



## TOWN OF BELCHERTOWN

### Finance Committee

Lawrence Memorial Hall  
2 Jabish Street • P.O. Box 670  
Belchertown, Massachusetts 01007



Lynne Raymer, Chairman  
Edward Boscher, Vice-Chairman  
Laurie Shea, Clerk  
Melissa Hurst  
Steven Rose

### Meeting Minutes

Date: Thursday, April 7, 2016  
Time: 7:00 PM  
Location: Lawrence Memorial Hall  
Present: Lynne Raymer, Edward Boscher, Laurie Shea, Melissa Hurst  
Guests: Ronald Aponte, George "Archie" Archible, Brenda Aldrich, Nicholas O'Connor, William R. Barnett, Gary Brougham, Karol Coffin, Ed Dunn, Michael Knapp, Thomas Laughner

- Meeting called to order at 7:05 PM
- Ms. Shea distributed the minutes from the March 29, 2015 meeting.
- Ms. Raymer moved to accept the minutes. Ms. Shea seconded.
- Minutes were accepted 3-0-2.
- Ms. Hurst distributed the minutes from the March 15, 2015 meeting.
- Ms. Shea moved to accept the minutes. Ms. Hurst seconded.
- Minutes were accepted 4-0-1.

#### New Business:

Ms. Raymer gave an overview of the Finance Committee's role in town government. She provided an overview of the town budget including the source of the revenues (primarily real estate tax levy and Chapter 60), and the mandatory expenditures (debt, pension, insurance). She further discussed that the town is part of a consortium for Pathfinder and that the Pathfinder assessment increased by over \$250,000 over prior year as a result of an increased number of students at Pathfinder from Belchertown and due to the overall decline in the total number of students in grades K-12 in Belchertown schools. Ms. Raymer indicated that as part of the Fiscal year 2017 operating budget process, the School and the Town were asked to present a level-service budget. The Town provided a level-service budget of \$12,231,444; while the School provided a level-service budget of \$27,739,341 plus a "needs" budget of an additional \$625,349 for a total request of \$28,427,687. Raymer explained that these requests resulted in an overall deficit of \$1.8M. She provided explanations for the use of "free cash" and "stabilization funds" in the town budget, and that the Finance Committee had allocated \$191k of "free cash" that was not utilized at the special town meeting in February, as well as \$400,000 of "stabilization funds" to the fiscal year 2017 operating budget process, which reduced the deficit to \$1.2M. As a result of the March 29<sup>th</sup> meeting,

both the school department and the town department were tasked with identifying reductions in their level-service budgets to present them at the scheduled April 7th Finance Committee meeting.

- Members of the audience began asking questions in an effort to better understand the process. Ms. Raymer gave the community members the floor to ask their questions throughout the meeting, and discussion related to the generation of revenue was raised. Members of the audience began to raise the issue with the school department cuts, and Ms. Raymer indicated that those responses would need to come from the school department.
- Many community members in attendance were inquiring about ways to generate overall revenue streams for the town, including inquiries about a proposition 2 1/2 override. Mr. Aponte briefly overviewed the process in which to initiate an override request to become considered for a Warrant Article to be presented at the Annual Town Meeting.

### **Old Business:**

#### **School Department-**

Ms. Raymer recognized Ms. Coffin, who stated in order to reduce the fiscal year 2017 to level funding by the \$205,000 requested at the March 29, 2016 joint meeting, the school department would have to eliminate 5<sup>th</sup> and 6<sup>th</sup> grade band (approximately \$54,000), JV Sports (approximately \$87,500), 6-7 teaching positions (approximately \$315,948), reduce their supplies budget by approximately \$20,000, and their maintenance budget by approximately \$42,000. Ms. Coffin further stated they were considering raising athletic and parking fees and noted there would be approximately \$108,000 in unemployment costs for the eliminated teaching positions.

- Ms. Raymer clarified that Ms. Coffin and the school committee were not discussing potential cuts off of their level-service budget; but also including over \$300k from the “needs” budget.
- Mr. Boscher announced the town has always allotted well above the state mandated percent contribution to our schools. He further stated that Belchertown schools are ranked 101<sup>st</sup> in per capita spending on the education department out of 350 districts in the state and, this ranking does not factor in some of the education charges the town pays for.
- Mr. Brougham stated the school enrollment had gone from a high of approximately 2,700 students enrolled to and current enrollment of approximately 2,350 students.
- Ms. Panto announced the town was, after reducing for transportation costs, allotting approximately \$1,000,000 above the state mandated contribution at the level funding.
- The Pathfinder assessment, and its substantial increase of \$262,587 for fiscal year 2017, was further discussed and it was reiterated to those attendance that it was considered a mandatory charge based upon an agreed upon method of all towns utilizing the schools services.
- It was discussed generally that, over the last decade, each year the town allots approximately 30% percent of the available revenue to the school department, give or take a percent or two at most.
- Mr. Brougham asked Ms. Coffin if the school department was considering going to a 70/30 split on health insurance premiums, instead of the current 75/25 split, as it would save the school department approximately \$200,000 annually. Ms. Coffin was non-committal with her answer.
- Mr. O’Connor asked Ms. Coffin if she anticipated having a positive variance at the end of fiscal year 2016, specifically in the energy and snow budgets and Ms. Coffin was non-committal with her answer.
- Ms. Coffin asserted to the room that the school district is not allowed to give back any unexpended funds to the town as all the other departments do. Ms. Panto addressed Ms. Coffin’s assertions stating she (Ms.

Panto) had contacted the MA Department of Education and Secondary Education (DESE) and spoke with Mr. Jay Sullivan, Executive Director, School Finance and District Support Center, to obtain clarification after she had been informed previously that Ms. Coffin had made this same assertion elsewhere. Ms. Panto reported that Mr. Sullivan informed her that as long as the state minimum spending had been met or exceeded, any unexpended funding could, in fact, be returned to the town. Ms. Coffin was non-committal in her response to Ms. Panto's rebuttal.

### **Town Department-**

Ms. Raymer recognized Mr. Brougham, who handed over the floor to Mr. Aponte, who presented the proposed town wide budget cuts/increases to meet the requested approximately \$400,000 reduction to the proposed fiscal year 2017 town budget at the meeting of 03/29/16. The proposed increases were to the sewer rates and landfill bags, etc. The proposed reductions included reducing hours to all non-union employee and department heads (with the exception of the Police Chief, Fire Chief, DPW Director and Town Administrator), negotiating a 70/30 health insurance premium split, reducing seasonal labor, substantially reduce the police gas and equipment budget, etc. Mr. Aponte further stated the cuts were deep and would impact the quality of services the town would be able to provide to the community.

- Mr. Brougham stated the town services are already bare-bones and cannot afford to incur the substantial cuts it is facing and still have the town operate effectively for our community. He further explained the town budget absorbs approximately 30% each year of mandatory expenses related specifically to the schools.
- Mr. Brougham requested that additional money be utilized from the stabilization fund and that the \$400,000 previously approved be increased to \$550,000.

The Finance Committee and the Board of Selectman collectively discussed the request, including the risks associated with such a large dollar amount being utilized and whether the savings ("free-cash") from FY'2016 would be sufficient to cover the request. After discussion, a motion was made to increase the use of stabilization funds.

- Mr. Brougham requested that the allocation of the stabilization funds not follow the 70/30 split for all remaining revenues. He advocated that the town should receive a greater percentage of the funds as the town is facing a substantially disproportionate budget reduction for fiscal year 2017, and that the town departments are responsible for all of the monies in the stabilization fund, due to savings and running on minimal resources year after year. A 60/40 split was requested by Mr. Brougham.

The Finance Committee discussed and Ms. Raymer proposed a 65/35 split be considered. A 65/35 split would allow for the town to receive an additional \$72,500 towards the budget, and the school would receive \$77,500. After further discussion amongst the Finance Committee and the Board of Selectman, a motion was made.

### **Motions:**

Ms. Shea motioned the Finance Committee to recommend to increase the amount accessed for fiscal year 2017 from the stabilization fund by \$150,000, from \$400,000 to \$550,000. Mr. Boscher seconded. Motion passed 4-0-1.

Ms. Shea motioned the Finance Committee to recommend to accessing \$10,000 from the stabilization for fiscal year 2017 to make an initial contribution to the OPEB deficit. Mr. Boscher second. Motion passed 4-0-1.

Ms. Shea motioned the Finance Committee to recommend that 65% of the requested \$550,000 go to the fiscal year 2017 school department budget and 35% go to the fiscal year 2017 town budget. Mr. Boscher seconded. Motion passed 4-0-0.

**Other Business- Transfers:**

Ms. Raymer motioned to accept a Request for Transfer from the Reserve Fund made by Ms. Panto in the amount of \$4,500 to be transferred to Dog Officer wage due to more responses were necessary than estimated. Ms. Hurst seconded. Motion passed 4-0-1.

Ms. Hurst motioned to accept a Request for Transfer from the Reserve Fund made by Ms. Panto in the amount of \$3,500 to be transferred to Inspections for part time wages due to more inspections having been performed than anticipated due to solar projects. Mr. Boscher seconded. Motion passed 4-0-1.

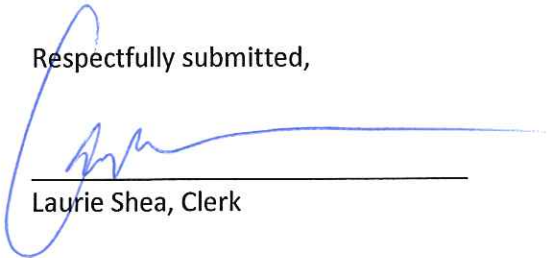
**Next Meeting:**

- Thursday, April 14, 2016 at 7:00 PM; Lawrence Memorial Hall Auditorium

**Adjournment:**

- Ms. Raymer called to adjourn and Ms. Hurst seconded.
- Meeting adjourned at 9:52 PM.

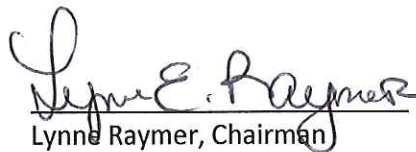
Respectfully submitted,



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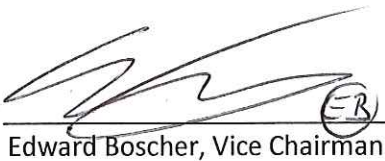
Laurie Shea, Clerk

FINCOM Town of Belchertown (Endorsed by majority)



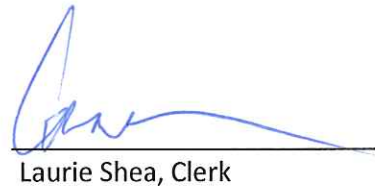
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Lynne Raymer, Chairman



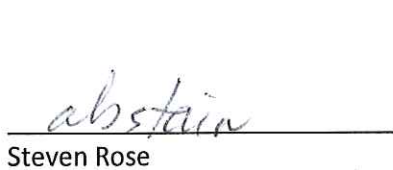
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Edward Boscher, Vice Chairman



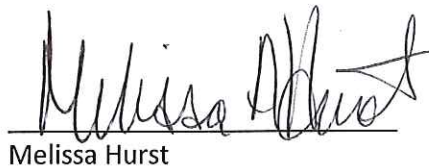
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Laurie Shea, Clerk



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Steven Rose



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Melissa Hurst