

**FINANCE COMMITTEE MINUTES  
MARCH 22, 2011**

The meeting was called to order at 7:30 pm in the Selectmen's Meeting Room of Town Hall. The following members were present: Ken Szajda, Jay Leary, Tom Meehan, Pam Zicko, Jim Crews, Gordon Johnson and Mark Schultz.

Pam Zicko, seconded by Mark Schultz, made a MOTION to approve the minutes of March 8, 2011 as amended. Passed 7-0-0.

Before the School budget was presented, Ken Szajda gave a summary in chart form of how the FinComm reached the level funded guideline. Ken began by doing a comparison of FY11 and FY12 estimated revenue figures, with estimated bottom line figures of \$52,889,914 for FY11 and \$52,794,350 for FY12. This is a -0.2% change in revenue for FY12. Ken then displayed a comparison of FY11 and FY12 with revenue adjustments, including state offsets, state charges, overlay, overlay deficits, snow & ice and late bills. These estimates came to about \$551,517,159 for FY11 and \$51,179,972 for FY12, which is about -0.7% in FY12. Ken said that FY11 looks no better than FY12. He then went through the increases in fixed costs between FY11 and FY12 - group insurance, benefits, solid waste, Keefe Tech, debt service, snow & ice and capital, with debt service the only one showing a decrease and snow & ice and capital still unknown. FY12 is starting out with a \$162,000 deficit at a level funded guideline.

Dr. Jackson then presented his School budget, which is based on the needs of the district as defined in the School Dept.'s strategic plan and the School Improvement Plans. His budget included \$279,000 of new initiatives, bringing his requested budget in at \$27,919,362, which is 1.76% above the guideline. Tom Jones then presented the School Committee's budget. He presented historical data in chart format. He had a 10 year budget history on charts and showed that there had been about a 2% increase vs. an inflation trend of 2.5%. Tom also showed the per pupil costs compared to all school districts in the state and Holliston is below average. He then compared Holliston to towns in the TEC collaborative, and Holliston is below average there as well. The burden of paying for schools has shifted to parents in fees. What has helped Holliston with per pupil spending is the Chapter 70 funds. The achievements of Holliston's schools are measured through NAEP tests (grs. 4,8,12); good performance on MCAS; SAT's; and AP exams, of which 180 were administered and 87% of those scored 3,4 or 5. Tom Jones showed that in FY09 – FY11, there have been reductions made in supplies and textbooks, professional development has been reduced, fees have increased and FTE's have been reduced 28.5. In summary, there was a 1.76% proposed increase in the superintendent's budget because of new initiatives. The School Committee's Subcommittee budget summary is as follows: starting at the FY11 Town Meeting approved budget of \$27,435,054, with a required run rate of \$214,308 and the recommendation of 2 new initiatives (restoration of an Integration Specialist at the H.S. and restoration of a Student Management Specialist at Adams) totaling \$120,000, the FY12 recommended budget appropriation is \$27,769,362, a 1.22% increase over FY11. Along with the 2 new initiatives, they are also recommending changes in the SPED

model, which will result in a savings. Tom Jones said that it is considered a level service budget with contractual increases. The bus contract is expected to go up next year. Schools also have \$435,000 of Federal stimulus money that they are using in FY12 – it had to be used in FY11 or FY12 and they chose to hold it for FY12. They are also trying to hold fees where they are. After going through a chart of budget drivers such as contractual obligations with employees, outside contractual obligation (buses), reduction of ARRA stimulus funds in FY12, the 2 new initiatives and all other increase and monies saved in utilities, Norfolk Aggie tuitions, SPED tuitions for summer programs and the \$435,000 Federal stimulus money, there is a net increase of \$294,308 in the FY12 budget, translating to a 1.1% increase over the guideline. In the next few weeks the School Committee will work to close the gap. They will look to increase revenues, if possible, and to decrease expenses. They will look at the administrative structure, the new initiatives, the FY11 cut list (that didn't happen because of the override) and possible fee increases. On April 7, the School Committee will hold a public hearing on the FY12 budget. They will work on closing the gap and on April 28, they will probably take their final vote on the budget and May 9<sup>th</sup> is Town Meeting. Jim Crews asked about the 28.6 FTE reductions between FY09 and FY11 and how many people were let go and if any were open positions. He was told that about 10 were RIF's and the rest were retirements not filled. He also asked about the cuts in Chap. 70 and was told that the schools receive 40%-43% in SPED reimbursements. This reimbursement is for out of district students in which the costs of placement exceeds 3x the per pupil cost. The reimbursement from the state should be 75%, but is only at about 43%. Jim then asked what the savings would be if the unions agreed to the GIC insurance or a similar rate saver and Paul LeBeau said about \$120,000. Pam Zicko asked why they chose to use all of the \$435,000 stimulus money in FY12 and Tom Jones said it was because they didn't find out about it until after Town Meeting last year and the process was complete. They also had \$182,000 in place in the FY11 budget already. There were restrictions with the money as well – it could not be spent on non-personnel items and it had to be used to retain programming, not expanding it. Pam said that she is concerned that this will cause a funding cliff in FY13. Mark Schultz echoed Pam's concern. He asked what can be done going forward to deal with this. Jay Leary asked about the \$68,000 budgeted in FY11 for Professional Development and with no professional days due to the furlough days, what happened to the money. Jay was told that the money is not used for the "professional days", but for conferences, training etc. that teachers attend during the school year. Building principals usually run the profession development, for little or no cost. Jay also asked why the Adams School has the largest spending in FY12. He was told there are no retirements there this year and one of the initiatives (the student management specialist) was at the Adams. Jay then asked about regionalization and Brad Jackson said that there is a lot of regionalization going on. Holliston is part of an on-line academy and there are some Holliston students who study Chinese III, for example. The Educational Collaborative also regionalizes SPED services as does Accept for SPED transportation. The utility budget was questioned as it shows only a 10% increase for FY12 – but the consumption is going down. Mark Schultz asked about plans for replacing text books with all the advances in technology. Brad said that the quality of access is a concern and that there are also licensing costs which are perpetual. It becomes similar to the question of lease or purchase. Ken Szajda thanked the schools for their

thorough presentation and the information they provided in the 3-ring binders. That format will be very helpful to the FinComm.

Bill Dowd presented the FinComm with 4 charts he would like to see published in their financial report for Town Meeting – staffing, payroll, benefits and pensions. He had worked with Mary Bousquet to gather the information which he thinks should be included in the FinComm’s report. FinComm members thanked him for gathering the information. Tom Meehan suggested it be put into a comparative form and compare the info with surrounding towns. Mark Schultz said that the numbers he has gathered need to be in context. Jim Crews said that if looking at it in context, you need to compare it with others to see the reasons behind it. Bill Dowd commented that he was very surprised with the Police contract. The FinComm did agree to use the info in their report.

Ken Szajda said they will take a vote next week on initial budget recommendations and then discuss the report format. Members were asked to bring last year’s report to next week’s meeting.

At 10:07 pm, Pam Zicko, seconded by Tom Meehan, made a MOTION to adjourn the meeting. Passed 7-0-0.

Respectfully submitted,  
Faith Antonioli, Secretary

Date Approved: April 5, 2011