

TOWN OF GILL
M A S S A C H U S E T T S



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SELECTBOARD MEETING MINUTES
February 15, 2013

Call to Order: The Selectboard meeting was called to order at 3:00pm at the Montague Public Safety Facility, 180 Turnpike Road.

Present: Randy Crochier and John Ward, Selectboard members; Ray Purington, Admin. Assistant; various members of the Gill Finance Committee (not a quorum), GMRSD School Committee, Montague Selectboard and Finance Committee; Montague Town Manager Frank Abbondanzio; GMRSD Interim Superintendent Mark Prince; Andy Paquette of The Management Solution; Rep. Denise Andrews, Rep. Steve Kulik and Paul Dunphy, Sen. Stan Rosenberg; and members of the public and the press.

Tupper Brown, a member of the Gill Finance Committee and member of the Technical Panel of the GMRSD Compact for Funding Education, gave welcoming remarks. He explained the purpose of the Compact and noted that the document provides for reconvening all parties to the Compact if any piece of the funding plan becomes out of line with the underlying assumptions.

Mike Naughton, a member of the Montague Finance Committee and member of the Technical Panel, explained the most recent Table B (labeled 2/12) and the current assumptions for the four main sources of funding: Chapter 70 State Aid, GMRSD's assessments to Gill and Montague, Gill and Montague's use of Stabilization Funds, and the GMRSD's use of E&D. For FY14, based on numbers from the February 12th GMRSD budget hearing, there is a projected gap (budget exceeds revenue) of approximately \$307,000.

Naughton also distributed Scenarios A, B, and C, which have changes to the funding assumptions in an attempt to close the gap. It was noted that the District likely would need an additional 29 students beyond the FY14 levels in order to again participate in increases from Chapter 70.

John Ward commented that the Technical Panel has been instrumental in getting unanimous favorable votes from town meeting on the school budget in the last few years. It was primarily budget disagreements that put the District into Level 4. Continuing to work together and pass budgets harmoniously seems to be a reasonable part of a plan to get out of Level 4 and to attract more students.

Representative Andrews stated that the Compact is a great financial tool, builds consensus, and should be continued.

Andy Paquette, who is the District's consultant business manager, noted that the FY14 budget is still in its infancy, and the current figures will very likely be coming down as more information is received from the House Ways & Means budget, and input is gotten from the towns, school administrators, and departments. The current preliminary budget was presented largely to meet the February 1st deadline of the District Agreement.

Interim Superintendent Mark Prince clarified that it is "not accurate to say that he isn't willing to participate in the Technical Panel." There was discussion, but no definitive response from Prince, about the level of involvement that will be made.

It was noted that the Montague Finance Committee and Selectboard will be meeting jointly with District administrators and the School Committee on March 6th at 6pm to discuss the FY14 school budget. Gill's Selectboard and Finance Committee were invited to attend.

On the topic of the Chapter 70 formula, Jeff Singleton (Technical Panel member) suggested there should be a regional forum and/or training session to help town officials better understand the formula and identify ways to improve it. Representative Kulik offered help from the legislators to run "what if" scenarios on possible changes to

the Chapter 70 formula. He noted that any change that brings more formula aid to the District will take aid away from some other community, and that will result in a political battle.

Senator Rosenberg commented that the formula is probably not the problem, as it used to work very well for the District. The fundamental problem is there are too few students. Efforts to increase the District's enrollment, especially by reclaiming students attending charter schools and schools of choice, are more likely to improve the District's finances, and should be prioritized over efforts to revamp the Chapter 70 formula.

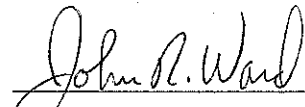
Prince explained recent efforts to better understand reasons for students leaving the district, including a survey of the parents of those students. At the K-1 grade levels, there are 40 students who attend out-of-district schools, without ever having given the District an chance. The survey has identified 3 main categories for attending other schools: life issues/convenience (example - other school is closer to family member who provides before/after school care), educational options (example - Chinese immersion school), and "general angst" (example - perception that the District doesn't provide a "good" education). Work is ongoing to retain and recapture more students in the District.

There was a discussion about updating a 2009 DESE analysis of the District's per pupil spending. While DESE may not be able to devote resources to an update, it was thought that the District's current business office consultants might be able to, especially since all the data DESE would use is available online.

Tupper Brown summarized that there seems to be consensus that all parties to the original compact are content to have the Technical Panel continue to exist. He asked if there was interest from the District and two towns in forming small groups to meet and discuss the Chapter 70 formula, per pupil expenditures, and charter/choice enrollment. However, he pondered "if we hold a meeting, will anyone come?"

Adjournment: The Selectboard meeting adjourned at 5:00pm.

Minutes respectfully submitted by Ray Purington, Administrative Assistant.



John R. Ward, Selectboard Clerk

Agenda for Meeting among Parties to the Compact for Funding Education

February 15, 2013 at 3:00 PM

Montague Public Safety Facility

1. Welcome and Introductions – Tupper Brown (10 minutes)
2. Current Projections – Mike Naughton (10 minutes)
 - An updated Table B
3. Approaches to a Revised Plan – Mike Naughton (15 minutes)
 - Two revisions to Table B seeking sustainability, as talking points
4. Discussion (45 minutes or as required)
 - Can a new plan be crafted?
5. Longer term and structural issues and solutions
 - District enrollment
 - District per student spending
 - Chapter 70 formula
 - Other?

Gill-Montague Regional School District – Oversight Group

Revenue and Budget Projections (January, 2013)

2/12 data

Table B

Updated to reflect actual data and current assumptions - February, 2013
including the Governor's budget and GMRSD 2/12/13 budget hearing

Assumption

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Chapter 70	0.71%	0.46%	0.50%	0.50%	0.50%	0.50%
GMRSD	1.02%	4.43%	2.50%	3.00%	3.00%	3.00%
Stabilization	186,267	55,000	0	0	0	0
E & D	250,000	220,000	200,000	200,000	200,000	200,000
Chapter 70 aid	6,010,369	6,037,994	6,068,184	6,098,525	6,129,018	6,159,663
Erving 4% Increase	560,000	582,400	605,696	629,924	655,121	681,326
Charter reimbursement	113,598	114,273	100,000	100,000	100,000	100,000
Build budgets on \$100,000						
Investments	5,000	5,000	10,000	10,000	10,000	10,000
Medicaid	230,000	330,000	223,000	223,000	223,000	223,000
Fees and other	0	0	0	0	0	0
Transportation (Slow increase to approx 70%)	182,451	211,326	190,000	200,000	200,000	200,000
Subtotal	7,101,418	7,280,993	7,196,880	7,261,449	7,317,138	7,373,988
Affordable assessments (no debt)	8,880,064	9,231,601	9,463,650	9,771,530	10,087,026	10,410,327
% affordable assessment increase	2.38%	3.96%	2.51%	3.25%	3.23%	3.21%
Additional town contributions	180,118	55,000	0	0	0	0
Total town contributions	9,060,182	9,286,601	9,463,650	9,771,530	10,087,026	10,410,327
% town contributions increase	3.40%	2.50%	1.91%	3.25%	3.23%	3.21%
Total revenue without E and D	16,161,600	16,567,594	16,660,530	17,032,979	17,404,164	17,784,315
Revenue increase before E and D	357,887	405,994	92,937	372,448	371,186	380,151
Excess and Deficiency	250,000	220,000	200,000	200,000	200,000	200,000
Total revenue with E and D	16,411,600	16,787,594	16,860,530	17,232,979	17,604,164	17,984,315
Revenue increases with E and D	207,887	375,994	72,937	372,448	371,186	380,151
GMRSD budget (less debt)	16,369,160	17,094,476	17,521,838	18,047,493	18,588,918	19,146,585
Budget Increases	165,447	725,316	427,362	525,655	541,425	557,668
Total gap (revenue minus budget)	42,440	-306,882	-661,308	-814,514	-984,754	-1,162,270
Gap between revenue and budget increases	-42,440	349,322	354,425	153,207	170,239	177,517

Gill-Montague Regional School District -- Oversight Group

Revenue and Budget Projections January, 2013)

<u>Montague Projected Revenues</u>						
	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Change in State Aid (percent)	6.1%	0.9%	2.0%	2.0%	2.0%	2.0%
	per 1/31/13	per 1/31/13				
<u>Tax Levy</u>						
Prior Year Limit	12,456,970	12,911,745	13,354,539	13,853,402	14,364,737	14,888,855
2.50%	311,424	322,794	333,863	346,335	359,118	372,221
New Growth	143,351	120,000	165,000	165,000	165,000	165,000
Subtotal Tax Levy	12,911,745	13,354,539	13,853,402	14,364,737	14,888,855	15,426,076
Less Allowance for A&E	(123,306)	(150,000)	(130,000)	(130,000)	(130,000)	(130,000)
Net Levy	12,788,439	13,204,539	13,723,402	14,234,737	14,758,855	15,296,076
	3.8%	3.3%	3.9%	3.7%	3.7%	3.6%
over(under) estimate	-	-	-	-	-	-
<u>State Aid</u>						
Net	1,372,617	1,384,683	1,412,377	1,440,625	1,469,438	1,498,827
	6.1%	0.9%	2.0%	2.0%	2.0%	2.0%
<u>Local Receipts</u>	1,142,203	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
<u>Free Cash: Reduce Levy</u>	250,000	250,000	250,000	250,000	250,000	250,000
	15,553,259	16,039,222	16,585,779	17,125,362	17,678,293	18,244,903
	2.3%	3.1%	3.4%	3.3%	3.2%	3.2%
Increase	352,435	485,963	546,557	539,583	552,931	566,610

Gill-Montague Regional School District -- Oversight Group

Revenue and Budget Projections January, 2013)

Alternative Scenario A

1/25 data

Showing the results of increasing Montague's contribution
from 48.5% of available revenues to 51%

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Chapter 70	0.71%	0.46%	0.50%	0.50%	0.50%	0.50%
GMRSD	1.02%	4.43%	2.50%	3.00%	3.00%	3.00%
Stabilization	186,267	55,000	0	0	0	0
E & D	250,000	220,000	200,000	200,000	200,000	200,000
Chapter 70 aid	6,010,369	6,037,994	6,068,184	6,098,525	6,129,018	6,159,663
Erving 4% Increase	560,000	582,400	605,696	629,924	655,121	681,326
Charter reimbursement Build budgets on \$100,000	113,598	113,598	100,000	100,000	100,000	100,000
Investments	5,000	5,000	10,000	10,000	10,000	10,000
Medicaid	230,000	235,000	223,000	223,000	223,000	223,000
Fees and other	0	0	0	0	0	0
Transportation (Slow increase to approx 70%)	182,451	203,514	190,000	200,000	200,000	200,000
Subtotal	7,101,418	7,177,506	7,196,880	7,261,449	7,317,138	7,373,988
Affordable assessments (no debt)	8,880,064	9,702,954	9,951,467	10,275,217	10,606,976	10,946,942
% affordable assessment increase	2.38%	9.27%	2.56%	3.25%	3.23%	3.21%
Additional town contributions	180,118	55,000	0	0	0	0
Total town contributions	9,060,182	9,757,954	9,951,467	10,275,217	10,606,976	10,946,942
% town contributions increase	3.40%	7.70%	1.98%	3.25%	3.23%	3.21%
Total revenue without E and D	16,161,600	16,935,460	17,148,347	17,536,666	17,924,114	18,320,930
Revenue increase before E and D	357,887	773,861	212,887	388,319	387,448	396,816
Excess and Deficiency	250,000	220,000	200,000	200,000	200,000	200,000
Total revenue with E and D	16,411,600	17,155,460	17,348,347	17,736,666	18,124,114	18,520,930
Revenue increases with E and D	207,887	743,861	192,887	388,319	387,448	396,816
GMRSD budget (less debt)	16,369,160	17,094,476	17,521,838	18,047,493	18,588,918	19,146,585
Budget Increases	165,447	725,316	427,362	525,655	541,425	557,668
Total gap (revenue minus budget)	42,440	60,984	-173,491	-310,827	-464,804	-625,655
Gap between revenue and budget increases	-42,440	-18,545	234,475	137,337	153,977	160,852

Revenue and Budget Projections January, 2013)

1/25
data**Alternative Scenario B**Showing the results of decreasing GMRSD's budget growth
during the next two years, then raising it to just over 2%

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Chapter 70	0.71%	0.46%	0.50%	0.50%	0.50%	0.50%
GMRSD	1.02%	1.90%	1.10%	2.20%	2.15%	2.15%
Stabilization	186,267	55,000	0	0	0	0
E & D	250,000	220,000	200,000	200,000	200,000	200,000
Chapter 70 aid	6,010,369	6,037,994	6,068,184	6,098,525	6,129,018	6,159,663
Erving 4% Increase	560,000	582,400	605,696	629,924	655,121	681,326
Charter reimbursement Build budgets on \$100,000	113,598	113,598	100,000	100,000	100,000	100,000
Investments	5,000	5,000	10,000	10,000	10,000	10,000
Medicaid	230,000	235,000	223,000	223,000	223,000	223,000
Fees and other	0	0	0	0	0	0
Transportation (Slow increase to approx 70%)	182,451	203,514	190,000	200,000	200,000	200,000
Subtotal	7,101,418	7,177,506	7,196,880	7,261,449	7,317,138	7,373,988
Affordable assessments (no debt)	8,880,064	9,231,601	9,463,650	9,771,530	10,087,026	10,410,327
% affordable assessment increase	2.38%	3.96%	2.51%	3.25%	3.23%	3.21%
Additional town contributions	180,118	55,000	0	0	0	0
Total town contributions	9,060,182	9,286,601	9,463,650	9,771,530	10,087,026	10,410,327
% town contributions increase	3.40%	2.50%	1.91%	3.25%	3.23%	3.21%
Total revenue without E and D	16,161,600	16,464,107	16,660,530	17,032,979	17,404,164	17,784,315
Revenue increase before E and D	357,887	302,507	196,424	372,448	371,186	380,151
Excess and Deficiency	250,000	220,000	200,000	200,000	200,000	200,000
Total revenue with E and D	16,411,600	16,684,107	16,860,530	17,232,979	17,604,164	17,984,315
Revenue increases with E and D	207,887	272,507	176,424	372,448	371,186	380,151
GMRSD budget (less debt)	16,369,160	16,680,174	16,863,656	17,234,656	17,605,201	17,983,713
Budget Increases	165,447	311,014	183,482	371,000	370,545	378,512
Total gap (revenue minus budget)	42,440	3,932	-3,126	-1,678	-1,037	602
Gap between revenue and budget increases	-42,440	38,507	7,058	-1,448	-640	-1,639

Revenue and Budget Projections January, 2013)

1/25 data

Alternative Scenario C

Showing the results of decreasing GMRSD's budget growth during the next four years, coupled with additional town contributions, until larger Chapter 70 increases may be received

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Chapter 70	0.71%	0.46%	0.50%	1.00%	3.00%	3.00%
GMRSD	1.02%	2.00%	2.00%	2.00%	2.50%	2.90%
Stabilization	186,267	70,000	170,000	110,000	25,000	0
E & D	250,000	220,000	200,000	200,000	200,000	200,000
Chapter 70 aid	6,010,369	6,037,994	6,068,184	6,128,866	6,312,732	6,502,114
Erving 4% Increase	560,000	582,400	605,696	629,924	655,121	681,326
Charter reimbursement Build budgets on \$100,000	113,598	113,598	100,000	100,000	100,000	100,000
Investments	5,000	5,000	10,000	10,000	10,000	10,000
Medicaid	230,000	235,000	223,000	223,000	223,000	223,000
Fees and other	0	0	0	0	0	0
Transportation (Slow increase to approx 70%)	182,451	203,514	190,000	200,000	200,000	200,000
Subtotal	7,101,418	7,177,506	7,196,880	7,291,790	7,500,853	7,716,439
Affordable assessments (no debt)	8,880,064	9,231,601	9,463,650	9,771,530	10,087,026	10,410,327
% affordable assessment increase	2.38%	3.96%	2.51%	3.25%	3.23%	3.21%
Additional town contributions	180,118	70,000	170,000	110,000	25,000	0
Total town contributions	9,060,182	9,301,601	9,633,650	9,881,530	10,112,026	10,410,327
% town contributions increase	3.40%	2.66%	3.57%	2.57%	2.33%	2.95%
Total revenue without E and D	16,161,600	16,479,107	16,830,530	17,173,320	17,612,879	18,126,766
Revenue increase before E and D	357,887	317,507	351,424	342,789	439,559	513,888
Excess and Deficiency	250,000	220,000	200,000	200,000	200,000	200,000
Total revenue with E and D	16,411,600	16,699,107	17,030,530	17,373,320	17,812,879	18,326,766
Revenue increases with E and D	207,887	287,507	331,424	342,789	439,559	513,888
GMRSD budget (less debt)	16,369,160	16,696,543	17,030,474	17,371,084	17,805,361	18,321,716
Budget Increases	165,447	327,383	333,931	340,609	434,277	516,355
Total gap (revenue minus budget)	42,440	2,563	56	2,236	7,518	5,050
Gap between revenue and budget increases	-42,440	39,876	2,507	-2,180	-5,282	2,468