

**TOWN OF NORTHBOROUGH**

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APPROPRIATIONS COMMITTEE – MEETING MINUTES

Thursday, March 14, 2024 – 6:30 PM

Select Board Meeting Room

MEMBERS PRESENT: Scott Rogers, Chair
George Brenckle, Vice Chair
Tim Kaelin, Clerk
Janice Hight
Jeff Knight

MEMBERS ABSENT: Robert D'Amico

TOWN: Timothy McInerney, Town Administrator
Jason Little, Finance Director
Ernest Houle, Superintendent-Director
Virginia Simms George, Assabet Valley Regional Vocational District School Committee
Gregory Martineau, Superintendent of Schools
Rebecca Pellegrino, Public Schools of Northborough and Southborough Director of Finance
Kelly Guenette, Northborough School Committee Chair

OTHER: NA

Meeting Agenda [CLICK HERE TO VIEW ONLINE](#)

Link to recorded meeting: [CLICK HERE TO VIEW ONLINE](#)

The meeting was called to order at 6:30 pm by Chair, Scott Rogers.

1. Public Comment

There were no comments from the public.

2. Approval of Minutes: February 29, 2024 [CLICK HERE TO VIEW ONLINE](#)

Motion to Approve Meeting Minutes as Submitted without Modification:
Initiated by Janice Hight.

Motion Seconded: By George Brenckle.

Vote: Scott Rogers called for a vote to approve the February 29, 2024, Meeting Minutes; it resulted in unanimous approval with all present members voting “aye.”

PLEASE NOTE: George Brenckle highlighted that there was a substantial discussion regarding the police department staffing and the handling of an increased volume of calls during the February 29, 2024, meeting. George Brenckle did not suggest that the minutes be amended, just that it would be beneficial to note, and that the discussion can be viewed online for those interested. Scott Rogers mentioned that the meeting's recording had been linked in the minutes, along with specific presentations.

3. **Assabet Valley Regional Technical High School FY2025 Budget Presentation** (Presented by Ernest Houle)

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TO VIEW ONLINE](#) 

The FY25 Assabet Proposed Budget Presentation outlines the budgetary considerations and plans for the Assabet Valley Regional Vocational Technical School District. Here are the key points summarized:

Introduction: Ernie Houle emphasized a commitment to transparency and fiscal responsibility in developing the FY'25 budget, aiming to meet Net School Spending Requirements and address pre-COVID-19 service levels and staffing, including integrating two grant-funded positions into the general budget.

Budget Overview: The budget reflects an 8.5% increase over FY'24, amounting to an additional \$2,137,140, driven by cost-of-living adjustments, required obligations, and the final year of a School Bus Transportation contract with a 2.8% increase. Uncertainties exist regarding healthcare costs, but a notable rate increase is anticipated. Plans include establishing a Stabilization Fund and allocating \$250,000 for Capital Improvement expenditures.

Enrollment and Budget Drivers: The budget document highlights a 4.94% enrollment increase (48 additional in-district students) and various factors necessitating budget adjustments, such as curricular gaps for Multilingual Learners and students with disabilities, mental health and special education needs, and inflationary costs affecting Career and Technical Education (CTE) programs.

Staffing Adjustments: New positions include a Paraprofessional (Special Education), Athletic Trainer, and Elective Instructor to address increased student needs and maintain educational quality.

Financial Details:

Chapter 70 Funding Aid sees an 8.11% increase (\$738,035),

Minimum Local Contribution rises by 9.35% (\$1,153,548),

A total increase in resources amounting to \$1,885,447 is outlined.

Capital and Operational Budget Considerations: The presentation covers the statutory method of assessment for municipalities, the establishment of a Minimum Local Contribution (MLC), and plans for capital debt assessment with a focus on transparency and meeting statutory obligations.

Revenue and Expenditure Plans: These plans detail a breakdown of revenues from state aid, community contributions, and other sources, projecting an 8.5% increase in total estimated revenues to \$27,425,514. Expenditure plans encompass various functional areas, including administration, instruction, and maintenance, with strategic investments in health insurance and electricity to manage costs effectively.

Stabilization Fund: The presentation concludes with the proposal to establish a Stabilization Fund for the Assabet Valley Regional Vocational Technical School District, highlighting the need for sustainable capital improvement financing and detailing the required approval process from member communities.

This comprehensive budget presentation underscores Assabet Valley's efforts to balance fiscal responsibility with the need to enhance educational services and infrastructure, reflecting a thoughtful approach to addressing the evolving needs of its students and community.

Discussion / Comments:

Janice Hight, Ernie Houle, Jeff Knight, Scott Rogers, and George Brenckle discussed the FY25 budget for a vocational technical school district, focusing on how the budget is determined and how it impacts member communities, specifically Northborough's ability to contribute financially. Ernie Houle explained that there is a complex formula used to calculate the minimum local contribution (MLC) based on community wealth, the Chapter 70 Foundation formula, and how these affect the budget. The conversation covered enrollment changes, budget drivers, staffing adjustments, the statutory method of assessment, and specific financial details including increases in Chapter 70 funding aid and local contributions.

Key discussion topics included:

- Northborough's relative ability to pay compared to other member communities.
- The state's consistent formula across school districts for calculating assessments and contributions.
- The proposed budget aims to return to pre-COVID-19 service levels, reflecting an 8.5% increase over the previous fiscal year.
- Strategies for managing increased student enrollment, special education needs, and inflationary costs.
- Introduction of a Stabilization Fund to address future capital improvements and equipment purchases, given the unreliability of grants and out-of-district tuition as sustainable funding sources.

The discussion also touched on the admissions process for the vocational school, emphasizing a lottery system post-interview, and the challenges of meeting urgent needs or projects without sustainable funding. The conversation concluded with a detailed explanation of the rationale and mechanics behind creating a stabilization fund to proactively manage capital expenses and equipment needs.

4. Northborough K-8 Schools FY2025 Budget Presentation (Presented by Greg Martineau)



The following summary encapsulates the Northborough PreK-8 School Committee's approach to creating an educationally sound and fiscally responsible budget for FY25, focusing on enhancing staff quality, maintaining capital assets, and meeting diverse learner needs.

Vision and Mission

- Mission: To educate, inspire, and challenge all students.
- Vision: Students will be collaborators, critical and creative thinkers, communicators, socially and civically engaged, growth-oriented, and healthy and balanced.

Budget Process

- A detailed budget process spanning from August to April, including review of budget priorities, preliminary discussions, approvals at various levels, and a public hearing, culminating in the Northborough Town Meeting.

Budget Priorities

- High-Quality Staff: Adding positions like math specialists, health educators, a fifth-grade strings program, maintenance and grounds personnel, a special education team chairperson, instructional technology specialists, a World Language program, and assistant principals.
- Capital Assets: Funding technology replacement cycles, improving classroom technology infrastructure, implementing safety measures, creating outdoor learning spaces, and identifying sustainability initiatives.
- Learner Needs: Supporting optimal student/teacher ratios and fostering culturally responsive classroom practices.

Budget Impacts and ESSER III Phase-Out

- Addressing supplies, materials, textbooks, instructional software costs, and the phase-out of ESSER III funding, which covered expenses like curriculum development and technology updates.

Budget Development

- The budget development process involved iterative revisions from initial requests through to the School Committee's approval, resulting in a 3.99% increase from the FY24 budget.

Proposed Positions and Costs

- A list of proposed positions including special education teachers, educational support professionals, and specialists in various areas, with a total projected cost for these positions.

Budget Offsets

- Significant offsets include Circuit Breaker Special Education reimbursements and savings from retirements and leaves of absence.

Approved Budget

- The FY25 approved budget amounts to \$29,119,597, marking a 3.99% increase over the FY24 budget.

Instructional and Other Materials Included in Budget

- Investment in digital licenses, curriculums for various subjects, social-emotional learning programs, and specific educational roles like a health or math educator at the elementary level.

Historical Budget Increases vs. Inflation

- A comparison of historical budget increases to inflation rates, underscoring the district's commitment to managing finances responsibly while aiming to enhance the educational environment and outcomes for students.

Discussion / Comments:

George Brenckle and Greg Martineau discussed the shift from a capital purchase model to a subscription model for educational resources, specifically textbooks and instructional software. Greg Martineau highlighted that the subscription model offers more consistent budgeting, avoiding the high costs associated with periodic bulk purchases of textbooks. This change is seen as advantageous because it not only reduces capital expenditure but also ensures that educational content remains current, addressing the issue of outdated material in physical textbooks over time. The conversation also touched on the phase-out of ESSER funding, emphasizing strategic expenditure to avoid creating budget deficits. George Brenckle and Greg Martineau acknowledged the industry's move away from print resources, with publishers increasingly favoring digital formats, which necessitates the shift to subscription models for access to up-to-date educational content. Jeff Knight inquired about the prevalence of traditional textbook usage, to which Greg Martineau responded that while it's becoming rare, some levels of education might still see it, but the trend is decidedly towards digital subscriptions.

As the conversation continued, Greg Martineau explained the budgeting process for the Public Schools of Northborough, highlighting various aspects such as the use of ESSER funds, the budget increase from FY 24, and the introduction of new positions like math interventionists and the reestablishment of a Strings program. Greg Martineau discussed the thought process behind these decisions, aiming to avoid creating structural deficits while acknowledging the reality of financial constraints.

Scott Rogers inquired about strategies for integrating new positions through attrition, to which Greg Martineau responded affirmatively, detailing how savings from retirements, and hiring at lower salary levels enable the addition of new roles in a cost-effective manner.

Greg Martineau outlined significant budget offsets, including circuit breaker special education reimbursements and savings from retirements and leaves of absence, which collectively contribute to moderating the budget increase.

Scott Rogers asked about the percentage of costs reimbursed through circuit breaker offsets, prompting Greg Martineau to explain the reimbursement structure and its significance in covering expenses for out-of-district special education placements.

The conversation also touched on enrollment trends and projections, with Greg Martineau noting a past decline but anticipating an increase over the next decade. Janice Hight raised a question about the impact of families housed in the emergency shelter on school enrollment, leading Greg to share the district's experience with enrolling students from these families, the additional support provided, and the positive outcomes observed.

George Brenckle asked about the availability of enrollment and school performance data, which Greg Martineau confirmed will be shared, emphasizing the district's proactive approach to planning for future needs based on enrollment trends and potential impacts from community developments.

Overall, the conversation reflected on the Public Schools of Northborough's strategic and mindful approach to budgeting, staffing, and planning, with a focus on maintaining educational quality and fiscal responsibility amidst evolving challenges and opportunities.

5. **Algonquin Regional High School FY2025 Budget Presentation** (Presented by Greg Martineau)



The following summary illustrates the district's commitment to maintaining high educational standards while managing fiscal responsibilities, including strategic planning for future capital needs, and ensuring the social, emotional, and academic growth of students.

Budget Process: Outlined from August through April, involves reviews of budget priorities, discussions with town administrators, preliminary budget submissions, and approvals leading up to public hearings and town meetings in Southborough and Northborough.

Approved Budget Priorities:

- Empowering Learners: Implementing instructional practices that offer rigorous, innovative, and relevant learning experiences.
- Equity of Opportunity: Expanding experiential learning for juniors and seniors.
- Healthy and Balanced Learners: Focusing on the social, emotional, and physical well-being of students.
- Educator Learning and Leadership: Adding a Special Education Team Chairperson position.
- Finance and Operations Support: Aiming for net zero, expanding solar arrays, creating a Special Education Stabilization Fund, using field rental revenues for athletic complex maintenance, and developing contributions to the OPEB unfunded liability.

Budget Impacts: Includes costs related to supplies and materials, special education tuition and transportation, insurance, and the phase-out of ESSER funding.

ESSER III FY24 Expenses: Utilized for student and staff devices, tutoring, and translations, totaling \$142,135.83.

Budget Increase: From FY24's \$26,590,346 to a recommended budget of \$27,871,426, marking a 4.82% increase.

Budget Offsets and Increases: Circuit Breaker reimbursements and adjustments in special education, alongside increases in tech infrastructure, retirement system contributions, and other areas.

Significant Budget Reductions: Achieved through Circuit Breaker reimbursements, staff reductions due to enrollment, special education adjustments, and other operational efficiencies.

Capital Stabilization Fund Policy: Outlines the process for funding and using the Capital Stabilization Fund for large or unforeseen capital projects, with a target reserve level for emergencies set at 1% - 2.5% of the annual operating budget.

Discussion / Comments:

During Superintendent Ernest Houle's presentation, the complexities of the funding formula for education was mentioned, noting its impact based on enrollment changes. Jason Little mentioned previous efforts to understand the formula, highlighting its reliance on enrollment, with Northborough and Southborough often appearing equivalent in per-pupil costs. Greg Martineau confirms that enrollment fluctuations significantly affect community assessments, mentioning that recent years have shown consistent assessments between Northborough and Southborough without any manipulation. Jeff Knight underscored that the formula offers no discretion in its application—it's purely mathematical. Jason Little added that the only notable

variance comes from the 8th-grade graduation rate, where Northborough almost always sees a 100% transition rate to high school, whereas Southborough's rate is lower. Greg Martineau noted efforts to predict enrollment based on 8th graders' plans, mentioning a recent increase in Southborough 8th graders choosing Algonquin for high school, reflecting positively on the school's perceived value.

Financial Strategies and Planning – Presented by Rebecca Pellegrino

Rebecca Pellegrino discussed the financial strategies and planning for the upcoming fiscal years within the school district, focusing on bond anticipation notes, capital projects, and the establishment of a Capital Stabilization Fund.

Rebecca Pellegrino explained that Bond anticipation notes have been issued for current projects, with interest-only payments planned for FY25 and FY26. Permanent financing will commence in FY27, leading to a one-year overlap of debt assessments for a renovation project and a new Athletic Facility, with the renovation debt dropping off in FY28.

Scott Rogers asked for clarification on the financial impact of these projects on the average single-family home, with Greg Martineau acknowledging the need to review the calculations. Scott Rogers suggests that the community is accustomed to a certain tax impact level, which will be briefly exceeded due to overlapping project costs.

Jason Little provided further context on the debt assessments' amounts, mentioning past financial adjustments that have affected consistent debt levels over the years.

Greg Martineau outlined the specific capital projects planned, emphasizing the importance of these investments in maintaining the school's infrastructure and the overall goal of sustaining high-quality educational experiences at Algonquin.

Jeff Knight inquired about the process for estimating the costs of capital projects and whether bids have been sought, with Greg confirming that current figures are estimates based on vendor consultations.

Concerning transportation, Jeff Knight questioned the proportion of students requiring special education transportation out of the district, to which Greg Martineau and Becky Pellegrino responding that it involves approximately 20-25 students, including some within-district students requiring specialized transport.

Greg Martineau discussed the efforts in 2018 to establish a Capital Stabilization Fund, which was approved in Northborough but not Southborough. They plan to propose it again to Southborough voters to create a financial reserve for emergency repairs and small capital projects, stressing that \$400,000 is a modest sum for maintaining a 350,000 square foot building.

Scott Rogers and Greg Martineau further discussed the potential for a \$400,000 annual capital plan and the parameters of the stabilization fund policy, emphasizing its role in funding capital projects and not serving as a savings account for unspecified future projects.

Rebecca Pellegrino clarified the school committee policy on the stabilization fund, indicating a target reserve level based on a percentage of the district's operating budget.

Greg Martineau concluded by mentioning the availability of budget booklets for detailed review and encourages reaching out with any questions for further clarification.

6. Town Budget Update (Presented by Jason Little)



Jason Little provided a budget update to the Select Board on Monday, March 18, 2024. Jason Little highlighted the key points for the Appropriations Committee. Jason Little emphasized the town's position in terms of single-family home rankings among surrounding communities, showing that it's in the middle, with Southborough and Westborough above and others below. This graphical representation aimed to contextualize the town's tax rate relative to its neighbors, indicating a desire for a lower tax rate which corresponds to a higher state ranking.

Jason Little reiterated known revenue sources for the town, with tax receipts being the primary source, followed by state aid, free cash, overlay surplus (proposed for the capital plan this year), and local receipts, which have been adjusted based on investment income performance. Other funds mentioned included recreation transfer funds.

Jason Little discussed fixed costs and non-departmental requests within the town's budget, highlighting a health insurance increase adjusted to 4.4% or \$272,000 with an 8% premium increase, due in part to their joint purchasing arrangement with the schools and the town of Southborough. The retirement system assessment increase was notably higher for the town due to more employees being subject to the Worcester Regional Retirement system.

The presentation concluded with an overview of town department budget requests reflecting a 7.79% increase, with some adjustments still being made, particularly within the administrator's office. The overall projected town budget increase is 7.82%, including new positions to address identified needs, such as adding patrol staff based on statistical justification.

Discussion / Comments:

Tim Kaelin raised concerns about the lack of an organizational-wide staffing study that was proposed by a previous town administrator to assess staffing needs across departments. Jason Little acknowledged the potential value of such a study but notes the delay due to the transition in town administration and emphasizes the practical challenges and delays it could introduce. Jason Little suggested that immediate staffing needs, identified through data and administrative priorities, have been addressed in lieu of the study. For example, the police department's staffing needs were supported by comparative data on call volumes and officer ratios.

Tim Kaelin expressed disappointment that the staffing study hasn't been conducted or planned, highlighting the potential for analytical support in justifying new positions and managing departmental requests equitably. Scott Rogers acknowledges the value of a staffing study for future planning, suggesting it's not too late to undertake one to support future staffing decisions and ensure community support and understanding.

Town Budget Update (cont.)

Jason Little discussed the general fund budget, capital plan, reserves, and the anticipated tax impact based on the current budget projections. Key points included:

- **Capital Plan:** The capital requests have already been shared and discussed.
- **Reserves and Free Cash:** The reserves are around 8%, consistent with previous levels, which is expected to be viewed favorably by bond rating agencies.
- **Tax Impact Reduction:** The tax impact projection has decreased to below 7%, now at 6.9% or \$619, which is lower than what was initially presented.
- **Budget Development:** Jason Little emphasized that while the budget is still being developed and subject to minor changes, major shifts are unlikely. The school budgets,

having been approved by their committees, and fixed costs are expected to remain largely the same. Any potential reductions would likely come from reconsidering additional staff requests.

- **Budget Goalposts:** Initial discussions considered various scenarios:
 - A minimal increase in the town budget by 3.5% alongside the school requests would already allocate all available revenues, potentially leading to a \$464 tax increase (5.2%).
 - Initial department requests suggested an 11% town budget increase before adjustments, highlighting the administration's priorities.
 - A 10% health insurance increase would have led to a higher \$745 tax increase or 8.4%.

7. Review Meeting Schedule



AND

8. Next Meeting – March 21, 2024

The committee unanimously agreed on the next meeting date of March 21, 2024, at the earlier time of 6:30 p.m.

9. Any other Business to Come Before the Committee

Reserve Fund Transfer Request: The Appropriations Committee was requested to transfer funds for the following two urgent needs:

Police Station Project: Additional repairs beyond the planned painting are needed due to significant wood rot found at the police station. Architectural services are required to draft bid specifications for the project, as per Massachusetts General Law. With the original funds for painting likely insufficient for these services, and to avoid delays, a transfer of \$5,000 is requested to cover the cost, pending town meeting approval. Re-siding the building is seen as the most cost-effective way to extend its life.

Motion to approve the transfer of \$5,000 for architectural services to draft bid specifications:

Initiated by Janice Hight.

Motion Seconded: By George Brenckle.

Vote: Scott Rogers called for a vote to approve the above-mentioned transfer; it resulted in unanimous approval with all present members voting “aye.”

Plotter Replacement: A critical plotter used by the Department of Public Works and other departments for printing large maps and plans has unexpectedly failed. \$10,000 is requested to replace the plotter, which is also key to efforts to digitize large documents for better storage and access.

Motion to approve the transfer of \$10,000 for plotter: Initiated by Janice Hight.

Motion Seconded: By Tim Kaelin.

Vote: Scott Rogers called for a vote to approve the above-mentioned transfer; it resulted in unanimous approval with all present members voting "aye."

There was no further business presented to the committee.

Adjournment

Motion to Adjourn Meeting: Initiated by Janice Hight.

Motion Seconded: By Tim Kaelin.

Vote: Scott Rogers called for a vote to adjourn; it resulted in unanimous approval with all present members voting "aye."

Meeting adjourned at 9:24 p.m.

Respectfully submitted,



Angie Sowden
Executive Assistant to the
Town Administrator / Select Board