Town of Rutland
Finance Committee
Minutes: February 27, 2020
Meeting Opened: 7:03 P.M.

Attendance:
Board Members Present: Iain McKinlay, Carol Martens, Karen Nahrwold, Peter O'Malley, Thomas Ruchala
Board Members Absent: Ted Purcell, Dave Lussier
Staff Members Present: Mike Nicholson (Town Administrator), Tomeca Murphy (Secretary)
Guests: Darryll McCall (WRSD Superintendent), Jeff Carlson (HR Director), Bob Berlo (Deputy Superintendent), Dan Deedy (Director of Business & Finance), Sheila Dibb (Select Board), Mitch Ruscitti (Select Board)

**Please note the meeting was recorded live for broadcast on Rutland Community TV and YouTube.**

Votes:
Motion to approve the meeting minutes of February 20, 2020—Motion made by Karen Nahrwold, seconded by Peter O'Malley; vote unanimous at 7:04 P.M.

New Business
FY21 Department Budget Review
Wachusett Regional School District

WRSD Superintendent, Darryll McCall, provided the Committee with paper copies of the FY21 budget presentation. The district's strategic plan is broken down into 5 domains: aligned curriculum, professional development & structures for collaboration, student social/emotional/health needs, effective instruction and leadership/governance & communication.

Enrollment: There has been a historic decline with peak enrollment being in FY2011. Specifically in Rutland, there has been a decline at Central Tree Middle School and Naquag with a slight increase at Glenwood. Of all the towns, Holden has had the most growth and Princeton has remained fairly flat. Mr. McCall further explained that 12-13% of students are lost when they graduate 8th grade and choose to attend a high school other than WRHS (i.e. Baypath, Monty Tech, St. John's, etc.). Iain McKinlay asked if the planned opening of a school for grades 6, 7 & 8 at St. John's will affect the district's enrollment numbers. That scenario is not anticipated because St. John's projected enrollment is down and any effect would likely be in Holden more so than Rutland. Karen inquired as to why the committee wasn't provided with detailed line items and Darryll said the budget book would be made available after the School Committee meeting on March 9, 2020. Karen noted that she would have liked it at this meeting even though it hasn't officially been approved yet. Carol re-iterated that the Committee would like to see the budget book at the FY22 meeting.

Budget Priorities: The budget priorities are broken down into 5 domains as follows: continued budget transparency, literacy/math/science program materials, technology/textbook program adoption/2 additional teachers for Mountview Middle School, continued support of strategic initiatives & part time counselors in all elementary schools with a support nurse to serve as a back up to the primary nurse. The budget is further broken down by appropriation which includes: salaries/stipends, benefits/insurance, instructional support,
operations/maintenance, pupil services, special ed tuition, other operating costs, transportation, and debt service.

Salaries & Benefits: This category includes contractual obligations, the addition of salaries for full day Kindergarten and new positions. The district is seeking $65,282,485 or a 5.18% increase. This includes a $600,000 increase to implement full day Kindergarten. They are seeking to add 7 new positions which include: 3 elementary counselors, 2 teachers for Mountview Middle School, 1 Assistant Principal for Naquag and a district wide support nurse. This will be a total of $500,000 for all 7 positions. The counselors will be assigned to 2 schools and then split half time between the schools. The need for an Assistant Principal at Naquag is largely due to the increase in students with the addition of full day Kindergarten.

Benefits & Insurance: The health insurance with Blue Cross Blue Shield is estimated to increase by 8% and the Worcester County Retirement Assessment reflects a 9.75% increase. There are 400 employees that are members of WCRA and 600 staff that are members of MTRS (MA Teacher Retirement System). The insurance in the district is currently controlled by the employees/unions. They offer 75/25 or 80/20 coverage with 78/22 paid for retirees. There was $1.5-$1.8 million saved when the district changed from 90/10 coverage to 78/22 coverage. They have also started staggering contract negotiations so they aren't all taking place in the same fiscal year. In total for salaries/stipends and benefits/insurance, it is an increase of $4,307,496 or 5.59%.

Instructional Support: This category includes technology and year 3 of the Textbook Plan & Early Literacy Program. They will be purchasing new Chrome Books for the high school students and the used Chrome Books will be moved down to the lower grades. There will also be a focus on introducing technology to students in grades K-2 so they learn the necessary skills long before MCAS testing in grades 3-5. Mr. Deedy shared that tech leases for FY21 is $249,360. Their goal is to look at existing Chrome Books and making it equitable between the schools. It will be based on the number of devices, not the year of the machine. The life expectancy for the C. Books is about 5 years and then they're retired or used for other purposes. The district is looking for an increase of $70,879 or 2.13%.

Operations & Maintenance: This category includes minor and major repairs, town maintenance agreements for the grounds, utility services and fuel. There's a projected 8% increase in oil and natural gas and they're not yet seeing the savings on electricity from the installation of solar panels on Naquag and Glenwood schools. So far, there have been no major issues and they made a proactive $15,000 investment in the phone system at Naquag School. They are seeking an increase of $132,065 or 3.66%.

Pupil Services: The funds in this category will be used to support the Health Offices, an increase of $1,517 or 2.96%.

Special Education Tuition: These are tuition charges for out of district placements in specialized programs. There is also a projected increase in Special Education Circuit Breaker funding which will reduce costs to the General Fund. There will also be a decreasing number of participating students because they will either age out or graduate. This allows for a decrease of $353,545 or -11.32%. The total difference for instructional support, operations maintenance, pupil services and SPED tuition is a decrease of $149,084 or -1.48% from last year.

Other Operating Costs: This includes School Choice and Charter schools reflecting the most recent tuition-out charges per DESE and DOR/DLS Cherry Sheet. It's a decrease of $20,146 from last year or -1.68%.

Transportation: FY21 will be the second year of a three year contract for regular ed transportation. This reflects a contractual increase 5% and no additional equipment. Special Ed in and out of district has been affected by additional routes since the start of the 2019-2020 school year, which will result in an increase of 3%.
Administration is looking into changing routes to help minimize empty vans and buses. The proposed reimbursement from Chapter 71 funds is about 78%. Currently there are 49 buses and 49 vans in use. They are seeking an increase of $322,288 or 4.66%.

Debt Service: This reflects two high school bonds that were refinanced at a lower rate and are scheduled for pay off by 2025. This resulted in a decrease of $81,375 or -3.26%.
Total fixed costs for other operating costs, transportation and debt services are an increase of $220,767 or 2.08%.

Total expenditures including salaries/benefits, instruction/operations and fixed costs total an increase of $4,379,179 or 4.48%.

Peter O'Malley asked if there are metrics available to compare how WRSD is doing in comparison to comparable districts. Mr. McCall explained that there are school district report cards available online with all of this information, which Mike Nicholson will forward to the board. Darryll also noted that the district has one of the lowest cost per pupil at $13,000 per student.

Other: More than half of the district's full time employees live in our member towns, with Holden having the highest number and Rutland coming in second.
The total general fund will see an increase of $4,379,179 or 4.48%. It was asked if decreasing enrollment numbers would affect state aid. Mr. McCall explained that there is a projected increase in numbers in the next 10 years, but there will be some lean years in between. So, it could impact the aid in the short term, but then it should level out.
The district is also looking into security systems for the schools after a request by one of the school's principals. It would include a camera system that could be accessed by the school office and the local dispatch center for fire and police. The town is still in discussion about the cost, but it's estimated that it will be about $40,000 per school.

Town Administrator, Mike Nicholson, added that the town's budget currently has a $465,000 deficit and the departments are looking for areas to cut.

Reserve Fund Transfer Requests
Treasurer/Collector, Rebecca Tuttle, is requesting $1,000 for the cost of toner cartridges and envelopes for mailings. Last year, she had to purchase a new printer for the department when the previous one died and the toner cartridges cost more for the new printer.

- Motion to approve the transfer of $1,000 for Treasurer Supplies—Motion made by Tom Ruchala, seconded by Peter O'Malley; vote unanimous at 8:43 P.M.

Rebecca Tuttle is also requesting $1,000 for the remaining of the fiscal year to cover the costs of W-2s and 1095s. They were higher than expected because the rates increased for Harper's Payroll Services. Karen said this seems like a significant increase and she'd like to see a bill before making a decision. The board was in agreement, so this request will be tabled until the next meeting.

Mike Nicholson made a request on behalf of the Town purchased services account to transfer $4,000 to cover the switching of the phone system from Verizon to Crocker. The increased cost was due to delay in the switch over.

- Motion to approve the transfer of $4,000 for town phones for Town purchased services—Motion made by Peter O'Malley, seconded by Karen Nahrwold; vote unanimous at 8:51 P.M.

Adjournment
Motion to close the meeting—Motion made by Peter O'Malley, seconded by Carol Martens; vote unanimous at 8:52 P.M.
Respectfully Submitted,
Tomeca Murphy, Secretary