

Finance Committee
Joint Meeting with the School Committee and BOS
February 28, 2018

School Committee: Amy O'Connor (Chair), Suzanne Wright, Ted Delano, Carin Marshall, Gargi Cooper.

BOS: Patrick Jones, Naomi Dreeben, Laura Spathanas, Peter Spellios.

Attending for Finance Committee: Marzie Galazka, William Jones, Polly Titcomb, Joan Hilario, Maryellen Fletcher. Not Present: Cinder McNerney, Gail Rosenberg, Tim Dorsey.

Also attending: Ron Madigan (Police Chief), Rose Cheever (SRO), Pam Angelakis (SOS), Evan Katz (School Business Administrator), Sean Fitzgerald (TA), Ron Mendes (ATA), Gino Cresta (ATA), Cheryl Herrick-Stella (Town Accountant)

Convened at 8:08nPM

Ms. Right made a presentation about the MSBA process on a new school. She articulated that since the failed vote in 2014, the School Committee has engaged more with the public and the administration has developed an educational vision. This vision informed a new set of statements of interest of Hadley, Clarke and Stanley. We have been accepted by MSBA for the Hadley at this point. Ms. Marshall emphasized that this is a town project. SC plans to include all boards and committees throughout the planning process for the school.

The three committees discussed how the decision-making would happen for moving forward with the new school process. Ideas were considered for how to build consensus for the town meeting decision on a feasibility study. The three committees agreed to form a small working group with members from the SC, FC, BOS and CIC to work on information gathering and dissemination in advance of the town meeting vote on a feasibility study.

Ms. Marshall introduced the discussion of the creation of a Special Education Stabilization Fund. This fund would allow funds to be collected that would then be available for special education expenses, transportation. This would be created by a vote of the SC and then Town Meeting. The BOS and the SC would both need to vote to make expenditures out of that fund. Members asked how such a fund would be initially funded. Mr. Spellios asked if this fund would still be subject to the "extraordinary and unforeseen" rule.

Discussion was held about the pros and cons of such a structure, and how it would be funded, as well as the amount of initial funding that would be necessary. Mr. Fitzgerald will look into where this can fit into the budget, and the school committee will sponsor a warrant article for the town meeting warrant.

Mr. Fitzgerald presented his FY 2019 Budget overview. This year's recommendation is a 1.85% increase. A zero-based budgeting process was used to keep it as efficient and transparent as possible. This budget recommends a 10% increase in the community development budget so that we can continue to build the community in responsible ways. Public services budget is up 16% primarily due to increases in facilities management. Public safety modestly increases. Education expenses will increase approximately 3% in FY 19. Stabilization funds will be increased by \$3MM.

Reserves are holding steady about 16.8%. The estimate is that the levy will increase 2%. Local aid increases were modest. Local receipts are budgeted closer to actuals than in the past. The administration has spent more time assessing capital needs and developing a long term capital plan. The goal is to keep a 2.4-2.6% increase in the debt service budget. We are building up non-excluded debt while excluded debt decreases – this allows improvements in infrastructure and quality of life.

Challenges: OPEB liability is significant. Collective bargaining agreements are coming up. We need to do a better job understanding all the drivers of costs in all those agreements – not just COLAs. Solid waste service costs have been increasing. Our commercial base is dwindling. We continue to have a higher tax burden than neighboring communities.