

Minutes
STOW FINANCE COMMITTEE
February 22, 2011
7:00 PM
Town Building
Approved

Call to Order

Chairman Gary Bernklow called the meeting to order at 7:00pm. Present were,
Members: Christopher Sarno, Ann Deluty and Peter McManus
Associates: Eric Sears and Patty Heron
Secretary: Elizabeth Tobey
Guest: Marcia Rising

Joint Boards with the Selectmen

William Wrigley updates:

Pompositticut School

It is his understanding from that in 1964 the land was deeded to the town with no prescriptive descriptions in the deed. Town Counsel has confirmed that a vote at Town Meeting to authorize the town to use the property for any municipal or private use will correct the wording.

- Superintendent is Meeting in March to vote to release the school.
- Town Meeting rescind the 1964 vote designating the building as a school
- Town Meeting Vote to use the building for any municipal purpose and or private (any lawful use), assuming the Selectmen maintains the authority to make decisions of the buildings use.

Harvard Acres – Update

They are down to 5 homes left out of 175 remain to be fully connected to Assabet Water Company. It is all inside work to be completed. The wells are down and the trenches are dug. There are 50+/- loans all together, 30 of them approved. It was estimated to be 50; we are not spot on but close.

Police Chief Search

The group is actively engaged. S/A's have been given out and allowing three weeks to respond.

7:15pm Joint Boards Open

Joint Boards with Selectmen, Town Administrator, Minuteman and Nashoba Regional

Financial State of the Town – Bill Wrigley

- Group health care changes - increases not decreases.
- Harder number on our capital assessment.
- Revenue expected to receive and increase just under 4%.
- 247k growth, state aid revenue 7%.
- County recap (State House) 7% decrease (non school Municipal State Aide).
- Revenue – Level funded use of stored assets at \$250k.
- Expenditures – Reflects what has been requested. The noticeable increases are Minuteman +2%.
- General Budget is less than 5% increase, overall 14% increase.
- Debt Service increase, first full principal and interest.
- Store assets are growing.
- Unused levy capacity – strong.
- Physically AA rating after 17 years of effort.

Assessors – Dotty Wilber

- Last year new growth \$400k.
- Haven't looked at personal property yet.
- Condos at the Villages are slowing down.
- Arbor Glen is completed.
- One subdivision, building one house at a time.
- Change is minimal this year.

Assessors - Dominick Pugliese

- Interest rates may go higher and will impact the volume of sales.
- New growth going forward – Values are down, equity dissipating, nothing to borrow from.
- New growth will be less going forward.
- Current levels stay stable with modest growth.

Capital – Ross Perry

- Have set up interviews with Town Boards.
- Haven't seen the capital requests.
- Got message to try and cut back on capital articles.
- End of year is this week, will carry on for two weeks into March.

Finance Committee – Gary Bernklow

- Will be interviewing departments the next couple of weeks.
- Concerned with increases in Capital projects recently. It deserves some attention.

Nashoba Regional School District – George King

- Budget well-publicized, total increase 2.57%.
- Revenue coming from school choice.
- Stored assets have \$400k excess that can be used.
- Assets 0% last year, just over 1% this year.
- Vote Thursday, March 3rd

Discussion

Gary mentioned that the total budget increase is 2.57%. The COLA increases are not contractually obligated, there was no funding put in place for them. The COLA this year is half funded from last year to pay the same amount next year. What we paid last year you have to increase the budget for it this year.

George explained that he had not budgeted for it this year.

Bill asked that there must have been some strategizing for what-ifs in 2012. George commented that there was a 3% cost of living last year. It was prepaid last year in a lump sum. It allowed them to pay out of the previous fiscal year. We had a surplus in the Insurance Health account that was SPED money prepaid.

Tom stated last year budget the COLA was 3% and this year is 1.5%. It is speculative not know how collective bargaining will turn out.

- School Choice, doesn't know what the percentage is this year yet, 1mil in \$300k out
- Charter school kids go out on full cost per pupil
- 25-40 kids out to Charter, \$11k per student, \$5k in and out unless SPED, based on per pupil
- School choice out has decreased

Jim mentioned that negotiations begin in February. George commented that towns have done what they were asked, to keep it low. Jim complimented that it is a good picture of Nashoba this year.

George noted:

- The cost was under 2%
- Unsustainable could come into it
- Carry cost debt service

Minuteman Regional High School – Alice Deluca

Alice Deluca stated that last year they had cut their budget by 7%. This year Stow was up 1.76%.

- Level one, Regional Transportation raised the out of district rate
- Budget is up 1% overall
- Staffing reductions, down 15 this year
- Right size building areas no longer staffed
- Added and eliminated programs
- Began a new program in a positive way
- 60% increase in freshmen, should surpass this next year

Dr. Edward A. Bouquillon spoke of,

- The assessment had a \$160k increase last year, this year is \$58k
- FY11 SPED was corrected after Town Meeting. Seven SPED student were left out of the assessment
- \$31k not charged last year.
- Charging for full 14 students
- \$16k plus state contribution increased by \$60k operating increase in students
- Minimum is up \$56k for SPED kids
- 30% increase in enrollment

Tom commented that the minimum set by the state is going up close to 10%, It seems off. He didn't recall any increases like that in the past.

Ed explained that it was a combination of,

- The growth factor and education in the past
- Wealth in towns is measured by property value and income
- Increase in student –historically in the 40's, ½ of the students are on IEP's

Jim questioned, if ours went up, did others also go up as much.

Ed stated,

- With 16 communities there is a lot of variance
- Assessment last year had to be corrected
- This year 129k-130k

Laura Spear suggested the next step is to review the regional agreement. Ed explained that is the task for the meeting in March, April and May, to review recommendations for medium to small towns.

In June the committee is to review all school changes for next Town Meeting Season. Operating and Capital has a 3-year rolling average of student enrollment and a 5 pupil minimum students per town. We will also be changing Minuteman district postgraduate student payment assessments.

We have set aside 10% on non-member towns tuitions for capital projects and will be meeting with MSBA about that. The long-term solution is to add more members. We are hoping to get MSBA to help with non-resident seats.

Tom questioned the COLA increases and Ed explained that they are negotiating contracts now. In the last years it has averaged 3-3-3. The teachers aren't expecting a similar contract.

Exited Joint Boards at 8:10pm and moved to the Finance Committee meeting.

Correspondence

- Reserve Fund Transfer Request \$286.78 for Municipal Waste from the Board of Health
- Beacon Newsletter, January 2011
- Selectmen's Agenda 2.22.2011

Meeting Minutes

After a review of the minutes Ann Deluty moved to approve February 8, 2011 minutes as Amended. Christopher Sarno seconded the motion.

The motion carried 2 for (McManus and Deluty)
 1 abstained (Bernklow)

Reserve Fund Transfer Request

Board of Health – Municipal Solid Waste Removal - \$286.78

The amount requested is to be used for the removal of solid waste from the dumpster at the Highway Barn for the months of January 2011 to February 2011.

Marcia Rising explained that the request includes \$102.88 plus February 2011 bill at \$183.90. They are in the process of canceling the arrangement with the current contractor. The contract that was signed is a Highway contract and Rachel Belanger's signature on it. Another contractor/hauler she has found is at a much lower rate. The Accountant told her she cannot pay the bills out of the Hazardous Waste account because the dumpster is a Special Article item and has to be paid out of that account. There is not enough money in the account. In the past years they

were able to rollover \$5k and this year it was only \$1k. Patty asked if it was a Warrant Article and Marcia said yes. Marcia explained that the Board of Health had never signed a contract and they want to charge her a \$700 cancellation fee. She currently pays \$183.90 per month and can get the same service from another company for \$75 per month. Marcia explained that she has been calling the current company everyday and not getting any answers regarding canceling the contract. The contract ends this December. Marcia informed the board that she would keep them up to date on the negotiations.

Peter McManus moved to approve the reserve fund transfer request in the amount of \$286.78. Ann Deluty seconded the motion.

The motion carried unanimously (Bernklow, Deluty, Sarno and McManus)

Town Meeting

Gary explained to the new members the process of the Public Hearing.

Gary finished the 2010 Town Report for Fincom and asked members to review it for corrections.

Liaison Reports

ESBC- Gary commented that the contractor is not very cooperative, but they are doing what they can to deal with him. The schedule is currently 30 days behind.

CPC – There may be a CPC meeting. There doesn't appear to be anything affecting the Warrant.

Bill Wrigley is waiting for the final selection of the Police Chief and will begin monthly meetings with him, the Fire Chief and town officials.

Adjournment

A motion to adjourn was made by Ann Deluty at 8:55 pm. Peter McManus seconded the motion. The motion carried unanimously (Bernklow, Deluty, Sarno and McManus).

Future meetings:

March 15, 2011

March 22, 2011

April 7, 2011 Public Hearing

April 12, 2011

April 26, 2011

May 2, 2011 Annual Town Meeting

Respectfully submitted,

Elizabeth A. Tobey,
Secretary