

Selectmen present:	Kevin McCormick	Christopher Rucho
	Allen R. Phillips	Steven Quist
	Valmore H. Pruneau	
School Cmte.:	Siobhan Bohannon	Peter Desy
	Lisa Moreland	Richard Shaw
	Stephen N. Paige	
Finance Cmte.:	Christopher Berglund	Raymond Bricault
	Mychelle Phillips	Paul Bohannon
	Gregory Zakarian	Alexander Bartholomew
	Patrick Crowley	John Owanisian

Mr. McCormick convened the meeting at 7:00 p.m.

### **Town Administrator's Revenue Recap**

At the last meeting of the Board of Selectmen, Mr. Gaumond presented his update on FY 2011 revenues and the FY11 Operational Budget. This evening he will review the highlights of his FY11 budget. The town's revenue for appropriation is divided into four categories, property taxes, state aid, available funds and miscellaneous receipts. The state aid for this year amounts to \$3,908,632, a 4% reduction. In accordance with our Reserve Policy our available funds are at \$596,000, local receipts at \$1,848,500 and our tax levy, with \$50,000 for new growth, is at \$13,062,076. Total projected revenue for FY11 is \$19,415,208. The local estimated receipts have increased \$80,000 primarily due to the meals tax. Our Available funds include \$193,000 in Free Cash, \$378,000 in Ambulance Receipts, and \$25,000 from the Wachusett EMS Fund.

He intends to modify the numbers as we get closer to town meeting and will answer any questions the group may have. He noted one area of concern, which is the Worcester County Retirement assessment. It is listed at \$554,000, however, he found out this afternoon that the figure will actually be \$130,000 more. He was hoping we would see some relief for our FY11 budget and when he spoke with Kevin Blanchette of Worcester County Retirement he was advised that the figure based on a percentage of our wages and our salaries went up this last year. This budget will need to be amended to include those costs.

### **Discussion Among Selectmen, School Committee & Finance Committee on 2011 Budget**

School Superintendent Thomas Kane stated that we talked about the impact with the cost of vocational tuition. The education budget has a component for the West Boylston schools operational budget and we also pay for vocational tuition costs, a cost the town is required to pay. That cost has been part of the cost of education and in the past five years the vocation educational budget has tripled. A lot more students are enrolling in vocational schools. The tuition rate has increased about 50% in that seven year period. FY04 we spent \$366,000 and next year we will be at \$1,120,000. The problem is that all of that money is in the education line item and every dollar comes out of the school operational budget. That cost is expanding and it is an impact on our ability to provide quality education to the students who attend our schools. The second set of figures show the money that actually goes to West Boylston schools. In the last three years the gap has increased and it has been increasing over the last seven years.

Mr. Kane feels the town is doing a good job in trying to get control of the costs of benefits. Public education grew 11.3% since FY04 and using vocation costs it increased 2.2%. As far as our

educational programs we are responsible, we are not funding those anywhere near where we are funding other departments in town and the cause is the runaway cost of vocational education. He thinks we need to recognize we have a different set of circumstances that influences how we allocate money and he also thinks vocational costs are a fixed cost as they have a legal requirement to pay those costs, the town does not control the costs at all and we have no control over the number of students that are accepted and the tuition charged and the cost cannot be reduced by town vote. We had a formula that we used and it worked pretty well. We took the fixed costs out of the budget and divided the anticipated revenues between the school 2/3ds and the town getting 1/3 for other departments. When the school calculates its budget and what is left is the true available revenue. He recommends we make an adjustment to the formula that we use for this new cost on the table. In the budget presented by Mr. Gaumond he gave education a \$200,000 increase and the reality is that \$200,000 is going to the vocational tuition account and we are reducing our budget by another \$40,000.

Mr. Owanisian questioned how accurate the \$1.1 million vocational education project cost for FY11 is. Mr. Kane thinks the actual number will be less than that, however, he will not know until April 1 as that is the deadline for students to apply to the vacation schools. He is using the number of students who have applied and that is 72. Should it be less and it is 65 it would be another \$100,000 which could be split between the town and the school using the same formula. It would increase available revenues for everyone else in the town's budget. Last year he budgeted for 62 and 59 left, of which nine are returning to graduate from West Boylston. Mr. McCormick asked about the excess.

Mr. Quist asked if we have a relationship with Monty Tech and whether it would be beneficial to explore a relationship and find out what that entails. Mr. Kane advised that we do not and one of the issues would be the membership cost as it is not the same for all schools. He noted that regional planning committee is inquiring with Assabet on that. At this point in time the disadvantage we would have is kids opting for different schools and the town is responsible for transportation. Mr. Berglund asked whether we just have to offer one vocational school?

Mr. Kane advised that if we were a member of a vocational district that would be our only option. Mr. Phillips noted that if we are locked into one, that is the option. Mr. Kane reported that the Regional School Commission is looking into this. We were always told by the Superintendent at Assabet that we were in a better position not to join but that was when we had a few students going there. We need to look at the numbers of when it would be a good point financially to be a member. Mr. Desy stated even if we belong to a regional district if they do not offer the program the student wants we would be responsible to send them elsewhere. Mr. Pruneau asked if we would still be committed to Assabet for those students who are enrolled in their program even if we went with another vocational school. Mr. Kane feels there would be a transitional period and he thinks separating out the costs would let the town understand that those monies do not go to the West Boylston schools and the impact is very dramatic. He does not think people understand that and it will continue to be a drain on the schools. It is a town problem and responsibility.

Ms. Bohnson advised that the vocational schools and charter schools are marketing to themselves to kids. They can attract students with the benefit that there are no extra fees for bussing and athletics. Today's vocational school is no longer what it used to be. Students have the ability to take nursing courses and we are in a tight competition. There are other towns that do separate the dollars out for vocational schools. Mr. Desy noted that the town has 1,100 students, 72 of which are projected to attend vocational school, that is 7% of the population and they are taking up 12% of the school department budgets. The majority is not getting the money they need for further development.

Mr. Bricault noted that this has become the fifth largest line item and if you look at the absolute dollars getting to the kids we are educating in town and those going to vocation schools and with

special needs, the Finance Committee has been concerned that they may have gone too far with some of the cut backs to the school. He would be in favor of separating this out and he thinks this is much more than the regionalization committee. We need to take a look at the product we are producing in town and we need a task force specifically focused on this issue. He questioned how we could get control of the whole situation and what we can do to help the situation and stem the outflow, which he feels is bigger than the School Committee and it impacts the rest of the town. Mr. McCormick questioned how many students attend Assabet. According to Mr. Kane it is 800 to 900. Ms. Bohnson reported that the School Committee has discussed the outflow and marketing the school as it is competition. Mr. Crowley asked about the impact of Charter Schools and questioned whether they are as expensive. He also questioned how you deal with growth should this be a fixed cost. Mr. Kane reported that there are a couple of Charter Schools in the area and we have seen an increase in interest although they are not as expensive as a vocational school. The town pays for the Charter Schools and it is deducted off the Cherry Sheet. Parents have school choice as a benefit, however, because of the cuts we do not have as much room for school choice and now we have more students opting out to other schools and not School Choice. We used the School Choice funds to pay for items such as utilities and transpiration costs. When students leave for other schools we send them a survey to try understand better why parents are opting out. The concern is if we keep cutting our own programs, how do we keep students here? In town we have the issue of trying how to fund our schools. Mr. Phillips thinks the fees are also there for vocational schools and they are built into the tuition we are paying. Mr. Crowley asked how School Choice is accounted for in the budget. Mr. Kane explained that it is on the Cherry Sheet, not in the School Department budget. Mr. Kane noted that he is looking for \$350,000 in the schools, \$200,000 of which is for vocational education.

Mr. Rucho pointed out the fact that the biggest increase in the vocational budget is not the cost per student; it is the number of students leaving to attend a vocational school. Mr. Kane agreed that the number is up 50% in seven years. Mr. Rucho asked with the total number of students outside the district is there a savings and if they all came back would you need to hire more teachers? Mr. Kane explained that this year nine seniors will return and we can absorb them. We have always been careful to bring in school choice kids to maintain classes. Mr. Rucho feels we have to market what we have because the other towns do. Mr. Kane noted it is a becoming a competitive marketing place. Ms. Moreland stated that last year we lay off 10% of the teaching staff increasing class sizes by five or six students per classroom. With the reduction in our budget and our class sizes we are very limited in what we can market. It is difficult to market class sizes of 28 students and choosing to attend West Boylston's schools is becoming not as popular. We have reduced over the past years what we can market. Mr. Quist questioned what the cost per student to educate? Mr. Kane advised \$11,100. Mr. Quist questioned the Assabet tuition and Mr. Kane advised \$15,500 or \$15,600. He also noted that this is not about vocational schools it is about how we fund education. Mr. Quist feels this is a subject we are going to have to put a lot of thought into and noted that there are a lot of advantages to kids going to small schools. Mr. Kane reported that over 90% of the students to go college and get into good schools. Ms. Bohnson stated that for what we have for a budget we have a fantastic program at the high school. We are looking at marketing and how we can. If a child decides they are going to a vocational school, the town has an obligation to pay. Mr. Quist asked if students have an opportunity to attend Quinsigamond College during their senior year. Mr. Kane advised that we have a number of students who have that opportunity during their senior year some of which are at Holy Cross and Clark University. We also offer eleven advanced placement courses, 80% of our students attend four-year colleges and we have a low dropout rate. We have to figure out how to keep the students here.

Mr. Owanisian agrees that the growth of our Assabet budget is significant. If you go back seven years to FY04 it was pretty steady and onward to FY08 it is a steep growth. He also questioned what happened in FY08. Mr. Kane feels that is a good question and feels it was when Assabet got aggressive in their own marketing. He noted that there is also declining enrollment in the school system. Mr. Rucho asked if the Board were designate vocation tuition as a fixed cost and use the Step 2 budget formula with 2/3rds of the available revenues going to the school and 1/3<sup>rd</sup> to the town departments what would that figure be for the school. Mr. Bartholomew indicated that it would increase the schools budget by \$350,000. Mr. Kane feels we would need to find something that would be fair.

Mr. Peterson asked if the school still gets \$5,000 back on the Cherry Sheet for students attending Assabet. Mr. Kane explained that the Chapter 70 reimbursements include \$5,000 per student. The state gives values to all the students in West Boylston and they all have different value. They say this is what the minimum budget should be and then they have a calculation of what they are paying and in West Boylston it is 30% and that is Chapter 70. Mr. Peterson noted that we need \$5,000 for each student who attends Assabet and then we bring in School Choice students to fill that slot and we get another \$5,000. Mr. Kane stated that the Chapter 70 goes to the town and the \$5,000 offsets the Assabet costs. Mr. Peterson would like to know exactly how much Assabet costs because we get money back from the state. Mr. Kane noted that the issue is we have no control over the cost and it is taking money away from our own schools. Mr. Rucho feels we do have control by marketing our schools and that is a mechanism to control it a little. Mr. Kane feels they have been working hard to control their health insurance costs and he also feels we need to put a Task Force together to look at this and who are we, and what is our product. Mr. Rucho asked if there had been a bill filed to change what we are paying to go to a vocational school. Mr. Kane explained it is set by a formula and it went up 10% higher. At one time you went to a vocational school to learn a trade. Mr. Berglund noted that on the state's website Assabet is one of the highest costing vocational schools.

Mr. McCormick stated that we are not going to make a decision this evening. Mr. Kane suggested a way to approach the budget is what do we need to provide the service. He would ask the town to consider a local aid temporary cut and once the economy turns around they would make sure the money goes back to the town. He suggested the Board use Stabilization Funds to supplement our revenues. Mr. McCormick asked if we take that approached and next year it does not get put back in then we would not have the Stabilization Fund replenished. Mr. Kane suggested using the money to support the services due to our loss of revenue.

Mr. Bricault asked about Mr. Gaumond's draft budget relative to the Public Safety Building and the Fire Department. Mr. Gaumond explained that the third year of the safer grant and the town is responsible for \$12,650 for each of the two positions for a total of \$25,350 for our share. On the revenue picture we are adding it in. Mr. McCormick pointed that the Board of Selectmen needs to make some decisions and we will let everyone know. Ms. Bohnson, in speaking for the School Committee, noted that they are at this point where they are trying to educate the town on where their monies are going. They feel to support the school and the town would be to everyone's benefit to separate this out. They would like a new line item called vocational education. Mr. Gaumond asked what if the numbers came in lower? Ms. Bohnson indicated that the funds would go back to the town and divided up by the formula. Mr. Kane stated that the intent is to point out how much money is going to vocational education. Now it is in the School Committee's budget.

Mr. Kane is requesting an \$8.3 million dollar budget for the School Department and the \$1,121 for vocational education which would be taken out of the School Department line item.

Mr. Peterson questioned Mr. Gaumond on the trash budget line item being reduced and not increasing by the 2.5%. Mr. Gaumond will look into it and noted that we are looking at the entire

business model of the trash budget and what we have in the budget is a fair amount. Mr. Peterson recalled last year Mr. Daley saying there will be money available from the bag sales and when he said that Mr. Peterson asked where would that money go. He questioned should we be reducing the bag fee if there is too much money. Mr. Gaumond stated that we are seven months into pay as you throw and we are still looking into what the real annual income is for the bags. Mr. McCormick explained that what will happen is we are going to raise so much money with the bag sales we will have to scrap the system and then go back in two or three years and re-institute it because of Proposition 2-1/2. He has not heard any complaints about pay as you throw. Mr. Gaumond feels the bag fee is the cheapest around.

Mr. McCormick announced that this is the last meeting for both Mr. Desy and Mr. Pruneau. He wished them well and thanked them for their service.

With no further business to come before the Board, motion Mr. Phillips at 8:50 p.m. to adjourn, seconded by Mr. Pruneau, all in favor.

Respectfully submitted,

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Nancy E. Lucier

Approved: April 7, 2010

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Kevin M. McCormick, Chairman

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Valmore H. Pruneau, Jr., Vice Chairman

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Allen R. Phillips, Clerk

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Christopher A. Rucho, Selectman

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Steven Quist, Selectman