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FINANCE COMMITTEE

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ADAMS MASS.

8 PARK STREET

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Tuesday, April 13, 2021, 6:00 p.m.

Meeting Minutes

CALL TO ORDER: On the above date the Board of Selectmen and Finance Committee held a joint workshop meeting on the first-floor gymnasium of Adams Memorial School. The meeting was called to order at 6:00 p.m. by Board of Selectmen Chair Hoyt and Finance Committee Chair Burdick. Present from the Board of Selectmen were Chairman Hoyt, Vice Chairman Blanchard, Members Duval and Nowak. Present from the Finance Committee were Chairman Burdick, Vice Chairman Cowie, Members Butler, Cushenette, Duval, Foster, Johnson, Kline, Kupiec, Melito, Meczywor, Nocher and Tomkowicz. Also present were McCann Superintendent Brosnan, HVRSD Superintendent Dean, HVRSD Business Manager Snyder, Town Administrator Green, Finance Director Wojcik, Jack Guerino of the iBerkshires and Administrative Assistant Dunlap. *Finance Committee Member Mucci was absent.*

WELCOME AND INTRODUCTIONS: All Board and Committee Members introduced themselves to each other.

FY2022 BUDGET INTRODUCTION: *Town Administrator Green* performed a quick Budget Overview and reviewed the Capital Plan. He explained the other amounts to be raised, funding sources, cherry sheet revenue numbers and local receipt. He explained the estimated available balance and how Free Cash is certified annually and not available until end of fiscal year. Proposed free cash usage was outlined and the Levy Limit and property taxes were explained. Revenues by category were reviewed, and how the budget is funded via property taxes was explained amounting to an estimated increase of \$71 per average single family on the FY2022 tax bill. Major infrastructure or projects upcoming over the next three to five years were outlined as upgrades to the Wastewater Treatment Plant, road paving, and bridge repairs. It was explained that pavement on Howland Avenue amounts to over \$1 Million and it was pointed out that there is a significant cost for paving a portion of a roadway versus what is received from the state. Equipment costs were also noted as upcoming costs, including a new backhoe, the cost of which depends on what equipment is needed to be purchased but is estimated to range between \$85,000 and \$105,000. It was noted that the Town is looking at operation costs, staffing and equipment for the Wastewater Treatment Plant, which are currently being funded out of the tax rate. It was explained that almost all towns charge a sewer user fee to fund their wastewater expenses, and Adams needs to restructure how this is funded. It was explained that with the current tax rate at some point the Town will hit the levy ceiling and can no longer raise property taxes if spending and costs are not controlled. If the levy ceiling is reached the Town cannot raise any more funds unless there is a Proposition 2 ½ Override or cuts made, so this is being looked at now. Changes would have to go through the Town Meeting process and if the Town adopts a sewer user fee it would be through an enterprise fund account to be spent on sewer costs. It was explained that the state looks favorably on this and allows for grant funds for the use of an enterprise fund. It was pointed out that budget items are assessed to see if they are essential, whether needed, if a department can work without it, whether it needs to be full time, part time, or can be under a shared services model. It was explained that this is a very tight budget, with no anticipated service reductions. An inquiry was made about the plan for addressing pavement on East Road and it was explained that there is a priority list of roads that need to be done. The Town is still awaiting guidance from the federal Treasury about funds

coming in that have to be used for infrastructure costs, and there is an infrastructure bill pending. East Road was slated for a preemptory top coat but it was cost prohibitive and the Town was unable to do it.

FY2022 BUDGET REVIEW

McCann School: *Superintendent Brosnan*, *McCann* gave a brief overview of the budget materials before reviewing them in depth. He explained Table 1, the sources of income over five years and explained the comparison of revenue. He detailed how the increases came about. He reviewed Table 2 and explained the amounts are a direct result in the number of students from Adams reducing by three students this year. He explained it was calculated on what should be spent per student wherever they are schooled, and the Transportation funds were detailed. He touched on contracts with the bus companies and reported that with the shut downs McCann was able to return unused funds to the communities. He gave an overview of what funds were returned to the communities over the past few years. It was noted that there are two more years on the transportation contract, and they are five-year contracts. He reviewed the Table 4 calculations and explained it is proportionate costs used for transportation "over the minimum". He noted they are recalculated every couple of years when the Department of Revenue adjusts them. He explained that some accounts have gone up, and others have gone down. He explained an increase of three teacher positions, and noted because of the population of students they had to add them back in for the Student Opportunities Act claim which was delayed seven months by DESE. He noted the majority includes the salary increase. An inquiry was made *about* foreign language staffing and it was clarified that currently it is a part time Spanish Teacher as academics in the vocational school take place every other week and this satisfies the foreign language requirement. It was explained that professional development showed a significant reduction because a number of grants will pay for it instead of the budget. Instructional hardware materials and supplies also used grants and the Municipal Cares Act funding which purchased the chrome books needed so that line was able to be reduced. Perkins Grants were used to make technology purchases that kept them from being in the budget. Instructional software systems were noted as being used for students, and contracted services were outlined as being for software for remote, semi-remote and hybrid participation so the costs have increased due to the new need. *Superintendent Brosnan* explained that McCann did some projects to seal up the building and make some efficiency adjustments to use less energy to heat the building. He explained that though athletics are still in the budget and there were \$79,000 in costs. The transfers will balance off the line items and will go into the Excess and Deficiency fund if they are not used. He pointed out that as there is an increase in technology an increase in maintenance goes with it. There are more laptops and chrome books and since all vocational programs have specialized software an upgrade had to be done to the laptops that students took home and the chrome books for the academic portion. He noted that lighting was replaced with LED and equipment that was more energy efficient was purchased with grants. Renovation continues as there is removal and replacement of asbestos floor tiles and an upgrade to the bathrooms. He noted that right now the focus is on the energy piece, and there are three more bathrooms to do before that portion is completed. He praised Berkshire Health Group for good stewardship of the funds and plans, and healthcare was noted as having reduced costs. Anticipated retirements over the next five years were briefly touched on and it was pointed out that there are sometimes a few retirements but McCann has a youthful staffing. Unused sick time buyback was explained. The April 1st extension of the Massachusetts Teacher's Retirement was noted has having no exceptions needed. It was clarified that the equalized evaluation and population numbers comes from the Department of Revenue, on their website. Chapter 71 Funds for Fiscal Year 2022 was pointed out as being estimated at \$261,000, and the calculation was reviewed. Although there was a reduction of three students it was noted that though down a little on the percentage the amount of money needed for transportation was significant. Clerical salaries were noted as having positions that overlap into one position, spanning the different budgets. An example was given that there isn't one person for Special Education and another person for Guidance, but one person to cover both. It was explained that technical school have the ability to get different grants, such as the Capital Skills grants from the government to

upgrade equipment in the shops. It was pointed out that two machines cost \$198,000, and Perkins Grants focus on technical schools across the state. It was explained that the state grants were used to put in camera systems and McCann is constantly looking for grants which sometimes fit and sometimes they don't. Security of the building was explained as the door is now locked, as with only two people there is no way to visually manage it since the office was understaffed. Now the front door is locked, there are camera systems and validation of who is coming in so the budget shows it as half clerical, half security. It was explained that the grant was to put in the hardware and now there has to be a person to manage it. School Choice Tuition was reviewed and it was noted that every year at end of the year there is a fiscal report to DESE which determines Chapter 70 for everyone. It did not include the School Choice cost, and this number is diminished by \$39,000 under the School Choice line item. It was explained that the state gives funds to McCann by the community where the student is, then takes it away and puts it into the state calculation, which ends up as a wash. It was put in as a line item in the budget to calculate it better for accounting purposes. An inquiry was made about putting lights in the football field and it was explained that funds for that are coming from money being put aside for eight years. The lights were donated by Williams College and this project is finally moving forward. McCann will get engineers and has free lights and the system. It was noted as a significant cost to put in LED's so installation will take place of what was there before. Lights won't be running all week, just during game time only. An explanation was made about how a vocational school defines School Choice, and it was noted that five years ago a change was made. School Choice versus Out of District Tuition was explained, and it was noted that there are Special Education caveats. All Finance Committee and Board of Selectmen Members were invited to come take a tour of the school once the pandemic situation permits.

Hoosac Valley Regional School District: *Superintendent Dean* advised there are a lot of resources and the District has done the best it can with the pandemic. He noted that the elementary students are now back into the building full time successfully. He explained that a big part of the process has been assessing what the pandemic has done to the District, and there have been a lot of grant resources. He reviewed briefly the three different budget scenarios designed to move the core budget forward and not to use funds to supplant core expenses. He noted the intent to be thoughtful to maintain a sustainable district. He explained it is a data-driven organization and that the pandemic had a negative impact on academic growth on all levels. He stated that teaching reading did not translate on remote platforms and there is some catching up to do which will be reflected in the budget. He noted social-emotional support needs equal- and self-efficacy and self-management so surveys were implemented and students will need a boost in confidence and to get back into routines which is represented in the budget to re-engage students in school. He explained there will be a lot of work to be done in coming years to re-engage students. He pointed out that this budget is a short-term piece on a long-term process. He stated he asks the question about whether the District is legally obligated to provide the services, morally obligated to provide them, if the money spent is providing results, and if there is a more cost-effective way to provide the services. He looked at how the pandemic affected the District and what funding sources and grants are available. He noted the importance of being thoughtful about how to spend grant funds coming in. He emphasized that the core budget provided shows a reduction of three paraprofessionals and two teaching positions through attrition. The District is maintaining current levels of class sizes and is keeping numbers of classes down. Special education staffing is provided to meet the current needs and the District maintained additional custodial support due to special cleaning needs. The budget supports the expansion of high school pathways, and is relying on grant funding for curriculum replacement. A reading specialist is being targeted as a need to upgrade English language arts, which is addressed with the funds. District funds are used to strengthen math, social-emotional support teaching students how to have character, self-management, be good people and have common language across the District. The strategy is to strengthen support with School Psychologists for consultation for the classrooms and a Special Education Coordinator for state and federal regulations. Additionally, Project Lead the Way and Biomedical

Pathways as well as an update in technology for students and staff will strengthen data systems and to have it manned to make sure it is right. Reports to the state need to be right and it is necessary for systems to function the right way. The District is expanding maintenance and building projects, and providing high quality professional development for staff. He noted that there are great opportunities to grow programs. Facilities are a frequent topic, and he explained the District is working on maintenance, painting and cosmetic repairs. The High School is replacing battery-operated flush mechanisms with manual flush valves. The heat controller has been replaced, doors were re-keyed and electronic swipe mechanisms installed. The telephone and hydrant systems were upgraded and service was done to all rooftop and classroom HVAC units. A field maintenance plan was put in place at the high school, and an evaluation done of the HVAC units of all the schools which recommended maintenance pieces to stay on top of. He explained that the elementary school has some stucco falling off of the building and some temporary repairs are being done on that and the stairs out front to shore them up. He stated the District is continuing to add air conditioning units to the building as it is hot in June. An access door is being added to provide maintenance access to the unit in the gym instead of using a lift. Upgrades are being done to network switching, the public address system, elevator lifts, pest maintenance, adding plexiglass shields, masks, and foggers for pandemic needs. A career center was added, robust electives are offered in computer science, timber framing and the arts, and intervention programs have been implemented district-wide for the curriculum cycle and math intervention. An update and upgrade took place in technology and an audit is being done this spring on software to maximize funds. HVRSD Business Manager Snyder reviewed the town assessments for the Fiscal Year 2022 budget as approved. The Town of Adams assessment was noted as being a \$171,888 increase which she explained is largely due to an enrollment shift between the two towns. She noted the minimum local contribution is set by DESE and pointed out that they decreased as the town met and exceeded the target over the year and there was a reduction in total foundation enrollment. She pointed out that both towns will see a reduction. She clarified that the ratios of apportionment is different because of enrollment-based shifts so Adams increased and Cheshire decreased. Enrollment numbers were noted as being 172 for Adams and 235 for Cheshire, representing an increase in Adams and a decrease in Cheshire. The five-year revenue history was reviewed. It was noted that Chapter 70 funds are stagnant, and make up 51% of the total revenue source. She pointed out it only increased by \$35,000, which is a challenge, and the District looked to other revenue sources to fund the budget. She emphasized that the Charter School portion remained flat and the Cherry Sheet number is very unreliable so it is being held flat in hopes it doesn't decrease at the state level. Medicaid showed a slight decrease in reimbursements due to fewer people qualified. Excess and Deficiency is being kept at \$300,000 for this year and she is striving to reach 5% reserve of Excess and Deficiency which will benefit bond ratings. Transportation reimbursement was noted as having decreased costs due to the spring closure, the lower amount of expenditures eligible for reimbursement and the lower amount from the state as a result. She noted an overall state reimbursement decrease by \$7,000. She reviewed a ten-year history of enrollment and how it translates to the different splits in that particular year. She noted the assessments to towns are based on student ratios in each town. Discussion took place on the validity of the October enrollment number due to the pandemic. It was explained that the District is mandated to use the October 1st number and next year the number will correct itself and will shift. It was unclear where the extra 36 students came from but it was noted that the students are residing in Adams. It was stated that 50 kids came in from around the county and 10 left through School Choice. An inquiry was made about families keeping their children home for the remainder of the year despite the school being reopened, and it was noted that approximately 70 remained in remote learning. *HVRSD Business Manager Snyder* reviewed the transportation assessments to towns and the expected expenditures. Reimbursements from the state covered only 8% of eligible costs. She noted that last year 77% of costs were funded from the state and she estimated 70% would be this year's reimbursement. She explained that there is some transportation reimbursement money in a revolving fund due to the closing of the Cheshire Elementary School in Cheshire, and there is an increase in the number of students becoming eligible since they are now coming

from Cheshire. She noted the funds are used to offset town assessments, and went through the calculation process for this. She explained she won't know what the actual assessment will be until the complete report is received at the end of October. She pointed out that the capital portion of the budget only increased by \$1,400, and at the end of the bonds' lives the capital will decrease. She explained the shift between the two towns and noted that enrollments have impacted how the capital pieces are assessed. She pointed out that the Boiler Bonds for Adams and also Cheshire Elementary Schools are based on enrollment in the schools, and Cheshire is a District bond now because the school is no longer in operation. She noted that the Building Project Bonds are assessed to the towns for the high school and the total amount is broken out between both towns. The capital budget increased by \$1,400 and the assessment to the Town of Adams increased by \$40,000 due to the enrollment shift, the same as with transportation. She noted a \$41,000 increase in transportation. She explained that even if the District maintained a 0% increase in the budget, the Town would have realized an increase due to the enrollment shift. The balance of the Excess and Deficiency Fund after all calculations is hoped to end the year near 5%. She pointed out that the District ended last year at \$740,000. She explained the District uses it to offset town assessments. \$300,000 was used this year and it will again be used in upcoming budgets. Once certified by the Department of Revenue, if the District wants to utilize the money for something during the year it must have the approval of the School Committee and the Towns to use it for something specific. An inquiry was made regarding whether the District has a Stabilization Fund, and it was explained that there is not one, just core funding at this point, and the District has not considered having one since the last one dried up. *Superintendent Dean* reviewed the expenditures on instruction, the impact of the decrease in staffing and the reduced budget. He explained the Special Education Administration and the technology upgrades. It was noted that approximately 25% of the students are identified as having special needs requiring an IEP. He noted additional support needed for reading, math, social-emotional and behavioral problems and there are different tiers. Though some transition out by the time they get to High School, it was noted that about 22% are identified as special needs students at the high school level. Out of district tuition was noted as being \$391,550 and the District is responsible for all special needs students in town including early intervention pieces. Circuit breaker reimbursement was explained. It was clarified that the cafeteria is a separate entity and not part of the operating budget. *The enrollment* breakdown was noted as having 345 students in grades 8 through 12, and the District is down 40 students in the Pre-Kindergarten program due to the pandemic. A custodial position was added back into the budget and it was pointed out that Berkshire Health Group again had no insurance increases. Building maintenance was discussed and it was noted that a study was done by EDM which will require putting aside funds for windows, water issues, stucco, and cement stairs. Conversations have been taking place with the Town Administrator and there is an appropriation of money from the Town to work together on a plan to move forward to address these items. It was pointed out that a Sub-Committee is working on them and issues with the roof are covered under warranty to deal with leaks. Retirement costs were looked at and it was noted that they are going up by \$71,000. It was noted that they are fixed costs that have to be paid unless a change is made to have retirees pay increased costs. It was noted as being a big increase each year and the District gets an assessment from the Retirement Board which is a payment requirement. Insurance for retirees was detailed as being a 51/49 split and as low as it can go. It was clarified that employees pay into the retirement system and not social security and the more retirements there are the more it goes up. *Superintendent Dean* explained that the District is decreasing five positions by attrition, one being a teacher retirement. He noted that a number of paraprofessionals retired over this school year due to the pandemic. An inquiry was posed regarding negotiating with the Teachers' Union on percentages and it was clarified that the state law has been changed and it is not possible. It was suggested that the District look for grants, and it was pointed out that there may be some found but the District may not be eligible for or familiar with them. Air quality in the schools was brought up and it was noted that testing was done in 2019 and the report came back fine. The negative impact on the District due to the teacher reductions was briefly touched on. *Board of Selectmen Member Nowak* noted the difficulty in bringing

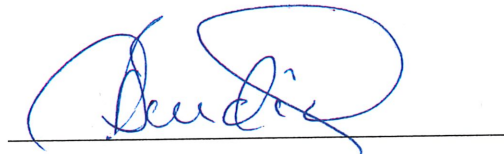
students back to the District after leaving and *Superintendent Dean* explained he is up for the challenge and creating quality programs to keep students. The use of \$300,000 from the Excess and Deficiency Fund to lower assessments was pointed as having been taking place for a long time and an inquiry was made on how it can be done with revenues the District receives. It was suggested that the District and the Town work together to get out of the cycle. *An inquiry was made about the District offering a specialized plumbing program* and it was noted that McCann would have to sign off on it first because they don't offer it as it is a big program.

APPROVAL OF MINUTES: The minutes for the *April 5, 2021 Finance Committee* meeting were presented for approval. *Motion made by Finance Committee Member Cowie, second by Finance Committee Member Tomkowicz. Voted in favor were Chairman Burdick, Vice Chairman Cowie, Members Butler, Cushenette, Duval, Foster, Johnson Kupiec, Meczywor, Melito, Nocher and Tomkowicz Abstention by Member Kline. Motion passed.*

ADJOURNMENT: Motion made by Vice Chairman Blanchard to adjourn the Board of Selectmen Workshop, second by Member Duval. Vote: unanimous. Motion passed. Board of Selectmen Meeting Adjourned at 8:11 p.m.

Motion made by Vice Chairman Cowie to adjourn the Finance Committee Workshop, second by Member Foster. Vote: unanimous. Motion passed. Finance Committee Meeting adjourned at 8:11 p.m.

Respectfully Submitted by Deborah J. Dunlap,
Recording Secretary



Timothy Burdick, Chairman