

Finance Committee Meeting Minutes
March 3rd, 2016
Public Hearing for Operating Budget
Burgess Elementary School Committee
Sturbridge, Massachusetts

Finance Committee chair Kathleen Neal (KN), vice chair Kevin Smith (KS), Michael Serio (MS), Laurance Morrison (LM), James Waddick (JW), Suzanne Smiley (SS), and clerk Joni Light (JL) were present. School committee members Megan Panek (MP), Kristen Tuothey, Mary Bellezza, Jeannine Johnson, Kathleen Pelley (KP), Kate Alexander (KA), Erin Nozek (EN), and Deb Boyd (DB) were present. Jeff Walker (JWA), the school steward, and Leah Boutelle, as recording clerk, also present.

KA called the public hearing to order at 7:03 PM.

DB immediately notifies the attendees that there has been a 6.8% increase in the budget request from last year. She expresses that this amount is larger than anything the committee would want to present. Significant and unavoidable issues arose this fiscal year and she is wondering if the town can support them financially. She notes that specifically, the largest increase is due to paying out of facility tuition for special needs students that recently moved into the area. These students are unable to be accommodated in house, and therefore the school committee is responsible for placement and transportation to a facility that can properly serve these children. At this point in time, the school committee doesn't expect to be able to get through the FY16 budget without asking for more to pay for these services. She has no desire to decrease the budget that is put into actual instruction, in order to not negatively impact the regular instruction. 76% of this operating budget is salaries.

KS asks if they are going to Town Meeting to request additional funds, and inquires what the article number is for town meeting.

DB states that there will be a request for \$100,000.00 submitted in an article at the upcoming Town Meeting. She adds that the committee felt they did everything they could come up with to mitigate the problem this year before resorting to asking for additional funds. Circuit breaker funds were depleted to get through this year and there are special education grant funds being utilized. There is a separate one time use fund being used. She is hoping that by June, they won't need the entire \$100,000.00 for out of district special needs placements.

LM states that Finance Committee members Kathleen Neal and himself met on December 3rd, 2015 with Deb Boyd, assistant superintendent, in executive session, and for which the meeting minutes have not been released. It can only be said that the topic was special needs. Two members of the Finance Committee, including the chair, have been cognizant of certain expenses at an early moment.

DB goes back to 76% being salary. Everyone has a contract in the building. The budget is a "snapshot" of where the salaries are going,

KS asks if there are any salaries under negotiation.

DB conveys that the support staff is in the negotiating process, and that they are talking profusely about

the special needs population. She maintains that it is difficult to predict the needs for this population. She is not willing to sacrifice standard line items for this group. There is ever increasing enrollment in Sturbridge out of the five districts in Union 61. She adds that there is no funding for pre-k because they are part time. Special education alone is the most significant, up by 18 % and regular operations increased by 2%, which is steady.

KA stressed that she has never have come forward with a 6.8% increase, and she feels she has mitigated this by having outstanding special education services (Pathways Program) keeping kids in house. As a school committee chair, the last thing she wants to do is to have to say 2.8% is for regular budget. It's separated out to show that we are being fiscally responsible and that the most increase is from out of district special education placements.

KS asks what year preschool students were enlisted in the totals for the operating budget.

DB answers this current fiscal year 2016.

DB states that we are required to have a preschool program for special needs ages 2.9 and up, however, the larger part is not special needs.

MP expresses that special needs can be from speech issues and early intervention service recipients are common.

SS hypothesizes why there is a jump in special needs; language issues? Bilingual? Drug abuse?

KP restates that they are required by law to offer it special needs programs for preschool.

DB instructs the attendants to review page 3, the line items in the 1000 series, which include school committee and superintendent office expenses. She reminds the committee that they run six school districts out of one central office. 34 school committee members get together, then they separate it into six pieces to put it into the six budgets. Burgess budget is a little bit lower than last year. Overall this budget is up 3%.

KN asks why the salaries are up a fair amount.

DB responds that one person was under full time, and was replaced with full time employee, we apply grant funds however it doesn't fully compensate for the discrepancy in this new full time contract.

KS wants to confirm the reasoning for the increase in lines 40, 50, 55, 60,65, 75, 80, 91, as he notes a \$1,600.00 increase.

DB advises that the superintendent salary is not going to be completely spent. These figures are based on an anticipated contract or an actual contract, all administrative contracts have performance based measures, increase could be anywhere from \$0 to capping out at \$2000.00 for a merit based increase.

KS has the same question for all of them; they look like high percentage increases.

DB responds that the superintendent increase is between 2-3%, special education director; 2-3%

increase, technology director is up by 2%. Tantasqua paid a bigger piece of the increase in the Facilities Mgr. full time lead salary at Tantasqua.

KP states a 25.61% contribution, line to line, all increases are close to 2%.

DB technology networking line is decreasing because a three year lease on equipment is up.

KS asks if this factors into an already established 7 year replacement plan.

DB asserts that the contract KS is speaking about is a district wide infrastructure plan outlined on line 295 of page three of the Burgess School Budget.

DB moving on she instructs that if an employee is step two moving to step three, they take the funds necessary out of a total pool of dollars estimating cost of living adjustments. Administrative assistants are at the top of the salary scale. Included in the teacher salary line, they have factored in a retirement, but chose not to replace the position. There are approximately six classes per grade and two grades that have seven. The line items are based on total anticipated number of students per grade, therefore they did not need to replace the retired teacher. There is an increase in substitutes from expenditures from last year. Driving the increase for this year were several long term illnesses and maternity leaves. They increase pay for substitutes because when they broke down the rate per diem, it came out to be lower than minimum wage. The special education program has a teacher that is due to retire whom she intends to replace.

KS asks how many FTE's are included in the special education teaching line.

DB responds that there are seven; including an integration consultant whose pay rate was bumped up. At the bottom of page three, there is a new small piece integration consultant given by a full time staff member, and some additional services. However it dropped from \$50,000.00 to \$5,000.00 because it was moved to the proper line. The rest of the decrease is from consulting services for a teacher of the deaf and blind that is no longer needed at Burgess, but will be needed at Tantasqua, as the student is moving to the Junior High. The next line item is an additional negotiation pool for the entire unit of teachers. Professional Development (line 240) zeroed out. In the Main Teacher Salary budget line, she put a pool of dollars in the event that they've obtained different degrees. Ten years ago Chapter 70 bylaw required increases if you were spending \$125.00 dollars per student on professional development activities. She expresses that this is no longer the case. Teacher salary line will stay with teacher salary and not be moved.

KS inquires why line 250 – Professional Development Substitutes isn't incorporated with line 180 – Teaching Substitutes. DB affirms that state reporting asks for that, but that the committee is not held to it.

DB moves on to page three, the line titled “Hardware”, KS referred to the three or four year contract because we had new technology that came with the building. Computers are necessary to do our job. They presented a replacement plan for all the technology including teacher and student computers, laptops, servers, smart boards etc. She maintains that they have a robust and detailed inventory with a 7-10 year replacement plan. In 5-6 years computers will be replaced and servers will be replaced in 10-15 years. \$102,000.00 is based on refurbished prices. They replaced 200 computers in July of 2011, and July of 2012, 167 of the 355 student computers: 25 laptops, 75 monitors, and they are now looking to replace the July 2011 equipment. In a few years they will replace servers and printers.

KS asks why they are not using newer technology as opposed to replacing like technology with like technology.

DB regarding 1:1 devices, she feels that they shouldn't put technology in a classroom just because they can.

KS reminds the committee that USB ports and CD drives are becoming obsolete.

SS asks if the figure includes maintenance.

DB advises that there is a separate line item for that, which is \$46,000 for a "tool and belt" person that fixes and updates software, and for technology supplies when they need parts.

SS points out that there is \$14,500.00 for upgrades.

DB highlights that if equipment breaks before the planned replacement period it would be included in maintenance.

KS asks if salaries are they two percent increases.

DB answers yes.

KN asks what is being replaced for textbooks this year.

KP replies that there is a different funding source for textbooks.

DB explains that in the math series, "Go Math", which this budget does not reflect, there was 3 year lease for 6 years worth of supplies. In year 7, the consumable parts will be included in the budget. The state is studying science curriculum. Funds are presented for social studies, science, and reading in consumables.

JW notes that on line 350, it appears to be a 4-5 percent increase.

DB responds that 2 percent is standard teachers increase but that they move up steps based on longevity and experience (4-5).

KP explains that a step is an increase due to longevity, a lane is granted when they earn a Master's or PhD.

KS asks if the faculty aren't evaluated on a yearly basis.

KA further explains that increases are granted advanced degrees or coursework in refining a specific curriculum specialty.

KS asserts that if the use of technology is part of their job, it should be part of their evaluation.

JW offers that this becomes a contractual discussion when you include evaluation.

KP notes that step and lane evaluation is a separate discussion from the budget.

DB explains that there has been a bus operation and salary change; Sturbridge operating budget experienced decrease in mechanic salary (line 395). There were 1.5 mechanics keeping up with 21 buses, previous mechanic retired and was replaced with 1.0 mechanic. They have a back up support mechanic. There are 16 daily routes and 5 spares for field trips. There's been an increase in drivers' salary, cost of living increase, an additional position, and a permanent substitute because of the need to call in a driver day to day. Mostly, the funds pertain to current staff.

KS inquires what is going on when that person isn't needed.

DB answers that the substitute does extra runs during the day or field trips.

SS asks about line item 420-gas and fuel expenditures.

DB outlines that in FY16 this line was \$110,000.00, now it is \$100,000.00. Sturbridge locks into a contractual changing daily rate, which in January was \$2.40 per gallon for diesel. She is anticipating a decrease. In line 430 the increase is related to overspending on out of district tuition for placements in Northampton, Devens, and other districts. This line item is transportation costs, 4-6 daily buses both in and out of district, age 2.9 to 22 years old; grades 7-12. All five towns should be responsible for paying their own, and only their own out of district placement. They do not want to bear the cost of a \$200,000.00 placement. In the elementary school budget she would include all special education costs for all residents.

JW asks about line 410: replacement of buses. JW asks if every year we replace 2 buses that Sturbridge owns, and if other towns contract out.

KP responds that the town owns all of them.

DB answers yes and this leads to a complete fleet turnover every ten years.

SS asks if the decrease is because of out of area transportation.

DB answers that Sturbridge alone takes care of regular education costs. There is a separate collaborative fleet, housed in Brimfield and paid for in the Tantasqua budget.

JW asks if there are 21 buses for all schools.

DB on page 5 of the budget proposal, utilities are a problem; electricity increased significantly. There is an offset in decrease in fuel needs. The school locked in a price already. Electricity is what is causing the increase. Tantasqua had the same problem when the building was new. She thought it was the rate, but the utilization is the actual problem. The architect gave an estimation for electricity that was not what was needed. She suggests that they are not far off to being as efficient as possible.

SS asks if this is because of extreme cold.

DB notes that it is not electric heat, and she cannot distinguish where the overage lies.

JW asks if the building is air conditioned.

JWA answers that the entire building is air conditioned, excluding however, the gymnasiums.

DB goes further to note community and facility use exceeds the budget. She explains that the town doesn't have a recreation center, therefore the town uses the facilities. If the extra usage is by townspeople the school doesn't charge.

KP underlines that two gyms are available, and agrees that having no recreation center calls Burgess to supply this service.

JW suggests utilizing LED lighting, and notes a time when he worked for a company that experienced a significant decrease in costs after the initial investment is paid for.

JWA answers that lighting is 60% of the budget.

KS observes that water and sewer increased.

DB agrees that rates have increased last few years.

KS goes further to say that the town stopped using Water and Sewer Reserve Funds to subsidize the rate so now people are paying the actual cost for the system.

DB moves on to page 6, line item 140 - page supplies is for a replacement copy machine. Page 7 is the crux of the budget. Tuition on this page is due to three new placements and pre-existing placements from 2.9 to 22 year old students who cannot be accommodated in house. In the last 18 months, 7 families that were already at some out of district high needed placement. The town is responsible for those costs. One of the seven the school was able to bring in house. In addition, we had 3 students in the last year in our area that the school cannot keep in house as they cannot meet those students' needs. 10 new tuition costs total occurred in the last 18 months. Mass school tuition line 565, is zero because those are students that are taught in house. Pathways is the in house program.

EN explains Pathways –there is one classroom with 7 students, 3 are Sturbridge residents. Considering tuition, the school was able to educate them for about \$40-60,000.00 per year. It would easily be \$120,000.00 per placement. EN has great confidence in the Pathways program. She notes that it's important to foster programs within Burgess, due to the growing social emotional needs of children. She describes that there are self injurers, and other problematic behaviors, including children who have been hospitalized. 130 students are on an Individualized Education Plan (IEP) for varying reasons who have significant learning disabilities.

DB states that this line is provided with taking about \$250,000.00 out that the school anticipates from a circuit breaker grant program. The true cost of all of these is \$250,000.00 more. The out of district placements total approximately 1.2 million with 21 students leaving the district and 6 in house. \$44,500.00 is the average in house tuition.

KS agrees that bringing these programs in house saved the town in the long run.

EN believes they are acting justifiably.

KA agrees that they are ethical and fiscally responsible programs.

DB parents want student in house at Pathways.

KS asks how long the town is looking at holding onto this cost.

DB states that she would have to look at the age groups.

KS thinks that she should know the number he asked for.

EN offers that there are children coming in at preschool age with significant learning disabilities.

KS discusses that those who are taught here increasing the cost of the program will increase as well.

DB also points out that there is no way to tell who will move here. She perceives it as an anomaly to have so many with special needs come in at once.

LM explains that is an open system, and that any number derived to project such matters would be the softest number and unreliable; the best efforts at this have proved themselves to be failing.

KS agrees over long term, but asks if placements \$600,000.00 in placements will stay.

JW observes that in addition to LM's concept, Pathways is incentive for people to move here for the special needs program because of its positive reputation.

DB desires to make a public statement that they know this is a huge increase, and they understand. They showed how they are being responsible, as they are not asking for additional funds in regular education. She feels that they have been holding the line. DB states that the schools were funded at about 45% over the state foundation budget minimum; now they just about state average, which is 25% over the foundation budget. She got notice, that the BOS and TA, Leon Gaumond, have come together to write a budget recommendation. The TA's recommendation was \$165,000.00 under their proposed budget.

KS suggests that this wouldn't be considering all new growth. He would recommend that they vote for the higher number so it gives the Finance Committee the flexibility to work with it.

DB goes on to explain another retirement, who is being replaced with a lower level teacher. She wants to have a conversation about the piece of equipment for the grounds.

KP is not convinced that they should take it out of the building

JWA explains that the "Brush Hog", will lower labor time and makes grounds keeping much less time

consuming.

KP states that the school has had to close off the lower fields because there was so much poison ivy.

JWA explains that it is also much safer than a weed wacker.

DB recommends \$10,747,188.00 as the proposed budget increase.

The School Committee recesses and reconvenes to vote in the library at 8:35 PM.

Finance Committee Meeting

KN discusses snow and ice deficit spending related to an email received by BB, the Finance Director submitted on February 23rd for snow and ice removal spending authorization.

JW observes that it's been a mild winter.

KN offers that it is allowed by Mass general law, Chapter 44, Section 31D, to deficit spend on snow and ice removal.

KS points out that there is no reimbursement for state of emergency, and that the budget would have to stay the same or increase.

KN understands that as of February 23rd, there was no deficit.

KN asks if anyone will make a motion to vote. She adds that deficit balances will be provided after each snow storm.

KS offers that last year the committee made the same motion so the town wouldn't have to do the historical practice of coming in front of the Finance Committee for a dollar total each time there was a snow storm.

KS makes a motion on the condition THE FINANCE COMMITTEE WILL BE PRESENTED WITH snow storm deficit BALANCES SUBMITTED FOLLOWING EACH SNOW STORM that the reports would be delivered for each expenditure _____. FEBRUARY 23RD EMAIL IN ACCORDANCE, FINANCE COMMITTEE APPROVED DEFIFICT LOOK UP.

KN clarifies that anything where they have to dispatch snow and ice removal expenditure is considered a snow storm.

MS seconds, Motion passes 7-0-0.

KN describes the second RFT, for center office supplies, where a TACO pump failed, which is an HVAC piece of equipment. \$4717.00 exact quote is from Barbara Barry (BB). Repairs to the system have exceeded the budget amount for the year.

KS observes the age of the system, it can only be as old as the renovation in late 2012.

KN thought it was older.

JL asks if the town is renegotiating the contract for HVAC maintenance.

JW understands that there are two separate schedules between industrial and private sector.

KS offers that the truism about government is that it has to take the lowest bid so we don't get the highest quality service.

JL makes motion to approve the RFT for the HVAC repair as written, LM seconds, motion passes 5-2-0. SS and KS opposing.

KN can ask if BB got other quotes.

JL points out that they still need a maintenance contracts.

Old business

KS asks when we are getting the budget book.

KN understands that Wednesday they will have the budget books.

No New Business

(Consensus on allowing LM to correspond with Eric Perez about the committee taking action to find a new member because of his lack of attendance.)

No Public Access

LM makes a motion to adjourn, JL seconds, motion passes 7-0-0 at 9:12 PM.