

FINANCE COMMITTEE MINUTES

MARCH 28, 2013

The meeting was called to order in the Selectmen's Meeting Room of Town Hall at 7:35 PM. The following members were present: Ken Szajda, Michelle Zeamer, Michelle Johnson, Charlie Kaslow and Dan Alfred. Kathleen White was absent from the meeting.

Ken Szajda began by asking members of the FinComm to send changes, comments etc. for the minutes to Michelle Zeamer who will coordinate with Faith Antonioli in editing the minutes for approval.

Dr. Brad Jackson, Superintendent of School presented the FY14 School budget. He introduced Erika Plunkett, Lisa Galeaz-Weber and Ann Louise Hanstad, who make up the School Committee budget subcommittee. Dr. Jackson began his presentation by sharing how well Holliston Schools have performed in various state, country and international tests. He put it into context by explaining the high performances of the state of MA and then where Holliston falls within MA. All of this information can be extracted from the MA Dept. of Education website. He then gave a brief history of how state and federal aid has declined over the past 10 years. Dr. Jackson then shared a graph showing the per pupil cost for each of the 313 towns in MA. The average per pupil cost in MA for FY12 is \$13,685; the average for the TEC towns is \$14,169; and Holliston's per pupil cost is \$12,189. These are the fully loaded costs, which mean it includes every dollar spent regardless of the source of revenue. Dr. Jackson added that the town is spending below average per pupil in administrative costs and above average in teacher costs; Holliston is below average in most other areas. Holliston is 221 out of 313 towns in total cost per pupil. Of the \$12,189 that Holliston spends per pupil, the town receives \$2,481 per pupil from the state, bringing the tax payers' contribution to \$9700, the second lowest of all TEC towns. Millis is lower. Very few towns receive more Chapter 70 aid than Holliston. This is because Holliston does not have a broad commercial tax base -- called over-burden aid. School Committee wants to remind FinComm that they feel parents are over burdened with fees. The effort to engage in a broader discussion of fees with the town has left school fees out. Taking results and cost effectiveness, Dr. Jackson has come up with a new graphic display. One axis shows communities performance on MCAS and the vertical axis shows the cost per pupil and the lines show the statewide average in both cases. There are 4 quadrants: upper left - lower performing and lower cost districts; bottom left: districts that are lower performing but spend above average; lower right: high performing districts that spend above the state average; upper right: the higher performing districts that spend below the average. Only 2 communities have higher scores with less cost -- Medfield and Duxbury. This is an indication of value to Holliston residents. Holliston's FY13 budget is \$28,733,646. Dr. Jackson then talked about what is causing the budget to go up in FY14. He said that one of the most frustrating changes he has seen in education over the last three or four years are the many extraordinary federal and state requirements on local school systems. These unfunded mandates are "burying us". Due to the tragedy in Newtown CT, Holliston has purchased 3 buzzer systems and hired 3 people to man them. These positions were able to be funded this year through money saved with maternity leaves, etc. But for FY14, the cost will be added to the budget.

Last Thursday night, the School Committee voted an FY14 budget of \$29,866,210, which is an increase of 1.1 million. Dr. Jackson then went through the budget drivers: contractual obligations - \$913,000; SPED tuitions - \$130,000; athletic supplies and uniforms - \$56,000; contracted services (buses and custodial) - \$13,000. To bring the budget in under 4%, Holliston is assuming to add 2 more school choice seats - there are 12 students graduating this year, so they need to add 14 new seats this year; they have made moderate changes to the advertising budget -- eliminating paper advertising except one big ad in April; turning 9 cell phones in; reluctant acceptance in cutting supplies; less mailings, so postage can be reduced; looking into the possibility of switching from oil to gas (the heating equipment are dual source, but there is not enough capacity in the street lines at this time; emphasis on the inclusion model; eliminate the .5 Mandarin teacher (has a virtual education program); and an increase in circuit breaker money because of increased costs last year. This is what is driving the budget up. Dr. Jackson said that they had about \$100,000 in adjustments by March 1 for next year so it is decreasing the contractual obligation number by almost \$100,000 this year. Schools are sharing the collective bargaining information with the public. Raises occur in 3 ways: teachers - steps until their 13th year - costing town about \$468,000). lane shifts- costing \$47,000 (a smaller subset of teachers; Cost of Living increase - 2% (costing \$441,000). There is also a small subset of employees who are not part of any collective bargaining group - 4 Central Office administrators, 4 principals, support staff in Central Office and technology support staff. There have been some conversations locally and across the state about the how the concept of steps, lanes and COLA are the core part of why school budgets are growing at unsustainable rates. These are being looked at for the next years of collective bargaining. Dr. Jackson handed out the list of things that have to be done in Holliston due to state and federal "mandates". In response to the new state evaluative process, Holliston needs to look at SSA positions in all buildings, dept. leader job descriptions and adding hours to procedural assistants. Administrators will need to spend more time in classes. Another state mandate is the way student athletes need to be treated, particularly in regards to concussions. They will need pre concussion tests before playing a sport and post if there has been an injury. It falls on the schools, so the part-time trainer will become a full time position. There will be math tutors at Adams in response to the No Child Left Behind law. The permanent staffing of the buzzers at Placentino, Miller and Adams will continue during the hours the schools are open. This is a change and a budget adjustment. The number of students to whom English is a second language is increasing. There are state and federal requirements that need to be followed. The state has not done what was required by the federal government. There are no local initiatives in this budget -- all are in response to what is being "mandated". The voted budget is \$29,866,219, which is a 3.94% increase over the FY13 budget and about a \$700,000 increase over the FinComm's recommended budget of a 1.5% increase. Dr. Jackson said that he realizes that adjustments need to be made by both boards to close the gap before town meeting. There were pages of information on projected class sizes through grade 8. It is different at the High School because it's hard to predict who will take what classes. Dr. Jackson mentioned that he is hoping to add an AP psychology class at the High School next year. Dan Alfred asked about the COLA raises (all get those) and about 60% also get steps. Dan Alfred asked about the security system, but Dr. Jackson would not comment in fear of compromising the system. He also asked how they will cut the additional \$700,000. The Superintendent said that the "nickel and dimes" have been cut. The average

cost per teacher is about \$50,000 and the budget is about 85% salaries. The cuts would be on the staffing side and would impact class size numbers. Dan Alfred then commented that by lowering the trash fee, you are still putting money into the pockets of the parents paying fees. Dr. Jackson said that many parents of High School parents taking a bus pay about \$1000 in fees. He said that the School Committee is concerned with the process - not necessarily the results. He also asked if there have been any conversations with NStar regarding the switch to gas. Charlie Kaslow asked about the costs of moving the main line vs. the potential savings. Dr. Jackson said no and it is a conversation that needs to take place with the Board of Selectmen and NStar. The town would need to figure out what the return on the investment would be before doing anything. Dan Alfred asked the total cost spent on oil and was told about \$300,000 and about \$65,000 on gas. Charlie Kaslow asked how many teachers are members of the union in Holliston and was told about 300. Charlie Kaslow also asked about the student enrollment and was told it has been stable over the last few years. Michelle Zeamer said that the Water Dept. was in last week and expects the number to rise, largely due to the Bird property. But Dr. Jackson doesn't think this will add to the school population significantly. Mrs. Zeamer then talked about her daughter taking the Mandarin class on line. She then asked if there were possibilities of adding other classes and Dr. Jackson said that there are about 20 electives at this time with the TEC On-Line Academy. There is a per student charge paid and it is in the budget. She also asked if the added 5 days at the end of the year adds any cost and Dr. Jackson said "no". She then asked if they have any response to the benefits study that was done recently and Dr. Jackson said he is writing a response to it and will share his thoughts with the School Committee. Michelle Johnson asked the reasoning behind the block scheduling at the High School. Dr. Jackson said it resembles a college schedule and take 4 courses each semester. Students end up taking 4 extra courses over the High School years. Some disadvantages are the possible delays between some of the courses that build upon each other and this can be problematic at times. Michelle Johnson then asked if the AP Psychology class is slated for the fall and was told yes. She asked if the Athletic Trainer is the person who will be doing the pre-concuss testing and the post if there is an injury and was told yes. She then asked if the trainer will be scheduled during school hours or during sports hours and was told a mix of both times. This will allow for better communication with the nurse also. Michelle Johnson then asked if the Schools have noticed a change in the number of students using the buses as the fees have gone up and if so, has it impacted the efficiency of the service. Dr. Jackson said that the dire predictions were made when the bus fee was implemented, but there has not been a huge impact. People who previously drove their children to school still do. There has been some increase in vehicular traffic at the elementary schools, but the town still needs the same amount of buses as before and a lot of parents pay the bus fee. There has been no decrease in efficiency. Ken Szajda said that he had a couple of budget related questions. In regards to the collective bargaining agreement, with the COLA going up 2% next year, what happens with the steps? Keith Buday said they compute the new salary by increasing the step first and then the 2% is on top of that. According to Dr. Jackson, the steps are independent of the COLA and they are money, not percentages. Ken Szajda said in the same way that the Schools want to be included in the fee discussion, shouldn't the town have been included in the contract negotiation study, particularly regarding the 3rd year of the contract has a 2% increase. Ken thinks it's important that Selectmen and the School

Committee need to work together to negotiate contracts all around that are fiscally sustainable. Dr. Jackson said that because this information has been made public for the first time in an open forum, this should help to open up the conversation Ken is talking about in the future. Ken asked that in the context of the \$700,000 gap, do you think that there is any chance you would start to reduce fees. At what point would you start to eliminate fees. Brad Jackson said that he would want to close the \$700,000 gap first. Lisa Weaver said that they can't answer the questions at this point. It would have to be another conversation. Dr. Jackson said he would not want to reduce fees, thus reducing services. They have to be at a point where fees can be reduced, but keeping service at the same level. Ken Szajda said that he would like to have this discussion this year before the Schools go into negotiations. Dan Alfred asked how many teachers, on average, do they lose annually due to attrition. The \$700,000 represents 14 people and the Schools will lose close to that number. Michelle Zeamer pulled up the memo where Paul LeBeau asked all depts. to hold salary increases to 1%, but the schools are getting 2%.

Paul LeBeau presented the FY14 budget for the Board of Selectmen which is within the guideline. The Personnel Services line is \$ 177,500, which includes a 1% pay adjustment for the staff in the office. There is no increase in stipends for the Selectmen or the Moderator. Purchased Services, which is largely the main copier and all related expenses, remains the same as FY13. Communications shows a significant decrease (cut in half) due to the savings with the new phone system. The Professional Services line has been kept at \$3000 and pays for the town's annual membership in the Mass Municipal Associations. The Selectmen are proposing an increase in Professional Services from FY13 to FY14. This includes the town's annual outside financial audit, legal advice from Town Counsel, advice from labor counsel and the fee to the MetroWest Regional Collaborative. The Selectmen are looking to shift the focus of \$6000 from MetroWest Regional Collaborative to utilizing funds for continued participation in a statistical performance management program at the Ed Collins Center at UMass Boston. It allows the town to look at various departments based on statistical data. Holliston was asked to join this year at no cost. They were able to statistically analyze the Police, Water and Highway Depts. They are presently looking at the Assessors. They are asking for donations to the towns that participated this year. They are teaching towns how to do the analysis on their own. The Selectmen would like to continue in the Regional Collaborative as well, which the \$6000 would allow for. Supplies and Materials are at \$1500 and this is for the Memorial Day observance. This is shared with the local veterans groups. This may go down next year because the flags on veterans' graves will be reimbursed by the Veterans Service Program. The last and largest part of the budget is property and liability insurance. This covers the premiums for all town buildings, equipment and vehicles for all town departments; liability for town activities, town officials and valuable items. The anomaly in the budget is if they pay the full premium up front, they earn credits during the year for various program participation by the town and other credits. Dan Alfred asked if GIS comes out of that budget and Paul LeBeau said it comes out of Professional Services. Is the website in this budget? Paul needs to check on that. Charlie Kaslow asked why Selectmen get a stipend - is it because of liability coverage? Paul LeBeau said no. Ken Szajda asked how the Accountant lets him spend more than above the appropriation. It's been done that way for a many years. Charlie Kaslow asked where the

expense for the hazardous waste days show -- they are in the solid Waste budget. The Selectmen's Office handles the day.

Ken Szajda said that FinComm will meet Tuesday as well as Thursday next week. The week of April 8th, there will be no meeting, but they will probably meet vacation week.

At 10:05 PM, Michelle Zeamer, seconded by Dan Alfred, made a MOTION to adjourn the meeting. Passed 5-0-0.

Respectfully submitted,
Faith Antonioli, Secretary

Date Approved: April 18, 2013