

Members present: Kevin McCormick Christopher A. Rucho
Allen Phillips John O'Brien
Steven Quist

Mr. McCormick convened the meeting at 7:10 p.m. The evening Board is meeting with School Committee Chairman Rick Shaw, members Jenn Breen and John Owanisian, School Superintendent Tom Kane and Finance Committee Chairman Ray Bricault and members Pat Altomare and Chris Berglund in the media center of the Middle/High School.

NEW BUSINESS

1. DPW transfer \$5,000 from Salaries and Wages; \$2,000 to Purchased Services & \$3,000 to Supplies

Mr. Gaumond reports that the DPW had some very difficult cost overruns over the last six months, part predicted upon the catch basin pollution problems. We have also had greater than expected repairs to our equipment and will need to move more funds from these accounts at the Board's April 6th meeting. Mr. Rucho requested a copy of the catch basin costs. Mr. Gaumond added that we also had major cruiser repair and will provide the Board with a list of equipment repairs.

Motion Mr. Rucho to approve the transfer request for the DPW of \$5,000 from Salaries and Wages, \$2,000 to Purchased Services & \$3,000 to Supplies, seconded by Mr. Quist, all in favor.

Town Administrator's FY12 Budget Discussion

Mr. Gaumond thanked everyone for attending the meeting. He reported that not much has changed since the last time we met and his package does include updated revenue estimates. Our total revenue projected for FY12 is \$20,064,064, which is comprised of \$3,786,473 for state aid based on the Governor's numbers, \$656,250 of available funds per our Reserve Policy, \$2,000,000 of local receipts, using the Department of Revenue estimates and our tax levy is \$13,621,341, which includes \$75,000 for New Growth. He added that the MMA has received preliminary word that the legislature is looking for deeper cuts than the Governor. We need to keep in mind that everything, including Chapter 70, our Education Aid, is on the table should there be further cuts moving forward. Mr. Gaumond added a third column to his FY12 budget recommendation document, which indicates the percentage difference from the FY11 budget and the FY12 recommended.

Superintendent Kane reviewed the schools' FY12 budget challenges. He noted that the figure in the budget is the figure from the omnibus article back in FY11, \$9.1 million. In addition, the townspeople voted an additional \$138,984 to the operating budget and the base for the school budget should be \$9,240,378. By not including the additional \$138,984, the real increase is 3.6%, rather than the 5.2%, which is printed in the Town Administrator's FY12 recommendation. He explained that one part of the budget which goes to fund education here in West Boylston, K-12 costs \$8,848,375. In addition they have the cost of vocational education, another \$1,281,394. The figure represents the number of students who will be returning to vocational school and those who have applied. Mr. Kane expects to have a firmer number of who will be leaving by next week as he does not believe that all who have applied will get accepted. The cost for each student is \$16,000. The total education budget is \$10,129,769. A 7.4% increase amounting to \$600,000. For a level service, current programs and staff, would be an increase of \$280,000 or 3.4%. Special Education, out of district has increased \$132,560 or 1.6%. We also lost 1.4% or \$193,931 of AARA and SFSF, federal aid recovery and reinvestment act funds and stimulus money. That money mitigated the cuts the school had to make, it was a two-year

grant used for special education, our neediest kids. They cannot help us out any more and it is up to local government to pick up the slack.

With regard to Vocational Tuition and Transportation, Superintendent Kane reports that 48 students will be returning, and 29 have applied. We share transportation with Boylston and our cost is \$33,162. The total cost for this line item is \$1,281,394, a \$282,848 increase or 28.3%. The total increase in the Town Administrator's budget is \$330,000, which would leave \$50,000 for our school students. Mr. Kane expects that cost to decrease. This big increase eats into the program piece of the pie. Currently we have 61 students enrolled in the vocational program and 48 will be returning. Of those 29 who applied, based on past history, five or six might not get accepted and a few who are accepted will not go. If they do not leave those funds will remain in the school budget at \$16,078 per student. The amount of money left for the school is decreasing as the cost for vocational education is coming out of the education for those students who remain in town. Mr. Kane fees we are under-budgeting our own school programs to the point where people are opting for other schools through the school choice program.

Ms. Altomare questioned our per pupil costs as opposed to Assabet. Mr. Kane advised that we pay \$11,000 per pupil and Assabet is \$18,000. Ms. Altomare suggested that at some point it might be reasonable for us to offer vocation school programs. Mr. Kane explained that you have to meet certain criteria to be approved by Chapter 74. For the town to do that it would be quite an investment and some schools join regions. Mr. Shaw reports that he has sent several letters to Assabet request the cost for membership and they are dragging their feet. They also sent a letter to Monty Tech to join and Ms. Breen has been involved with that. They are discussing options with the Town of Clinton who send 113 students to Assabet and Shrewsbury who send 143. Maybe it is time to discuss with them looking at a small regional vocational school for us. They continue to talk and are not sitting still. Ms. Breen noted that they looked at the programs offered by Assabet and of the 18 disciplines, our students are involved in 11. With regard to membership, Assabat is looking at doing a capital project and we would assume those capital costs. Mr. Quist questioned whether we have explored Worcester Vocational school. Mr. Kane advised that neither they or Monty Tech are not taking any tuition based students. He also pointed out that in the last five years the town's portion of the budget increased 14.5%, education 11%, vocational costs 244% and k-12 school 4.1%. We are spending less than 1% a year on our own schools.

Mr. Kane views vocational tuition costs as a fixed cost, similar to benefits, insurance and debt costs. He recommends we revise our currently budget formula to include vocational tuition with our fixed costs, back fixed costs from available revenue and divide the remainder 2/3 to education and 1/3 to town department. It is a way of saying vocational education is a cost of the town. Mr. McCormick noted that vocational education was always included in the schools base budget and for years this was never discussed. He does not think it would be equitable because it has been in his budget in the past. Mr. Kane pointed out that the school is spending less money now on our local school than we did in FY07 and it impacts the kids.

Mr. Shaw noted that in the FY10 budget the school took a major hit in excess of 7% and when FY10 ended we had certified Free Cash in the amount of \$715,000. That was a lot left over and some was on the backs of the schools and consisted of health insurance benefits for the 10 teachers they lost in addition to 5 paraprofessionals. Some of the projected revenues were a little high and most of the money was put into Stabilization so now the schools have to come back and play catch up for the money lost. The vocation issue is not going to go away. Mr. Quist asked about capacity. Mr. Kane noted that we have 25-27 per class. We cut 9 teaching positions five years ago. Mr. Quist asked how many kids could be running through the school system, can we take more in? Mr. Kane explained that we have fewer kids as capacity is driven by staff. We are looking at maximizing our numbers on

school choice as we were at 100 and last year and slipped to 85. Those funds go to pay utilities and transportation. Last year they placed an ad in the paper to let people know what grades they had capacity in. Five or six years ago they were looking for space 1100 students and not enough rooms for teachers and part of that was due to special education programs. They are trying to do what they can to attract students. Chapter 70 is based on West Boylston children even if they go elsewhere. We get a higher rate on Chapter 70 for those students who go to vocational schools; \$3,000 for in town and \$4,000 for vocational and \$5,000 for school choice. The cost for Charter School is \$12,000, 16-17 in Charter schools and 26 in school choice going out and coming in we have 96. School Choice funds go towards our transportation costs and most people thought the bussing fee covered those costs, which they do not.

With regard to the Free Cash we ended up with, Mr. Gaumond explained that the \$700,000 was a combination of things including the Federal Government's reimbursement from the ice storm, and an increase in the meals tax, which we did not build in as we passed that mid-year. Revenues were not under-reported. He will send everyone the document on what comprised the \$700,000 figure.

With regard to Free Cash this year, Mr. Owanisian noted that Mr. Gaumond is projected \$150,000 for use in May. Mr. Gaumond explained that the Selectmen adopted a Free Cash Policy which dictates how and where Free Cash will go. Some goes to Stabilization, a lot goes to Capital and we had reserved \$150,000 because we were not sure if there were going to be mid-year local aid cuts. Historical we always carry \$120,000 to \$150,000 for our snow and ice deficit. At the end of February that deficit was at \$132,000. If the school incurred extra costs for shoveling off their roofs those costs can be included in our snow and ice deficit. Mr. Kane will provide those numbers to Mr. Gaumond so that can be re-booked by the Town Accountant.

With regard to Stabilization, Mr. Shaw questioned what number we were at last year. Mr. Gaumond does not have that figure, however, he believes that we only added \$150,000 at town meeting. Mr. Shaw's concern is last year they came into town meeting and came up with an article for additional funding, which the Finance Committee said they would support, however, they added that next year the school better find a solution. Mr. Gaumond noted that when he arrived the town had a \$1.4 million deficit. We have since solved that. We do have the use of one-time funds in this budget, those ARRA funds and the funds the school received under Article 35. We have a \$350,000 structural deficit for the schools this fiscal year. Mr. Bricault pointed out that there is a \$550,000 difference between what the schools want and Mr. Gaumond is recommending. He questioned whether the capital requests were included in the operational budget and questioned whether we are \$650,000 out of balance. Mr. Gaumond explained that the article for the ambulance will be funded through our ambulance reserves and some of the department will not be getting what they have requested. With regard to the town's side of the budget, Mr. Gaumond believes he can make that budget work. We have an operational deficit and Mr. Kane is suggesting that the school will not be able to make it on what we are giving them. Mr. Kane indicated that he would like another \$550,000. Mr. Gaumond explained that the \$137,000 will not cover all of the capital items people want and one-time items should not be built into the operational budgets.

Mr. Owanisian questioned why Mr. Kane's number did not appear in the FY12 column. Mr. Gaumond noted that the column should be Town Administrator's recommended, not requested. He further question whether some of the \$300,000 in the Capital Investment fund, could be used to support the schools. Mr. Bricault advised no, it is completely separate.

Mr. Gaumond previous provided the Finance Committee a copy of a draft capital request form which goes out five years and covers anything over \$5,000 or more. He asked about the three upcoming school projects and which would be ready and require funding at town meeting. The way the process is going, Mr. Kane does not believe he will have figures ready for town meeting. We need to

move forward with the flooring issue and he will get those figures to Mr. Gaumond. Mr. Gaumond suggested a fall town meeting article for the other school items. Mr. Bricault questioned Mr. Kane's timeline on voting his budget. Mr. Kane suggested increasing the revenue flow with a Proposition 2-1/2 override. He added that it is the only way that this kind of structural budget deficit can be address. He believes this is a town issue and he thinks there needs to be some discussion if there is any interest in bringing that question to the voters. Mr. Owanisian questioned the time line for moving forward with a Proposition 2-1/2 override. Mr. Gaumond explained that it has to be a ballot question and it takes a vote of the Board of Selectmen to place it on the ballot. They could vote today and ask the town Clerk to call a town election and he think we have plenty of time to do that for the June election. The question is one of selling it and would you have enough time to do so. If you use \$550,000 figure, we have been talking about the same issue and the same amount of money for the last five years. It is possible the word could get out and an override could be adequately defended as the challenge is not a process problem. The town side would have an election in June and some people may not be focused on town business in the month of June. Mr. Gaumond suggests keeping the budget as it is and if an override vote is successful we could plan a special town meeting to vote a modified budget.

Mr. Owanisian asked if it would specify how the funds would be spent. Mr. Gaumond advised that the DOR say if you pass an override it has to be spent for that particular purpose at least for the first year. It would be his intention to honor the override in every budget and he would consider that \$500,000 built into the school budget in perpetuity. Ms. Altomare questioned if you have to designate on the question where the money is going to be spent as it would be pitting our school age children versus everyone else. Mr. Gaumond agrees and thinks overrides are most successful when they target a particle purpose. The budget he is bringing forward on the town side of government is not meeting our needs but he is willing to bring it forward to town meeting. As the Selectmen have never had discussed this, Mr. McCormick suggested including this as an agenda item for April 6th and on April 13th they could meet with the School Committee on this. Mr. Berglund noted that the Selectmen have to vote to put this on the ballot but they do not have to necessarily support it. As the School Committee is meeting on April 13th to discuss their budget, the Board agreed to change the meeting to April 14th should they receive a request and if not, the meeting will be cancelled. Mr. Shaw stressed that it has to be a community wide base and people need to know that the Selectmen, Finance Committee and School Committee are behind it and if they do not see it more people will be leaving the school system. Mr. Berglund stressed communication and education.

With no further business to come before the Board, motion Mr. Rucho at 9:00 p.m. to adjourn, seconded by Mr. O'Brien, all in favor.

Respectfully submitted,

Approved: April 6, 2011

Nancy E. Lucier

Kevin M. McCormick, Chairman

Steven J. Quist, Clerk

Christopher A. Rucho, Selectman

John J. O'Brien, Selectman