

Shutesbury Finance Committee Minutes
Tuesday, January 12, 2010, 7 p.m., Town Hall

Finance Committee Members Present: George Arvanitis, Patrick Callahan, Gary Hirshfield, Weezie Houle, Lori Tuominen, Rus Wilson, Bill Wells

Visitors: Becky Torres, Al Springer

1. Meeting called to order at 7:09pm
2. Approve minutes of Dec. 1 & Dec. 15, 2009 both as amended
3. Reports from committees reps:
 - A. Capital Planning Committee Report: Rus Wilson & Lori Tuominen - none
 - B. Community Preservation Act Report: Bill Wells - none
 - C. LFNAC Report: Lori Tuominen – Met with the architects who presented 4 design options. LFNAC made numerous suggestions. They will be returning on the 20th with the designs refined based on our suggestions. Some committee members met with the Conservation Committee on site at lot 032. After much discussion and tromping around in the snow, they gave us favorable terminology. Official feedback will come in their meeting on Thursday, January 12th.
 - D. Personnel Committee Report: George Arvanitis – The committee will be reviewing police negotiations. There is confusion regarding comp time policies. The committee will be rewriting the performance review process and forms.
 - E. Shutesbury School Committee Report: Weezie Houle - budget
 - F. Regional School Committee Report –Becky Torres: A regionalization meeting was held Saturday, January 9, 2010. Tom Powers, Committee Chair of the K-6 Regionalization Committee of Leverett, presented a power point show that showed Leverett & Shutesbury as part of Union 26. The report was presented as a done deal but in the end it was not approved. Lots of great work.
4. Meet with Selectmen and School Committee on budget 8 p.m.:
 - A. Joan presented the proposed FY2011 Shutesbury Elementary School Budget with a 0% increase.
 - B. Reviewed the major drivers of the budget.
 - C. Union 28 changed the original cola formula for Shutesbury from 2.5% to 1.5%.
 - D. **Specific notes from Leslie include:**
 - 1.) Review of the 4 levels of regional school funding distributed at the December 12 4-town regional meeting of Selectmen, School and Finance committees: People working on the Amherst override have asked Becky, “Where is Shutesbury comfortable between scenarios 2 and 3?” Finance Committee members recollected that on that Saturday Amherst said between scenarios 3 and 4.
 - 2.) Putting Shutesbury up 1.5% would put Amherst up 5%. (\$690,000). Discussion was tabled with the arrival of the School Committee at 8:00 PM.
 - 3.) Finance Committee Chairman Patrick Callahan:
 - 3)-a.) The Finance Committee requested 2 sets of budgets from all town departments for FY 11:
 - 3)-b.) A zero increase budget and
 - 3)-c.) A 5% decrease budget; “grim,” but based on the real numbers that they are seeing.
 - 4.) School Committee Chairman Michael DeChiara:
 - 4)-a.) The School Committee is presenting a zero increase budget and will wait to develop a minus 5 % budget until after the state figures are out next month.
 - 4)-b.) The Committee has been thinking about a minus 5% budget; they have not yet developed one yet.
 - 4)-c.) A minus 5% budget would eliminate positions.
 - 4)-d.) We pulled off a zero; “we’re clean,” “bare-bones.”
 - 5.) School Committee member Daniel Hayes had 2 comments:

- 5)-a.) We were able to increase revenues including instrumental music program fees.
- 5)-b.) Looked for efficiencies: one savings in the current year and in next is paying for an Inclusion Specialist through a federal grant rather than place students elsewhere.
- 6.) We would have been looking at personnel cuts had not there been thinking outside the box.
- 7.) Chairman DeChiara:
 - 7)-a.) Preschool is in the black – pays its own way plus overhead
 - 7)-b.) After school over by \$10,000
 - 7)-c.) The cafeteria is in the black.
 - 7)-d.) The Inclusion Specialist – savings of \$20,000.
- 8.) Union 28 Superintendent Wickman reviewed the proposed FY 11 zero increase budget:
 - 8)-a.) Would like to present a 1.56% budget that she first prepared, instead she has a level funded budget.
 - 8)-b.) Big shifts in Union 28 operations:
 - 8)-c.) Each member town will contribute according to the Union 28 COLA based salaries consistent with what the town offers its teachers: For Shutesbury that's a 1.5% increase.
 - 8)-d.) Union 28 assessments are based on enrollment; Shutesbury's contribution went down for FY 11 from 26.43% this year to 24.16% next year.
 - 8)-e.) Legal expenses are higher this year. That line may be "in the red" before the end of the year.
 - 8)-f.) Sped contracted services have been reduced by \$20,000 due to the Inclusion Specialist. The Inclusion Specialist is being funded by the American Recovery and Re (Stimulus") funds. The funding will end after two years; for the FY 12 budget. School Committee member Hayes: More than just the financial impact it is liked because of the quality of services. Principal Mahler: It was a planned process. Selectman Puleo: It is unfortunate that this money will disappear.
 - 8)-g.) Cutting the substitutes budget is a gamble.
 - 8)-h.) No increase to textbooks even though it is wanted.
 - 8)-i.) The School Committee offered their conference money for enrichment programs.
- 9.) Summary, questions and comments:
 - 9)-a.) Principal Mahler:
 - 9.)-a.-i. We've cut all that we can, from this point forward, it will be personnel cuts.
 - 9.)-a.-ii. Preschool will be asked to contribute to fuel because they are doing well.
 - 9.)-a.-iii. Several years ago, tuition was increased which has brought money into the account.
 - 9.)-a.-iv. Community Partnerships for Children will be down another 20% next year. It's a pretty much guaranteed grant; it was significantly more 10 years ago. They've also readjusted how the funds can be used.
 - 9.)-a.-v. The huge increase to line 70 in FY09 was from an oil tank repair. All other accounts were frozen to cover it.
 - 9.)-a.-vi. DSL line now instead of T-1 line put in years ago; saving \$400/month. It will be slower. Principal Mahler: We're looking at what causes the least negative impact and this is one of those things,
 - 9.)-a.-vii. It's important for the school to have good instrumental music program to go to the Middle school program; the fees are going up to _____?
 - 9.)-a.-viii. The artists' in residence program is totally funded by parents, private contributions and the PTO.

- 9.)-a.-ix. The school population is 154 including the preschool. This is the same as the early 1990's. Enrollment peaked in 2003, and then came back down. It's hard to track enrollment for Shutesbury.
 - 9.)-a.-x. There is a loss of chapter 70 funds of \$5,000 for every child that goes to private and choice schools and a loss of \$13,000 for charter schools. The more we get kids in early the more we save by not losing them.
 - 9.)-a.-xi. The Food Service Director's salary, responsibilities, and quality of the program offered were looked at last year during contract negotiations. The food service director was being paid significantly less than the custodian. It was felt the responsibilities were on par and the pay should also be on par. An increase was made starting in the FY 10 budget. The \$5,000 jump works out to only \$2,000 due to the program running in the black. The Food Service Director provides healthy foods, a professional program teaching about food, and is a part of the team. We have the fortune of having someone good.
 - 9.)-a.-xii. The school cafeteria produces between 7 and 15 pounds of food waste per day and is looking for a pig farmer to come pick it up daily.
 - 9)-b.) Finance Committee Chairman Callahan said that a lot of thinking and enterprise has gone into dealing with an unpleasant situation. The school has worked hard at raising money and making decisions. We're trying to steer through a difficult period. He hopes not to have to do it again next year.
 - 9)-c.) School Committee Chairman DeChiara said that he feels fortunate to be in a town that values education. The hard times are not of our own doing. Though the School Committee controls its own budget the committee is part of a larger community and they work as a team.
- 10.) School personnel and committee members left at 9:15 PM.
5. Revenue Reports - The Finance Committee and Selectmen reviewed the first round of projected revenues with a 10% decrease in Chapter 70 aid. It was suggested the decrease could be as much as 20%.
- A. The question was raised, "Are we being conservative enough?" New growth is a safe estimate. The guesstimate is in Chapter 70. We're beyond break-even now but we don't know about health insurance. Gabe will bring rates tomorrow. If the school reduces personnel, unemployment costs goes up for 2.5 years.
 - B. The new growth line, the amount the town is allowed to raise without an override suggests we can afford \$60,000 across the board.
 - C. Discussion of what level of support for the regional schools Shutesbury be comfortable with resumed:
 - 1.) "If you're being asked by the Amherst folks, we can't go beyond zero."
 - 2.) If Shutesbury's contribution is up 2.5% we can still level fund our budget.
 - 3.) Who is asking? "They" is not the finance committee.
 - 4.) It's going to be driven by what Pelham can afford.
 - 5.) The quality of education has to be the primary thing.
 - 6.) Superintendent Rodrigues is really trying.
6. Expense Reports – reviewed – no glaring issues
7. New business
- A. Amherst Regional FY2011 Budget Development: Region is asking Shutesbury what our comfort level is with option 2 or 3 (+12% or 0). We need to get back to them.
 - B. Ethic forms distributed
8. Next meeting: January 26, 2010 – Open boards, Committees, other Departments, 7pm
9. Adjourned at 9:35pm