

Approved: Jan. 8, 2018

**TOWN OF WINCHENDON  
JOINT MEETING  
BOARD OF SELECTMEN, SCHOOL COMMITTEE, FINANCE COMMITTEE  
THURSDAY, SEPTEMBER 28, 2017  
Town Hall, 2<sup>nd</sup> Floor Auditorium  
109 Front Street, Winchendon, Mass.**

**Board of Selectmen Members Present:**

Barbara Anderson, Chairwoman  
Audrey LaBrie, Vice-Chairwoman  
Michael Barbaro  
Austin Cyganiewicz  
Charles Husselbee

Keith R. Hickey, Town Manager  
William Schlosstein, Accountant  
Lindsay Kuchta, Administrative Assistant

**School Committee Members Present:**

Danielle LaPointe Vice-Chair  
Gregory Vine  
Dawn Fronte  
Felicia Nurmsen

Steve Haddad, Superintendent  
Barrie Martin, Recording Secretary

**Finance Committee Members Present:**

Tom Kane, Chair  
Maureen Ward Vice-Chair  
Doug Delay  
Tonya Dukol  
Christian Orobello  
James Robichaud

Debra Dennis, Recording Secretary

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**List of Documents Presented at Meeting:**

- Town Accountant's Financial Report
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The meeting was called to order by School Committee Vice-Chair Danielle LaPointe at 6:45 p.m. followed by the Pledge of Allegiance to the Flag of the United States of America.

Announce audio/video recording disclosure – There was no one who announced they would be audio or video recording the meeting this evening.

**NEW BUSINESS:**

Results of FY17 Budget

Keith Hickey opened up stating that the books were closed last week when Roselli and Clark finished their field work. The budget shows a balance of \$1,370,000 in uncertified free cash with the analysis of general fund equity at the end of the year. Legislation requires the Town to retain the amount of an annual bond payment to legislation, which is \$325,000 with interest, and any remainder has to go back to the state to pay back for deficit borrowing. The free cash has allowed the town to spend extra money on snow and ice, and it has been asked that the Department of Revenue (DOR) allow us to retain the same amount as last year, \$500,000. A draft warrant has been issued for review, and just about all of the \$500,000 can be used somewhere.

William Schlosstein, Town Accountant, came forward and noted as of June 30, 2017, there are no proposed adjustments from Roselli and Clark. Schlosstein provided a two page attachment, and went over the numbers in the attachment. He noted also that over the past several years there have been special revenues, and deficits are declining. It is estimated that there will be a balance of \$1,370,000 in free cash and \$350,000 more than the estimated need of revenue was brought in. The self-insurance trust fund has been cleaned out, and will not reoccur; it has had its final distribution. Due to debt collection, interest and penalties are higher than the \$126,000 budgeted amount due to debt collection. Appropriations that were unspent are broad across the board, and can be noted on page two at the bottom half on the attachment. In closing, Schlosstein stated that revenue does not appear to be sustainable, but spending does.

Hickey added that as of June 30<sup>th</sup>, \$479,000 has been paid, and \$300,000 is budgeted for the spring, leaving a remainder of \$600,000 in debt. If there is a way to find another \$300,000 out of the appropriation, the Town will be out of debt by the end of the next fiscal year.

LaPointe thanked Hickey and Schlosstein for their work and clear articulation.

#### Shared Revenue Discussion

Finance Committee Chair Tom Kane asked James Robichaud to speak to the idea of Town and School Shared Revenue. Kane went to a Finance Committee Seminar in the Fall of 2015. The seminar was about revenue sharing. Fast forward to March 2017, and the school committee came to the Finance Committee looking for an override. Robichaud stated he was not in support of the budget override, and asked if there was something different that could be done with revenue sharing. Robichaud believes something needs to be done, even regionalization, if other options do not work beforehand. There has to be trust on both sides; something to help restore the school's financial standing. He believes the Town owes it to themselves, the school, and the children. If regionalization doesn't work, then we move on to the next thing.

Kane noted that with the way the school budget is currently put together, it requires extra spending to accept the budget. There are flaws in the school budget since it has been developed twenty-five years ago. When the override was passed a few years ago and raised the school's budget beyond minimal spending, it was a good step for the Town. The School's budget is still clearly tied to net school spending. Kane believes the budget should be related to two factors; the School Department, and the ability of the Town to provide resources. He stated he couldn't see why there isn't a point of agreement on this matter. It will not create new money for schools nor the issue of last year. Kane does not believe the School Department budget is in this condition because of a formula from twenty-five years ago.

Steve Haddad, Superintendent of Winchendon Public Schools, noted that he doesn't know enough about revenue sharing. He would like to do some research with the new model. Haddad also noted

that the way the School and Town get along now is fantastic, and the communication is good for taking care of issues when they arise. He noted that perhaps an exploratory committee of some sort could be formed with members from each committee present at the meeting and dig deep to see if it is a viable solution for the Town of Winchendon, and the school system in Winchendon. He needs more information. Danielle LaPointe, Vice-Chair of the School Committee, mentioned that it is not an issue of, if, but how to set up a committee regarding shared revenue between the Town and School. Christian Orobello stated that he likes the idea a lot and there are two pitfalls to be aware of; the Town struggles with strategy and the sustainability which will not be solved through shared revenue, and to help ensure a strong strategy by planning for two year sustainability to avoid the gain and loss yo-yo effect. It can be a great idea if the strategy and sustainability pieces can be taken into account.

LaPointe liked the idea of having a representative of one or more from each of the present boards, and perhaps the Town Manager or Accountant as well.

Kane noted that the intention was to just bring the idea to the table, initiate discussion and see if there is interest. It isn't expected of the School Committee and Board of Selectmen to make a decision as to whether or not the school and Town share revenue. Based on the agreements of other Towns, it can be noted that this sort of agreement can either be very complex or simple. Once discussion begins, then problems can be identified and a consensus can be made as to how the issues should be tackled.

Felicia Nurmsen thanked the Finance Committee for bringing the idea of shared revenue forward and opening discussion. Nurmsen noted that at a point where the Town is going in a positive direction financially every opportunity needs to be researched. We rely on state formulas now, and we can look at other ways to help to fund our schools. A few months ago, this was brought up in the DOR report, and it was requested that it move forward. Nurmsen stated she is in full support on moving forward and working together. The one concern is the sustainability. She believes it is important to look at all of the ways to continue and see how the school system can flourish.

Audrey LaBrie, Vice-Chair of the Board of Selectmen, stated that she is open to looking at any possibilities regardless of whose idea it was. It could have some "what if it works" and "what if it doesn't work". We need to make an informed decision.

Greg Vine questioned if it is feasible for a small group of people to be making a decision of this sort. Vine also asked who would decide how it works. He noted it is important to look in comparison of historical information and reality where the school budget is today. It is expected that the agreement can be an informal guideline. Guidelines and policies guide, but don't dictate. It's not something that's going to make resources go away, but a beginning point. In a perfect world, this is how it's done, and then the realities come out. The reality is, the Town is run on a shoe string. If the Town revenue grows, how does it get allocated? He believes it's a good idea, but the execution is key.

Maureen Ward, Vice-Chair of the Finance Committee, mentioned that Schlosstein and Hickey have done so much work, and she isn't opposed to the idea of revenue sharing but does not believe it should happen now. A good amount of research should be done and the idea should be executed a few years out. She does not believe you're being honest with yourself and the Town without doing your research before saying yes or no.

Robichaud believes it will be started from ground zero. It could come out in several different ways, and this is just the first step forward.

Orobello noted that someone needs to define revenue, and to be careful as what the motivation is; is it unspent or new revenue?

Charles Husselbee mentioned he doesn't believe an override should be necessary, and it is important to explore our options. It is good to have the time to explore and not be rushed.

Hickey noted that exploring revenue sharing opportunities would make sense before the idea is turned down. We must understand and appreciate our opportunities. Questions and concerns that were raised are a simple formula versus a complex formula, and also at looking into percentages of revenue sharing. Hickey also mentioned the concern of the school looking for other revenue options. The Town has worked hard to find other revenues such as a Community Development Block Grant (CDBG) which was filed at \$450,000 for Complete Streets for sidewalks if the grant is awarded. Those revenues were applied for, not just moneys coming from the state. Hickey questioned what the school is doing; they don't have grant writers, and are they doing what they need to, to get the funds needed? How is it that teachers are given such raises? Money could be better allocated, and they need to be more frugal. The school has been given great resources, and the decisions are all made by the School Committee. Contracts should be discussed across the board, equally and candidly. The Town employees see different raises than the school. Hickey noted he means no disrespect, just speaking candidly. He wants to ensure appropriate parties receive what they should be receiving. The need for a strong school is understood and respected. How can the school be sustainable if they move forward with the same model?

Robichaud agrees with Hickey, and stated they have to live within their means and level the playing field. It is a two way street.

LaPointe brought up the thought of creating a presentation of how to go about getting grants.

Haddad believes that \$1,200,000 in grants has been applied for. Out of salary, thirty teachers moved a step and were provided an additional three percent. The majority of the teachers are already at top level. There are lots of teachers that need to be looked at this budget season. The school will be responsible this year and negotiate teacher's contracts and budgets.

Mike Barbaro noted once the bond is retired, the school department gets an additional \$200,000 added into costs. Because the Town is able to pay off the bond, we are putting more money towards the school at a faster rate. It is outstanding for the community and school, as legislation said it would take ten years to pay off the debt. In the last two years, the Town is doing everything they can to put money back, and has a great relationship and transparency with our Accountant. We are going to put money back into the schools as it can happen but sustainability is important, and anything put forward needs to be brought to Town Meeting. That's where the rubber hits the road.

Orobello mentioned it is about rules and balance, and complicated and simple. We need to build towards what the DOR wants to see, there are more aspects than just sustainability.

Hickey is concerned the community has formed a revenue sharing formula, and has identified a new growth rate that won't have any targets for those percentages year to year, and it will be a financial challenge to shift lines to meet the needs of both organizations to the best ability. Moving

forward, if the recommendation comes forth, it is urged that we write a policy with flexibility to avoid harming one side or the other.

Ward believes people are getting into too much detail, the general consensus was, is there an interest, and now there seems to be an interest.

Kane stated the next step is to take this further and get into details that have been brought up tonight. It is key for Hickey and Haddad to be a part of the ad hoc group. Kane said he will send something out if each board could find a volunteer to be a part of the committee.

Nurmsen stated that the time is now. We need to reinvent ourselves. Everything said is taken seriously. What can be done differently with the step process? Now is the time to move forward, because this current path is not good.

#### Special Town Meeting November 13, 2017 Schedule

Town Manager Hickey reviewed the draft schedule for Special Town Meeting to be held November 13, 2017. The warrant was opened Tuesday, October 5, 2017 at 5:00 p.m., and closes Thursday, November 5<sup>th</sup> at 5:00 p.m. The Board of Selectmen has voted on the review of the warrant, and the Finance Committee is meeting October 17<sup>th</sup> to vote on the warrant, thereafter the Warrant will be posted. Hickey also gave kudos to Steve Haddad and Richard Ikonen for their work on tightening the budget in transportation costs and just school costs in general. Everyone who touches the budget has responsibility in the end results. It reflects well on everyone involved.

#### **OLD BUSINESS: N/A**

#### **COMMENTS:**

Kane recognized Deb Dennis for eight plus years of service to the Finance Committee and seven years to several other committees. Tonight is Deb's last meeting as recording secretary for the Finance Committee, and she will be missed. Deb was thanked for her service for all of these years, and wished good luck.

Barbaro noted that he appreciates all of the cooperation between the committees, and he now looks forward to the meetings. He thanked all present.

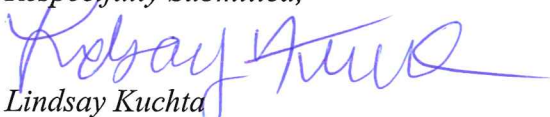
#### **ADJOURNMENT:**

*Motion to adjourn the School Committee meeting was made by Vine, and seconded by Fronte, with a vote of all ayes, the meeting adjourned at 7:51p.m.*

*Motion to adjourn the Board of Selectmen meeting was made by LaBrie, and seconded by Barbaro with a vote of all ayes, the meeting was adjourned at 7:52p.m.*

*Motion to adjourn the Finance Committee meeting was made by Orobello, and seconded by Ward with a vote of all ayes, the meeting was adjourned at 7:52p.m.*

Respectfully Submitted,



Lindsay Kuchta  
Administrative Assistant

