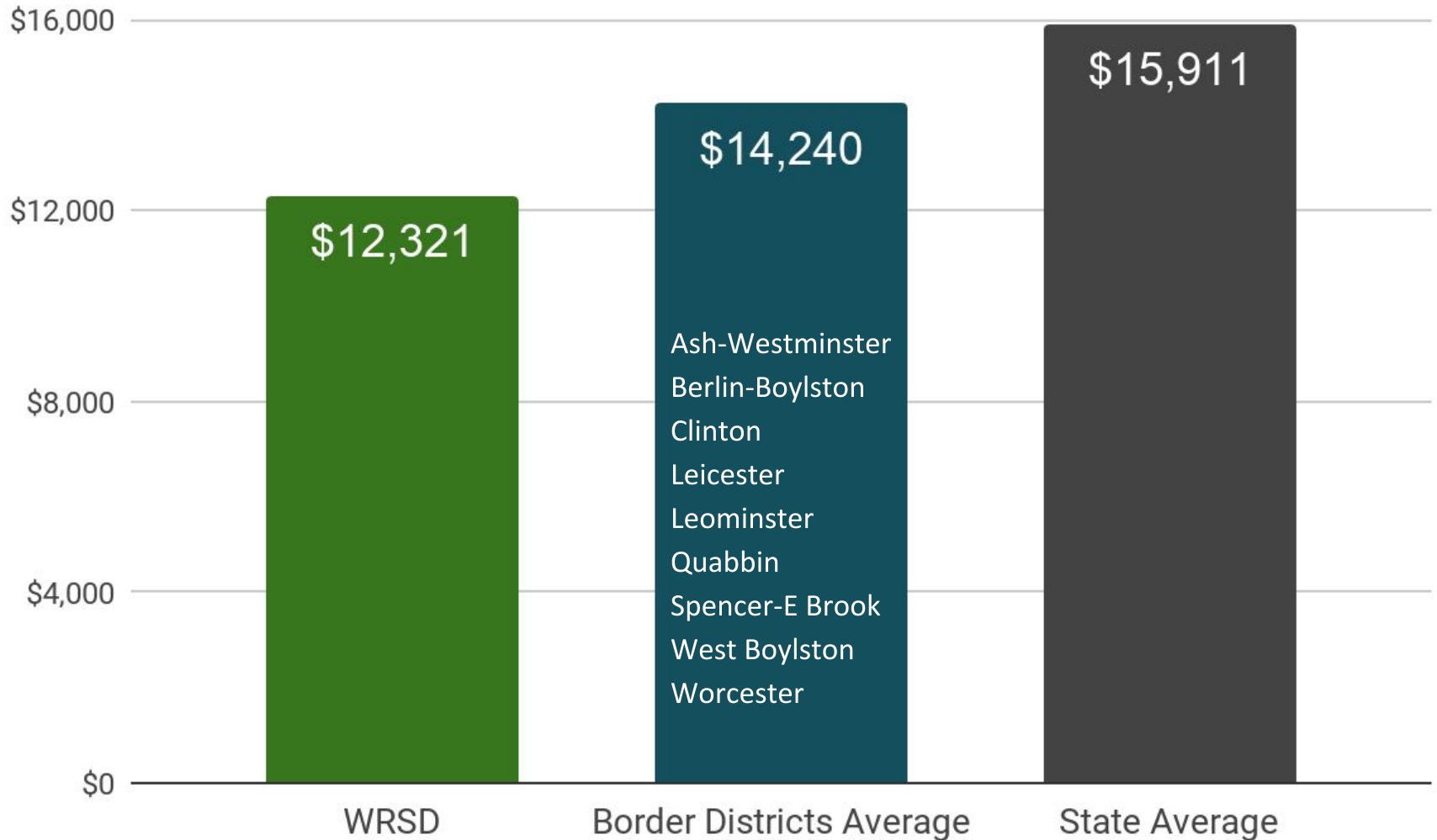
HIGH SCHOOL ENROLLMENT SHARE

High School	FY 2019		FY 2020		Difference	
Town	Count	Percentage	Count	Percentage	Count	Percentage
Holden	915	42.84%	920	44.66%	5	0.55%
Paxton	214	10.02%	201	9.76%	-13	-6.07%
Princeton	152	7.12%	130	6.31%	-22	-14.47%
Rutland	528	24.72%	497	24.13%	-31	-5.87%
Sterling	327	15.31%	312	15.15%	-15	-4.59%
Total	2,136	100.00%	2,060	100.00%	-76	-3.56%

Per-Pupil Spending



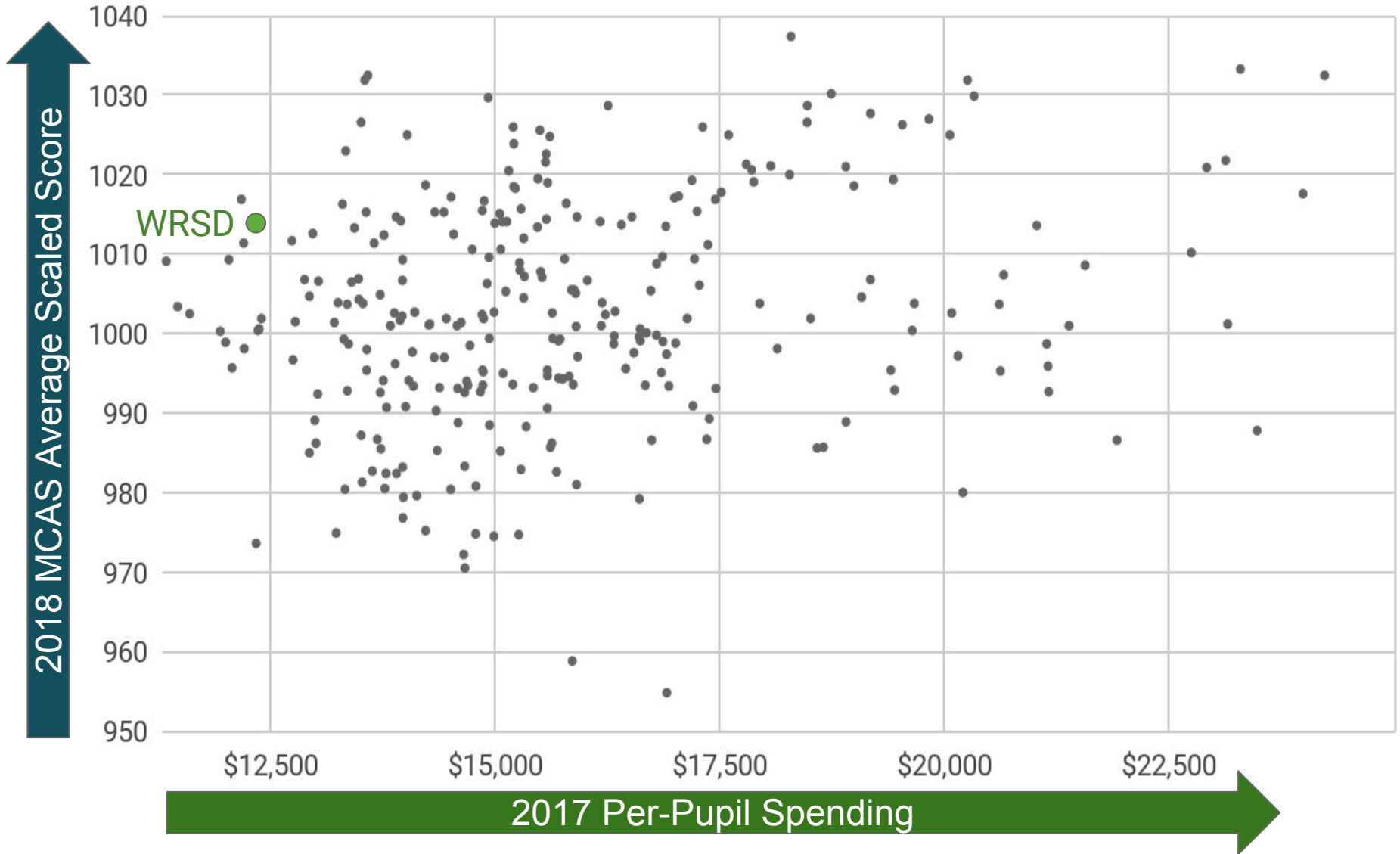
2017 PER-PUPIL SPENDING



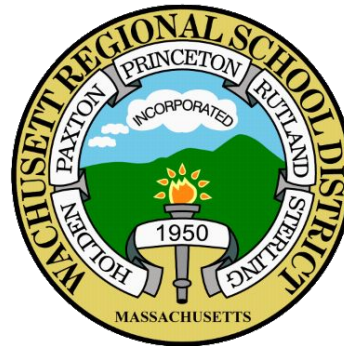
If WRSD spending matched the border district average, the budget would increase by **\$13.6M**

If WRSD spending matched the state average, the budget would increase by **\$25.5M**

MCAS PERFORMANCE VS PER-PUPIL SPENDING



FY20 Budget



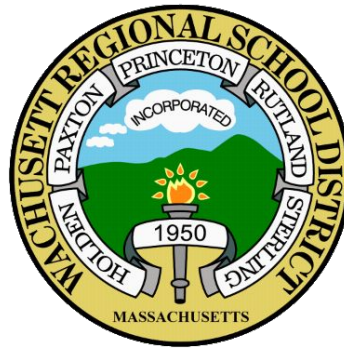
BUDGET PRIORITIES

- **Domain 1**
 - Budget transparency via line-item budget
- **Domain 2**
 - Tuition-free full-day kindergarten
 - Early Literacy Program Adoption - Grade 2
 - Science/Engineering Materials
- **Domain 3**
 - Technology (HS 1:1 for Gr. 9 through 12)
 - Textbook/Program Adoption - Year 2
 - Special Education Programs
- **Domain 4**
 - PD funds focused on supporting strategic initiatives
- **Domain 5**
 - Full-time Middle School Counseling

BUDGET BREAKDOWN BY APPROPRIATION

Appropriation	FY19 Budget	FY20 Proposed	\$ Diff +/-(-)	% Diff
Salaries & Stipends	\$59,582,718	\$61,789,888	\$2,207,170	3.70%
Benefits & Insurance	\$14,566,115	\$15,273,253	\$707,138	4.85%
Instructional Support	\$3,089,977	\$3,471,865	\$381,888	12.36%
Operations & Maintenance	\$3,474,472	\$3,606,155	\$131,683	3.79%
Pupil Services	\$63,035	\$51,240	(\$11,795)	-18.71%
Special Ed Tuitions	\$2,913,244	\$3,117,171	\$203,927	7.00%
Other Operating Costs	\$1,205,101	\$1,287,815	\$82,714	6.86%
Transportation	\$6,840,933	\$6,840,933	\$0	0.00%
Debt Service	\$2,473,856	\$2,497,106	\$23,250	0.94%
Total General Fund	\$94,209,451	\$97,935,426	\$3,725,975	3.95%

FY20 Salaries & Benefits



SALARIES & STIPENDS

FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
\$59,582,718	\$61,789,888	\$2,207,170	3.70%

- Contractual Obligations
- New Positions
 - HVAC
 - Middle School Counselor
 - ECC Teacher
- Full-Day Kindergarten
 - 3 New Teachers
 - 3 New Paraprofessionals

BENEFITS & INSURANCE

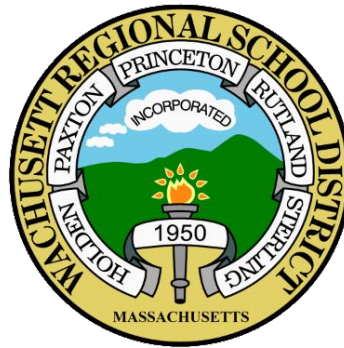
FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
\$14,566,115	\$15,273,253	\$707,138	4.85%

- Health insurance increase
- OPEB investment

TOTAL SALARIES & BENEFITS

Group	FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
Salaries & Stipends	\$59,582,718	\$61,789,888	\$2,207,170	3.70%
Benefits & Insurance	\$14,566,115	\$15,273,253	\$707,138	4.85%
Total	\$74,148,833	\$77,063,141	\$2,914,308	3.93%

FY20 Instruction & Operations



FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
\$3,089,976	\$3,471,865	\$381,889	12.36%

- Year 2 of the Textbook Plan, including Gr. 2 Early Literacy
- Technology
 - 1:1 program expansion for grades 9-12
 - Reallocation of software expenditures
- Materials for Social and Emotional Learning
- Online substitute management system
- SPED Contracted Services

OPERATIONS & MAINTENANCE

FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
\$3,474,472	\$3,606,155	\$131,683	3.79%

- Maintenance: Continue minor and major repairs
- Grounds: Town Maintenance Agreements
- Utility Services -- Electricity, Water, Sewer: 9%
- Fuel: Increase associated with projections
 - Natural Gas Increase: 8%

PUPIL SERVICES

FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
\$63,035	\$51,240	-\$11,795	-18.71%

- Reallocation of Health Contracted Services charges to Instructional Support

SPECIAL ED TUITIONS

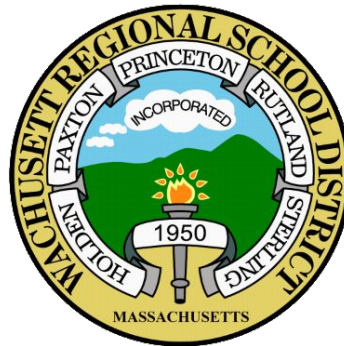
FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
\$2,913,244	\$3,117,171	\$203,927	7.00%

- Tuition charges for out-of-district placements in specialized programs
- SPED Tuition budget contingency increased

TOTAL INSTRUCTION & OPERATIONS

Description	FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
Instructional Support	\$3,089,976	\$3,471,865	\$381,889	12.36%
Operations & Maintenance	\$3,474,472	\$3,606,155	\$131,683	3.79%
Pupil Services	\$63,035	\$51,240	-\$11,795	-18.71%
SPED Tuition	\$2,913,244	\$3,117,171	\$203,927	7.00%
Total	\$9,540,727	\$10,246,431	\$705,704	7.40%

FY20 Fixed Costs



OTHER OPERATING COSTS

FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
\$1,205,101	\$1,287,815	\$82,714	6.86%

- School Choice and Charter School reflect most recent tuition-out charges per DESE and DOR/DLS Cherry Sheet

TRANSPORTATION

FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
\$6,840,933	\$6,840,933	\$0	0.00%

- Regular Ed Transportation: FY20 will be the first year of new five-year contract. The vendor level funded the rates for this first year
- Special Ed In-District Transportation: There is no rate increase in FY20 aside from any additional routes
- Out-of-District Special Ed Transportation: This contract was re-bid the week of January 28, 2019

DEBT SERVICE

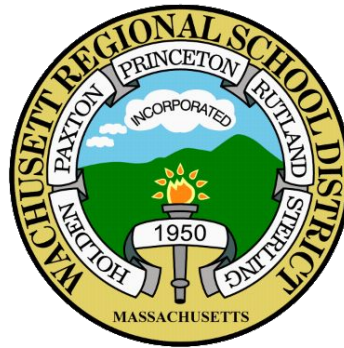
FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
\$2,473,856	\$2,497,106	\$23,250	0.94%

- Two high school bonds refinanced for faster pay-off
- Includes potential interest on financing for new turf field

TOTAL FIXED COSTS

Description	FY19 Budget	FY20 Proposed	\$ Diff vs LY	% Diff
Other Operating Costs	\$1,205,101	\$1,287,815	\$82,714	6.86%
Transportation	\$6,840,933	\$6,840,933	\$0	0.00%
Debt Service	\$2,473,856	\$2,497,106	\$23,250	0.94%
Total	\$10,519,890	\$10,625,854	\$105,964	1.01%

FY20 Total Expenditures

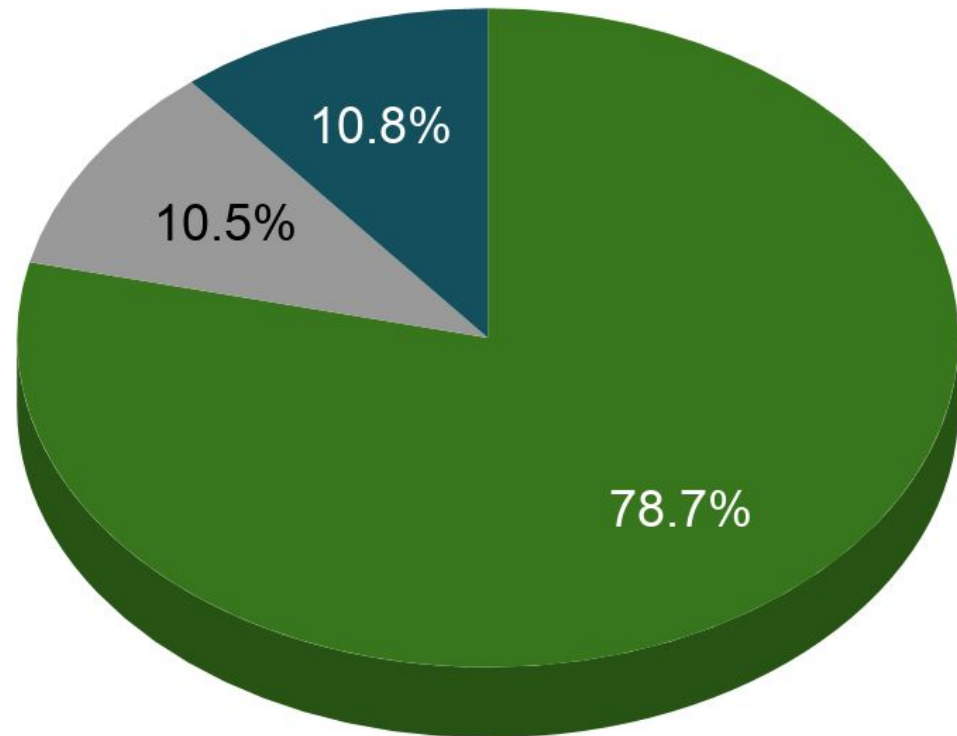


TOTAL EXPENDITURES

Category	FY19 Budget	FY20 Proposed	\$ Diff +/-(-)	% Diff
Salaries & Benefits	\$74,148,833	\$77,063,141	\$2,914,308	3.93%
Instruction & Operations	\$9,540,727	\$10,246,431	\$705,704	7.40%
Fixed Costs	\$10,519,890	\$10,625,854	\$105,964	1.01%
Total	\$94,209,450	\$97,935,426	\$3,725,976	3.95%

BUDGET BREAKDOWN BY CATEGORY

- Salaries & Benefits
- Instruction & Operations
- Fixed Costs



BUDGET BREAKDOWN BY APPROPRIATION

Appropriation	FY19 Budget	FY20 Proposed	\$ Diff +/-(-)	% Diff
Salaries & Stipends	\$59,582,718	\$61,789,888	\$2,207,170	3.70%
Benefits & Insurance	\$14,566,115	\$15,273,253	\$707,138	4.85%
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Other Operating Costs	\$1,205,101	\$1,287,815	\$82,714	6.86%
Transportation	\$6,840,933	\$6,840,933	\$0	0.00%
Debt Service	\$2,473,856	\$2,497,106	\$23,250	0.94%
Total General Fund	\$94,209,451	\$97,935,426	\$3,725,975	3.95%

TOTAL REVENUES

Revenue Source	2019	2020	\$Diff+/-	%Diff+/-
Holden	\$28,087,047	\$29,871,944	\$1,784,897	6.35%
Paxton	\$6,313,461	\$6,553,274	\$239,813	3.80%
Princeton	\$4,863,870	\$4,959,821	\$95,951	1.97%
Rutland	\$12,062,627	\$12,542,131	\$479,504	3.98%
Sterling	\$11,343,739	\$11,698,468	\$354,729	3.13%
Total for Towns	\$62,670,744	\$65,625,638	\$2,954,894	4.71%
Total State Aid	\$29,949,185	\$30,712,011	\$762,826	2.55%
Total Local Revenue	\$1,589,523	\$1,597,779	\$8,256	0.52%
Total Revenue	\$94,209,452	\$97,935,428	\$3,725,976	3.95%

- Governor's Budget - January 23, 2019
- Annual Budget Hearing - February 11, 2019
- Meetings with town officials - February/March, 2019
- School Committee budget approval - March 11, 2019
- Town Meetings:
 - Holden - May 20, 2019
 - Paxton - May 6, 2019
 - Princeton - May 14, 2019
 - Rutland - May 11, 2019
 - Sterling - May 6, 2019

Thank You

