

Members Present: Gary Wells, Chair, Ed Behn, Lisa Blazejewski, Jim Tepper, Tara Howard, Jim Driscoll, Hank Rauch, Phyllis Jaffee, Beth Blumberg.

At 7:03 p.m. Mr. Wells called the meeting to order in Memorial Hall of the Town Hall.

### **Open Forum**

There was no one here to address the Committee.

### **Approval of Past Minutes**

There were no minutes to approve.

**School Budget Review – School Department: School Superintendent, Amber Bock, Assistant School Superintendent, Daniel Mayer, Director of Finance & Administration, Irene Oliver. School Committee: Chair, Nicole Sullivan, Vice Chair/Secretary, Stephen Doret, Jody Hensley, and Ilyse Levine-Kanji.**

Ms. Bock met with the AFC and provided a PowerPoint presentation on the school budget for FY17. She pointed out that work begins on the budget in September to figure out what program needs they have for the next fiscal year. Ms. Bock began her slide show and mentioned that Ms. Oliver could provide a more detailed response regarding financials. Ms. Bock referred to a timeline for the budget process that takes place from September to March, which included budget meetings, presentations, Superintendent's recommendations, meetings with leadership, public hearings, a vote on the budget by the School Committee, presentations to the AFC and Board of Selectmen (BOS) – all leading up to the Annual Town Meeting in mid-March. She mentioned that their budget guidelines include sustaining excellence of teaching and learning, providing safe and well maintained facilities, hiring and retaining high quality personnel, and growth and budget impacts. Ms. Bock noted their FY16 budget in the amount of \$45,107,479 as compared to their proposed FY17 budget of \$46,330,691 and the increase of \$1,223,212 or 2.71% over last year. She reflected on the changes to the FY16 budget that resulted in the increase for FY17, which she noted were due to enrollment changes, class size guidelines, special education, program and curriculum development, facilities management, and effective use of offsets like circuit breaker funds, grants, and revolving accounts. Ms. Bock pointed out that enrollment is continually tracked in order to effectively plan for space and class size. She mentioned that the Hastings, Fales, and Gibbons schools all have classes that are too large, even without adding new students. Ms. Bock noted that most of the increases to the FY17 budget are enrollment driven, since they are expecting 94 more students for 2016-2017, and pointed out that staff will need to be hired. Ms. Bock mentioned that without an enrollment increase the budget would have only gone up by 1.7% over last year instead of 2.71%.

Ms. Bock moved on to the Strategic Planning part of her presentation. She mentioned that the school system handles students ranging in age from 3 through 22, which is a challenge. She reviewed upcoming needs for a part-time Assistant Principal at the Mill Pond School, French textbooks for the 8<sup>th</sup> grade at Gibbons, and funds for the Special Education program to create equity of curriculum and testing materials. Increases to Program Recommendations for PK-12 were for Technology and Fine Arts. Ms. Bock's Curriculum Budget Recommendations included materials and textbooks for the science program, as well as a part time Science Specialist, a part-time Mandarin teacher at the high school, and a part time Social Worker for the Center for Student Success program. Ms. Bock also pointed out some funding requests that they are deferring until FY18.

Ms. Bock reviewed Budget Process Highlights, along with offsets and adjustments. She commended the work of Ms. Oliver and felt the schools had reached a place where they've seen an increase in circuit breaker funds, tuitions, grants, and revolving funds. Ms. Bock noted that 11.8 FTE (Full Time Employees) will be needed for

FY17, with 8.1 FTE's as a result of the expected enrollment increase and 3.8 FTE's due to programs. Ms. Bock discussed her Tuition Summary for Special Education for FY17 and noted that increasing circuit breaker use results in an FY17 General Fund decrease to tuition by 11.3%. Ms. Bock pointed out her FY17 Proposed Budget Summary and then asked if there were any questions.

Mr. Tepper mentioned that salary increases aren't noted and Ms. Bock said that FY17 isn't a contract negotiation year. She pointed out that the only increases in salaries were for step, cola (cost of living adjustments), and lane increases. Ms. Blazejewski asked about the decrease in transportation costs and wondered if that was due to lower gas prices. Ms. Oliver mentioned that they just ended a five year contract with their transportation provider this past year. They had two bidders who came in lower so they were able to decrease their transportation costs. Mr. Driscoll pointed out the increase to enrollment on page 13 of the Budget Book and noted that there were 3,779 students for 2016-2017, yet the detail on the next page said 3,729, which is a difference of 50 students. Mr. Mayer said he would review and get back to Mr. Wells as to which figure is correct. Mr. Wells had questions concerning enrollment. He wondered what would happen if they hired additional staff and the projected student increase didn't occur. Mr. Wells pointed out that payroll is the biggest budget item and that adding staff and offsetting the costs with grants and revolving funds may occur this year but then next year they are moved to payroll. Mr. Wells was concerned with increasing staff that we may not need if the enrollment projections are lower than what is expected. He asked if these teachers could be used elsewhere in the system. Ms. Bock pointed out that not all teachers are moved back to payroll after the first year and that some can stay on offsets for years. Mr. Wells wondered what happens if they hire ten new teachers this year and then next year they want to hire another ten teachers. Ms. Bock noted that, when they look to hire teachers, they track enrollment first. If student enrollment numbers don't materialize, then they don't hire new teachers. Ms. Bock also noted that she is always trying to maximize use of the teachers already on staff, for example, hiring teachers who can teach a broad range of grades such as K through 6, or 7 through 12. Mr. Mayer mentioned that he tracks hiring new teachers and referred back to the slide showing the class size for 2016-2017 with no additional students. He pointed out that they will still need three new teachers. Ms. Bock mentioned that they will address hiring the most important teacher first, which would be for the Hastings first grade class, and then wait before hiring the other two. Mr. Mayer noted the anticipated growth for next year is 94 new students. He pointed out that this year they had 72 new students. Mr. Mayer said that they are seeing most of the growth in grades kindergarten through 3, which accounts for 60% of the new enrollment. Mr. Wells asked about space constraints, and Ms. Bock mentioned that the School Principals are adept at space utilization. She also pointed out the newly formed Pre-K-3 School Building Committee that's looking in to the space problem. Ms. Blumberg asked about teachers retiring and how that is addressed. Ms. Bock said that last year they had quite a few retirees, this year they only have two. They hire new teachers that may come in at a lower salary but it depends on their expertise. Mr. Wells pointed out the projected salary of \$66,385 for a FTE and asked if that included benefits. Ms. Bock said that was only for their salary. Mr. Wells felt this number didn't indicate the total expense for hiring a new teacher. Ms. Oliver pointed out that benefits are paid on the Town side. Ms. Bock added that they sometimes can push some of these expenses on to grants. Mr. Wells said that he would like to see a report based on the entire employee base for the school system, and that we also look at retirements, what offsets can be utilized toward the payroll account, and any step or cola increases for the upcoming year so we have a true payroll cost, since the biggest driver for the school budget is payroll. He felt that we needed to be conscious of bringing new teachers on since they typically end up here for a long term. Mr. Wells also felt that we should be cognizant of the fact that there are only two retirees at the \$100,000/year level, but now we are looking at bringing on eight new employees that will raise payroll by about \$500,000, so there will be a net increase of \$300,000, and only some of that increase will be offset through grants. Mr. Doret pointed out that the School Committee is responsible for contract negotiations and noted that steps and lanes can sometimes come in at 5%. He pointed out that the School Committee has worked hard to reduce that amount to around 2.5%, so employees are comfortable with what they will get, plus the increase matches what employees are seeing in the private sector. Mr. Doret noted that the School Committee is conscious of what needs to be done while delivering the service of educating the kids, since what we can deliver is what we ask the Town to raise. Mr. Doret mentioned that they create a curriculum, hire staff, and then have to have space to satisfy needs. Mr. Wells wanted a report since he was concerned with not seeing payroll increases initially because they are offset with grants for

the first year, but then after the first year these costs are transferred over to payroll. Mr. Doret noted that this is all part of contract negotiations. Mr. Behn mentioned retirement and health plans and was concerned with what the Town needs to put away to fund that. Ms. Sullivan pointed out that after contract negotiations last year the teacher's union didn't come back and ask for more money because of the retirees. She said it was unheard of that they were able to level fund salaries. Mr. Wells reiterated that he would still like to see a report for new teachers hired, along with a five year look ahead. Mr. Doret said that would be impossible to do since what the State requires changes from year to year. Ms. Sullivan referred to the need for new teachers. Mr. Wells did not dispute the need for new teachers. He was more concerned with payroll increasing and becoming 95% of the budget and then the schools aren't able to purchase supplies, books, and computers. Mr. Wells wanted to know how to stop payroll from increasing and Mr. Doret felt that, in order to make that happen, they would need to stop student enrollment from increasing. Mr. Driscoll asked about step increases and when they occur. Ms. Sullivan said that steps occur on the anniversary of when the contract is signed, which is July 1<sup>st</sup>, and that there are currently 12 steps right now but next year they will go to 13 steps. Mr. Rauch pointed out that it seemed like there were two key metrics – class size and cost per pupil. He referenced the slide where we compare our class size with other school districts and asked if we have done the same with salaries. Ms. Bock said that we are in the 80-85% range of what other communities offer, and mentioned getting a report for the AFC. She also pointed out that they are trying to increase technology without asking the Town for more money. Ms. Oliver noted that salary data comparing district to district can be found on the State's website. Ms. Levine-Kanji added that sometimes that data can be misleading if you are looking at a district that could have a lot of senior teachers. Ms. Levine-Kanji pointed out that we spend an average cost of \$14,385 per pupil. She mentioned that in 2011 40% of towns spent more than us per student.

Mr. Behn distributed a spiral bound book that he put together for the School Department's FY17 budget, along with a one page handout, and noted that the top portion of the one page handout matches the figures at the bottom of each category in the spiral bound book. He pointed out that operating expenses have gone down 2.3%, but salaries have gone up by 3.8%, for a total increase to the FY17 budget of 2.7%. Mr. Behn mentioned that offsets are up by 8.6%, which is keeping other increases down. Mr. Behn thought it would be helpful to go through the budget to see if there were any questions. Mr. Behn said that he was impressed this year and last year with how the budget was put together. He felt it has been a good process – they have the numbers, it's easily seen, presentable, and comprehensive. Mr. Driscoll asked about the copiers and supplies line item and why that increased. Ms. Oliver explained that the copier contracts are up for renewal and changing, so there hasn't been an increase in three years. Mr. Driscoll asked why the cost for this line item at the high school went from about \$42,000 to \$60,000. Ms. Oliver said that it is due to the duplicator they have, along with adjustments needed to be made. Ms. Jaffe inquired about the cost of the new lease. Ms. Oliver said that they haven't finalized those costs yet and that these are just anticipated increases. Ms. Bock said that they use an average from other school districts to determine the increase. Ms. Oliver added that they have four duplicators within the school system so those costs are easier to figure out, it is the copier costs that are harder to determine. Ms. Bock noted that they are driving toward less paper and increasing technology, so those costs should eventually go down. Mr. Driscoll would like to see what we are paying now for the duplicators, and then separate out supplies, so we can see the cost of the lease. Ms. Oliver said that leases are typically for three years and they amortize those costs over that time period. Ms. Jaffe pointed out the 320% increase to the maintenance agreements line item and asked why. Ms. Oliver said that it was due to an increase to paper and toner costs and also an increase to the copier lease. There was some discussion over the size of the increase to the copiers and supplies line item being relatively small in comparison to the total budget and that teachers need to have copiers. Mr. Driscoll was more concerned with two line items that had large increases from last year and wanted a clearer identification as to why. Mr. Rauch noted that special education decreased by a million dollars. Ms. Oliver pointed out that out-of-district tuition has gone down since some students have aged out. Ms. Bock added that they are also more aggressive with seeking grants. Ms. Sullivan mentioned that it is a result of a good school administration since programs have also been developed to bring students back. Mr. Driscoll noted the 2% cola increase and said that it equates to \$50,000. He pointed out that the Consumer Price Index (CPI) was flat this year and that private sector employees didn't see an increase to their pay rate. Mr. Wells mentioned that school non-union employees follow similar cola increases as

Town non-union employees. Ms. Blumberg asked if “English Language Learners” (ELL) teachers were scrambling to fulfill State mandated training. Mr. Mayer said that teachers are taking courses on their own time. Ms. Sullivan added that some training is done on half days too. Ms. Bock noted that students enter the ELL program at different levels of understanding and it is their job to get them through the program while maintaining the high standards that Westborough sets. Mr. Mayer spoke about the science curriculum and said that it is outdated and they need new material for kindergarten through grade 6. Mr. Behn asked if they’ll need more money next year. Mr. Mayer said that they have some money in the budget and that this is a start-up cost. Ms. Jaffe inquired about the cost for the science materials and Mr. Mayer said that they negotiated the cost downward from \$172,000 to about \$100,000. Mr. Driscoll mentioned that he’s heard the word “mandated” several times during this discussion and wondered what part of the budget is mandated. Mr. Doret explained that the State has a mandated amount that needs to be spent per student. Mr. Driscoll said that he would like to know what part of the school’s FY17 budget was mandated. Ms. Bock said that the majority of what they do is mandated by the State and drive their budget. Mr. Driscoll suggested taking the word mandate out, but Ms. Bock noted that sometimes what is mandated drives their decisions. Mr. Behn pointed out the foundation budget and what the State demands us to spend per student.

Ms. Sullivan had a response to Mr. Rauch’s previous question regarding what other districts spend per student. Ms. Sullivan said that there are 120 communities that spend more money than Westborough out of 380 and she noted that she emailed this report to Mr. Wells. Regarding the earlier conversation about transportation costs decreasing, Ms. Bock mentioned that they got rid of the half buses, since they basically cost the same to operate, and went with full size buses which are more efficient. Mr. Wells had a question on the facilities budget and pointed out page 112 in the budget book. He mentioned replacing HVAC controls and updating the field house at Gibbons. He felt that didn’t make sense since we are renovating that school and thought it would be best to wait. He also asked if renovating the field house would fall under the renovation of Gibbons. Mr. Doret explained that the field house wasn’t included in the scope of work. Mr. Wells inquired about an open article for OPM (Owners Project Manager) fees with an outstanding amount of \$9,000. Mr. Doret said that the OPM gave them one figure, and then came back with a higher figure, which they are still negotiating. Mr. Doret also added that the HVAC controls used in the field house will match what’s being put in at the school after the renovation.

Mr. Behn referred to his one page handout where expenses for FY17 were listed by category. He wanted to show the effect on the budget by applying \$100,000 in circuit breaker funds that are in reserve, and using expected savings in the FY16 transportation budget of \$300,000 to prepay FY17 out of district special education expenses. Under “Grants and Revolving Fund Offset Expenditures”, Mr. Behn pointed out the \$2,184,583 figure for circuit breaker. He mentioned the additional \$100,000 from the State that’s available, and felt we should use that money now since the circuit breaker funds received this year are based on last year’s numbers. Mr. Behn showed how if the whole amount received in circuit breaker funds was used toward special education this year that the increase projected in the school’s budget for FY17 drops from 2.7% to 2.5%. Mr. Behn also pointed out the transportation line item and said that in FY15 the budget was for \$2,436,743, but actual costs came in at \$1,959,219, for a difference of almost \$500,000. He noted that we prepaid private tuition for 2016 with the excess funds. Mr. Behn felt that we could end up with another \$500,000 in excess and he wanted to take a portion of that (\$300,000) and prepay tuitions again for special education. He showed how the projected increase to the school’s budget could come down even further to 1.8%, and these changes wouldn’t affect the quality of the education services students are receiving. Mr. Doret said that the School Committee could review his suggestions. However, Mr. Doret noted that the schools cannot deficit spend, since if they come out short, where do they go for more money. Mr. Wells pointed out that they could ask for additional funds at the Special Town Meeting in October, or the Annual Town Meeting in March, or that there is also the AFC Reserve Fund. There was concern from the School Committee as to what happens if they make these changes and then come up short. Mr. Rauch mentioned that the AFC is asking the School Committee to consider these changes and that the AFC is available to help if funds are needed. Ms. Sullivan didn’t feel that this was the year to make these changes since enrollment numbers and special education needs are always changing. Mr. Doret pointed out that funds are held back in the event that a student moves in to town that needs special education. Mr. Behn asked what happens if they only hold back \$100,000 and find they

need \$200,000 – where would they get the extra \$100,000. Mr. Doret said that it would need to come out of someplace else in their budget. Mr. Behn mentioned that the \$100,000 in circuit breaker funds can only be spent on special education. Mr. Doret said that if the \$100,000 isn't needed in FY17 then they can roll it over to 2018. Mr. Doret was concerned with coming up short and having to go to Town Meeting to ask for money in the spring of 2017 since a 9/10<sup>th</sup> vote is needed. Mr. Wells noted that the Town has always supported the schools. Ms. Hensley informed the AFC that when they receive special requests, they are sensitively handled within the school system, and they don't want to bring these confidential matters out at Town Meeting or in front of the AFC. Ms. Levine-Kanji pointed out that if they don't spend the money allocated in their budget then it is returned to the General Fund. Mr. Wells said that \$1.4 million was returned to Free Cash last year but taxes still increased. He noted that if we spend less then tax bills will be lower. Mr. Wells was in agreement that circuit breaker funds should be used in full this year and also wanted to take a portion of the transportation budget and use that toward special education costs. Ms. Bock mentioned that over the last two years they have been using circuit breaker funds and aggressively getting grants. If they have excess transportation funds then they will prepay special education. Ms. Bock pointed out that one of the difficulties she faces is that the Town's budget cycle doesn't match up with running a school district. She also can't anticipate what students will move in to town. Ms. Bock noted that the prepay structure is transparent and reasonable. She referred back to Mr. Rauch's proposal that the School Department and School Committee look at the AFC's request, and have time to discuss, and then respond back. Mr. Behn felt that the schools were "encumbering" funds so they have flexibility in spending. Ms. Jaffee mentioned that everyone has been talking about students moving in to town but there's been no discussion about students moving out. Ms. Bock said that it is difficult to anticipate both. Mr. Driscoll agreed that the schools take the AFC's request back to discuss. Mr. Wells asked Ms. Oliver about pre-paying tuitions and if that counts toward our circuit breaker usage. Ms. Oliver explained that we are entitled to carry over whatever we don't spend from year to year. Mr. Wells asked if circuit breaker counted toward spending. Ms. Oliver said that she cannot plan all of our special education needs against circuit breaker funds since some items like materials, supplies, and therapy are not fully covered. Ms. Bock pointed out that by having Ms. Oliver prepay tuitions it mitigates the risk if a student moves in to town that needs special education so they don't have to ask the Town for more money. Mr. Rauch asked about prepaying tuitions and if that expense is booked this year or next. Ms. Oliver said that prepaid tuitions are booked as an expense for the following year. Mr. Behn thanked the School Department and School Committee for meeting with the AFC and reiterated that their budget is very well put together.

### **Committee Liaison and Department Liaison Reports**

Mr. Wells pointed out that he emailed a calendar to the Committee regarding upcoming AFC meetings. He mentioned that Mr. Malloy said there were about 39 articles in the warrant, so he added another meeting in February. Mr. Wells noted that articles are due by January 27<sup>th</sup> and Mr. Malloy said he would give us a copy of what he has by the 26<sup>th</sup>. Mr. Wells wanted to figure out what departments should be invited in after Thursday's meeting with the DPW. Mr. Wells added that he placed an attendance sheet on the Drop Box and asked AFC members to make note of any absences on the spreadsheet. He also asked Committee members to send an email to himself and Ms. Thomas if they aren't able to attend an AFC meeting.

Mr. Driscoll confirmed that the AFC will listen to all budgets and then vote and/or provide other recommendations. Mr. Behn reviewed the process. Mr. Tepper added that he felt it was difficult to vote all of the little pieces to the budget and would rather see it presented as a whole, since more time is spent on smaller amounts while looking to drop a large amount out of the budget. Mr. Driscoll appreciated tonight's presentation with the schools and would like to look at expenses for all departments in the same manner – especially the payroll line items since that accounts for 83% of the budget. Ms. Blazejewski noted the difficulties the schools face since they need to request and tie up money now in order to hire teachers for September. If not – students show up and there's not enough staff. Ms. Howard pointed out that the 94 additional students projected as new enrollment is based on a large needs study that was done, so there is data supporting hiring staff. Mr. Wells spoke about statistical numbers and the K-birth rate in predicting enrollment. Mr. Rauch pointed out that enrollment in Eastern Massachusetts has been declining, and felt that our affordable housing and great school system make us attractive. Mr. Tepper referenced the Town budget and his concern. He felt that we need to get the message out

that we can only do so much in a particular year. He acknowledged that we receive good services in town from the Police and Fire Departments. He is meeting with Police Chief Al Gordon and Fire Chief Pat Purcell over the next couple of days, but he didn't think their budgets will change. Ms. Jaffe asked about the 2.5% cola increase and the assumption that all employees receive it. Ms. Blazejewski explained that the cola increase was voted in last year for non-union employees. There was a discussion about union versus non-union employees. Mr. Rauch mentioned staffing studies and wondered if Mr. Malloy has had one done. Mr. Behn pointed out that a study was done last year but he didn't think anything changed. He also mentioned that there are only 30 non-union employees on the Town's payroll.

**Charter Review Committee:** Ms. Blazejewski informed the AFC that she is still waiting for confirmation on the Charter Review's public hearing tentatively scheduled for January 27<sup>th</sup>. She will send an email as soon as that date is confirmed.

**Comments and Concerns – Committee Members**

Ms. Howard mentioned that she was disappointed with the tone of tonight's meeting. She hoped that the atmosphere and discussion would be more cordial at future AFC meetings.

**Public Reminders for Viewers**

None

**Adjournment**

Mr. Behn made a motion to adjourn the meeting at 10:01 p.m. The vote to adjourn was 9-0-0 in favor, with 9 being present.

**Document List**

Westborough Public Schools FY'17 Budget – Amber Bock

Westborough School Department 2017 Budget – Ed Behn

Respectfully submitted,  
Jessica Thomas,  
AFC Administrative Assistant