

Finance Committee Teleconference Meeting March 19, 2020 at 6:00 pm

Meeting was called to order by Steve Klein.

Members present: Steve Klein, Chair, Robert Miller, John Pshenishiny, Doug Newman, Michele Shalaby, Sandra Walker, Barbara Marchione

Also present: Tara White, Nat Yohalem, Jane Burke

Minutes: John Pshenshiny had a correction on the minutes that it was actually a 6.7 liter engine not a 6.0 liter. Minutes approved with correction unanimously.

School Budget numbers are from 2 weeks ago that may need a slight/minor revision. New Marlborough's contribution up 3.4% approximately. Much of the increase is due to transportation and increased enrollment. Overview points: Salary items and a few budgets that are still outstanding.

Beth Regulbuto, Superintendent of SBRSD also present at 6:15 via teleconference to give brief summary of the SBRSD School Budget.

Building the budget started with District Vision and wider community and District Strategy for Improvement which is out on their website aligning district goals which is driving the budget. Trying to communicate what they are doing to the towns effectively so things are manageable to the towns. The budget draft includes the District Vision and Goals. This is step one of a nine step process. Reduced assessments \$109,000 last year after the fact because the State changes its contributions but it can also go up.

The Budget dollar increase overall of \$254,033 over last year with percentage increase of 1.47 and the operating budget was a 1.59% increase and debt reduction of 2.77% and no increase in capital expenditures. The Transportation budget seemed to be underbudgeted last year and she was not really sure why. The increase in the transportation budget was 4.53% but the actual expenditures increase 11.44%. This may be due to fuel escalations and increase special education runs. Another increase is the health insurance which was underbudgeted last year as well. Capital expenditures are at present \$400,000, but budgeted \$358,000. They are paying down debt on Boilers. They are receiving credits on the Boiler and when those come in they will go to the reduction of the bonds to the towns.

Biggest thing effecting New Marlborough the most is the change in enrollment. New Marlborough had an increase of 15 students, Sheffield had an increase of 3, Monterey had a decrease of 6, Egremont a decrease of 9 and Alford had a decrease of 1. This is foundation based enrollment so this is based on October 1, 2019 enrollment. So that meant an increase to New Marlborough of 2.25% increase of the enrollment portion. Steve Klein asked about the trend in enrollment and population and how that may shift shares. Beth was not sure as she sees a holding of enrollment but there is a shift in the early year's enrollment. So due to that they are looking at their Early Years Curriculum. They don't see a shift away from District since they revamped their Middle School Program. What happened with the new

assessment has helped as it is helping levelling the playing field but New Marlborough had an uptick in their enrolment which attributes to the increase of their contribution.

Jane Burke thanked the Finance Committee and Board of Selectmen for their involvement in the budget process.

Steve Klein also thanked Doug Newman for his attendance at the School Committee Meetings.

Steve Klein opened it up for questions for Beth. Robert Miller asked for clarification about whether we would have to wait until October of 2020 to get renewed numbers for enrollment. Beth said that was correct. The State uses the October 1st enrollment numbers for calculations. He also asked about transportation costs and Special Needs runs costs and Beth said that transportation was underbudgeted last year. The overall Transportation budget was a 34% increase over five years. The five year Contract did have yearly increases provided in it with it increasing over the Contract period. The Contract is going into the 4th year.

Sandra Walker asked about legal fees for the Committee for the year. Beth has tried to keep legal fees in check but there is an increase in the budgeted amount because next year is a negotiating year.

Tara White asked for clarification of the numbers for Transportation, Operating Budget and Roof and Boiler.

Steve Klein asked about what Beth's expectations or presumptions going forward. Beth shared that there is legislation to move town meetings to later and budgets may not get approved in time. They are waiting for guidance on ability to pay bills and need to pay that by the end of the school year or they take it away from them. They are waiting for guidance on that. They are focused on how to engage students in learning but not all students have access to digital learning. They are encouraging enrichment activities. But the challenge is that it is not level across the State so she was not sure what was going to happen going forward. They hope they can be back sometime near May 1.

Robert Miller had a question with regard to the Transportation Contract and whether there was something in the contract about lower payments to the contractor since buses are not rolling. Beth shared they are seeking Council on the Contract. She hoped that the payment would be lower but was waiting for word on that. Barbara Marchione suggested asking for the Contractor for a credit for future years. Doug Newman asked about school days and whether there would be anything added to the year. Beth said they will not go past June 19th no matter what. She thought the State would waive all testing but they still aren't sure how things will be handled yet. She thought plans were to get back in by May 1 and change graduations to last day of school. State is providing reimbursement on free and reduced lunches and they are distributing meals. The State is still looking at options and how to go forward.

Steve Klein thanked Beth for all her input and all she is doing. Beth and Jane Burke hung up at that time.

The Committee then turned to the budget draft. Steve Klein explained that there are only a couple of items to cover. There are a few departments outstanding. The Town Hall expenses and the Rescue expenses are outstanding. Transfer Station expenses are an item to look at. It has been based on a

single verses dual recycle system. Salaries and compensation of Town Employees is still not solidified. Column K shows increase vs decrease. Looking at that column will help guide where changes can be made. School District costs being about half of the total budget means they need to do better with the numbers. Want to get the budget to 1.4% increase rather than a 2.5% increase. The School District went up about 3.5% overall to New Marlborough.

Steve is expecting to have Chuck Loring from Highway Department and Graham Frank from the Police Department to come to the next meeting to discuss their budgets. There is a big increase request from the Highway Department regarding Roads and Bridges. Steve asked members to look at the material submitted by Chuck Loring and to be familiar with it prior to the next meeting. There is concern about where things will need to be cut. Michele Shalaby shared that the Highway Department ended up not having enough budgeted and then had to draw on the reserve fund. We need to look at that as a concern. Barbara Marchione asked whether the increase was due to gravel and shared concern about the amount of dirt roads and if Chuck Loring needs something that was a one-time purchase, like gravel, it could be covered under something else besides a line item. His budget requests \$30,000 increase for gravel.

Steve Klein mentioned that there is a bill to move the Town Meetings across the State given the present conditions from the CoronaVirus. We could move our Town Meeting to later even without that. We can assume that our Town Meeting will not be held at normal time. We may even be allowed to go beyond the fiscal year and start the year on a 1/12th of this year's budget until that meeting can happen.

Barbara Marchione asked about a time frame about HR. Steve's understanding is that they should have a report the next day that should reflect the average that people are paid in the County for positions. It should first be reviewed by the HR Committee then the Board of Selectmen and then the Finance Committee, hopefully to look at how it will affect the budget.

Steve Klein will email an invitation via teleconference for the next meeting. Next Meeting: Thursday, March 26th at 6:00 p.m. A Motion to Adjourn was made by Doug Newman, seconded by Barbara Marchione. The Motion unanimously carried.