

BOARD OF SELECTMEN MEETING

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**Meeting Date:** July 21, 2009

**Called to Order:** 6:00 PM

**Finance Committee Members Present:** Michael Naughton and John Hanold. Rob Allen, Lynn Reynolds and Marje Levenson were absent. **No quorum.**

**Montague Selectmen Present:** Mark Fairbrother and Patricia Pruitt

**Gill Representatives Present:** Tracy Rogers (Town Administrator), Board of Selectmen members Ann Banash, Nancy Griswold and John Ward and Finance Committee members Tupper Brown, Valeria Smith and Claire Chang

**Others Present:** Frank Abbondanzio (Town Administrator) and Carolyn Olsen (Town Accountant)

**Plan for GMRSD Assessment**

- Mr. Hanold presented a handout (in minutes file) summarizing the current GMRSD budget votes and town appropriations. Mr. Hanold questioned whether the best thing to do is to continue to say there's a limit of what we can pay, or say we've run out of options and need to find another funding source.
- Mr. Naughton also presented a handout (in minutes file) with his attempt at creating what the GMRSD assessment worksheet would look like with the town's affordable assessments.
- Ms. Rogers provided copies of the e-mail Jeff Singleton sent to various parties (in minutes file).
- Mr. Brown believes that the GMRSD School Committee is likely to vote the commissioner's budget tonight.
- Brief discussion of the background to why Gill can live with the current assessment and Montague can not. Essentially the difference is the willingness to use reserves and the disparity in the affect of state aid reductions.
- Ms. Banash said that Gill's fine with Montague holding out and going to a District Meeting because they believe that the commissioner's budget will be the worst case scenario.
- Mr. Brown's comfort with Gill's acceptance of the current GMRSD assessment is due to the changes in attitude of the School Committee in terms of how they budget and their concern with the ability of the town's to pay. Mr. Brown also noted that the School Committee may try zero based budgeting in the future and be able to reduce future budgets.
- Mr. Naughton sees two separate concerns in moving ahead in process. One is to keep an eye on the ball of affordable assessment which is a reason to reject the current district budget. Another goal is to keep Department of Elementary and Secondary Education (DESE) involvement in the district and Mr. Naughton doesn't see a chance of this continuing unless there's another budget impasse until

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- December. So strategically there's an argument to continue to vote down budgets until the commissioner sets the budget and assessments.
- Brief discussion of the benefits of continued DESE involvement versus the benefits of allowing the new Superintendent and new School Committee to work without DESE involvement. Ms. Banash thinks that DESE did look at the town's finances and did listen to the towns. Mr. Naughton had been struck by a comment by Mr. Gearhart that he had expected to listen and offer a few suggestions, but the problem turned out to be a lot more complicated than he had expected. Ms. Chang thinks that's exactly true, and also thinks we should consider the elections for school committee next year, and that momentum and involvement of new people needs to continue, but that the only way to do that is to keep the state involved.
  - Mr. Hanold said we've been funding the assessment from reserves for awhile and are using up the one time funding and the question becomes how fast you want to be driving when you hit the wall. It makes sense to slow down the use of reserves to mitigate the impact when the reserves are depleted. There are also a lot of things in Montague that could use more money, and he is concerned that we'll have no rainy day money left when these expenses can no longer be postponed. Mr. Hanold's inclination is to not approve the GMRSD budget and go to District Meeting with the understanding that the District Meeting may approve the GMRSD budget.
  - Ms. Smith said she believes the Commissioner has listened to the towns, and noted that he has already reduced a budget with a 0.37% increase down to a 0.17% increase. She remembers that Jeff Wulfson had given the strong indication that the Commissioner's July budget would also be his December budget. She personally has grave concerns about keeping DESE involved. Ms. Smith is also concerned about the state's interest in further regionalization. Her understanding is that the governor is trying to push legislation that would arbitrarily force additional regionalization and is afraid that if DESE's involved, that's the route they will go. Ms. Smith is very proud of the work the School Committee's done in reducing the budget and feels it is important to give the new superintendent community support and not have his management team subject to DESE for the next year.
  - Mr. Abbondanzio made a couple of points. He agrees with Mr. Naughton and also thinks we should send the state a message by voting down budget. Mr. Abbondanzio also thinks there's potential to pick up some school choice money from other towns which have more serious budget problems for FY 2010. Mr. Abbondanzio also discussed the impact of possible new meals and lodging local option taxes, and how much reserves should come from the town versus the GMRSD. The new Superintendent has told him that reserves are there to be used.
  - Ms. Pruitt thinks that even if town meeting accepts the next budget DESE will continue to be involved if only through legislative actions which may change the configuration of our district as well as other districts.
  - There was discussion of whether the GMRSD's use of \$492,600 of Excess & Deficiency funds would pose a problem for FY11. Ms. Smith estimated that \$400 - \$500 K of "buy-out" payments from the previous health insurance group would

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be available, but was not sure if they would flow to E&D in FY09 or FY10. It was observed that this is another one-time source that will not recur in future years.

- Mr. Brown stated that the conversation helpful but decision to make is whether to make statement to keep DESE involved. His feeling is that he doesn't want their continued involvement. Mr. Brown has an image of the new School Committee and the new Superintendent being able to get to work without distractions of a District Meeting. The idea of keeping DESE involved is rolling dice – it could be good or bad, but if we stay in contention it keeps the School Committee and Superintendent from working on the system and on next year's budget.
- Mr. Fairbrother asked if we vote commissioners budget and do whatever we need to do to cover it, what are we expecting the GMRSD to come up with next year for the FY11 budget that would have made it worthwhile not to fight this now.
- Ms. Banash stated that the Gill Selectboard met with Carl Ladd last night and he wants to start the fiscal collaboration as soon as possible. Ms. Banash thinks it will be less contentious, sees a lot of positive things happening, wants to give the Superintendent and School Committee a chance for next year, and thinks it is more positive to accept the budget this year and let them do their job.
- Mr. Naughton doesn't want to annoy DESE but wants them to know that their budget is not sustainable. Mr. Naughton wants to see a plan that says things will change significantly and we won't be back at the same place again next year.
- Mr. Brown is concerned that if DESE is here the focus will be on expecting them to come up with plan, but we need to do this ourselves and solve our own problem.
- Mr. Ward wants the Superintendent and School Committee to have time to make revisions in budget process rather than wrestle with the FY2010 budget for incremental gains.
- Mr. Fairbrother is very skeptical and thinks we'll be back here next year but is inclined to give them a chance for one year. If we give them a chance and end up back with DESE after that we look better to state because it shows we're trying to make an effort. Mr. Fairbrother is inclined to accept the Commissioner's budget because it is unlikely we'll get anything better.
- Ms. Banash said that the other point is we can spend three months fighting and come back to the same number, so why not just accept it.
- At this point only Mr. Hanold and Mr. Naughton still feel that Montague should hold firm.
- In terms of process, if Montague's Special Town Meeting (STM) has no quorum, or if the STM accepts the district budget, then the process is finished. If the STM votes down the GMRSD request, it goes to a District Meeting.
- In summary, consensus is that the current commissioner's budget is what he will set if the towns and district do not agree on a budget by December. Therefore the real issue is whether to force continued state oversight by voting down the GMRSD requests, or to allow the new Superintendent and School Committee to

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work on the FY2011 budget without DESE involvement rather than spend the next several months involved with the FY2010 budget.

Ms. Pruitt left at 7:30, which dissolved the Montague Board of Selectmen's meeting.

The rest of the Montague participants left at 7:35 PM.

Respectfully Submitted,

Carolyn Olsen