

Approved 3/29/2021

Town of Chelmsford Select Board Minutes
Chelmsford, MA 01824

Virtual meeting via Zoom

Tri-Board Meeting MINUTES
January 11, 2021

Select Board Attending:
Kenneth Lefebvre, Chair
Virginia Crocker Timmins, Vice Chair
Patricia Wojtas, Board Member
Emily Antul, Board Member

Paul Cohen, Town Manager
John Sousa, Town Treasurer
Darlene Lussier, Town Accountant

Absent: George Dixon, Clerk

Finance Committee Attending:
Jim Clancy
Annita Tanini
Kathy Duffett
Eric Chambers
Vicky Parks

School Committee Attending:
Superintendent Dr. Jay Lang
Donna Newcomb
Dennis King
Maria Santos
Jeff Doherty
John Moses

Nashoba Valley Technical District School Committee Representatives Attending:
Clare Jeannotte
Sam Poulten

Dr. Denise Pigeon-Nashoba Valley Technical School District Superintendent of Schools

Please note that all documents referenced in these minutes are on file at the Town Manager's Office, 50 Billerica Rd., Chelmsford, Mass. The meeting was recorded by Chelmsford Telemedia. Chair Lefebvre called the meeting to order at 6:01 PM, and read the following announcement:

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor's March 15, 2020 Order imposing strict limitation on the number of people that may gather in one place, this meeting of the Town of Chelmsford Board of Selectmen will be conducted via remote participation to the greatest extent possible. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right

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and/or requirement to attend this meeting can be found on the Town's website, at www.chelmsfordma.gov For this meeting, members of the public who wish to watch the meeting may do so by accessing the Chelmsford Telemedia website www.chelmsfordtv.org. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings in real time, via technological means. In the event that we are unable to do so, despite best efforts, we will post on the Town's website an audio or video recording, transcript, or other comprehensive record of proceedings as soon as possible after the meeting.

Call to Order - Notification of Live Telecast

Town Accountant Darlene Lussier - Report on Current Fiscal Year (FY21) Operating Budget
Revenues and Expenditures through December 31, 2020 are available, and highlights were provided to attendees.

Excise tax revenue remains strong, and has increased since last year. The new commitment will be received later in January. Permitting fees have increased by 11% from last year. Hotel room taxes have exceeded last year's figures because of sheltering for the homeless. Meals tax has declined from last year, due to restaurant operation restrictions, down 30%. SREC receivables have generated credits from solar production.

Tax collections are on schedule. Department expenditures are also on schedule. Revolving fund account balances were shown.

Town Accountant Lussier stated she had no concerns to date; everything looks very good, in spite of the pandemic.

Finance Committee Member Kathy Duffett asked about election costs due to the pandemic. Ms. Lussier advised that several grants helped with expenses. Police and Fire PPE expenses are being reimbursed through the CARES Act, which was extended to December 2021. This will include extra cleaning and testing expenses, and will cover anything COVID-19 related.

Finance Director John Sousa - Proposed FY22 Capital Improvement Plan

The Capital Planning Committee met in December, 2020. A total of 34 project requests were received. Of these, 24 projects were approved, 9 were deferred, and one was withdrawn. A summary of the approved Capital Plan projects was provided. A net amount of \$3,818,974.00 will be borrowed to pay to complete the approved projects. A ten year history of capital plan funding amounts was provided. A list of Facilities, and year of construction data was also provided.

Ms. Duffett asked about how the \$75,000.00 amount from the Child Care account was determined. Mr. Sousa explained that it was determined by those groups that use the kitchen facility.

Nashoba Valley Technical School District Superintendent of Schools Dr. Denise Pigeon - Fiscal Year 2022 Budget Development Process and Capital Needs

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Dr. Pigeon spoke regarding their school's budget development overview.

It was announced that NVTHS Student Nicholas Giannino was nominated as a State CTE Presidential scholar from Massachusetts.

Dr. Pigeon described the school's hybrid model reopening plan.

Regarding the current budget, unanticipated reopening expenses related to HVAC, Special Education and PPE supplies have increased significantly. The school's staff agreed to a one year contract extension with a 0% salary increase. The School Department anticipates finishing the year within budget.

Chelmsford's school population increased by 12 students this year.

Dr. Pigeon noted that major budget drivers included contract increases, retirement system increases, Special Education and healthcare increases, transportation increases, health insurance increases, and vendor contract increases. State funding changes are anticipated. The school has additional capital needs, including maintaining the fire suppression system, interior and exterior lighting system upgrades, parking lot improvements, painting, and other maintenance expenses. Anticipated savings are expected to be received from grants, doing more projects in-house, and through an energy agreement. Stabilization and OPEB numbers are stable. Future meetings to be had were summarized.

School Committee member Dennis King asked if any reductions were taken. Dr. Pigeon acknowledged that staff salary concessions helped a lot, and any other savings will be rolled over into next year's budget. Select Board Member Timmins questioned as enrollment increases, is there ever a discount provided to the Town. Dr. Pigeon advised that would depend on how other towns react to assessment changes because assessment fees are governed by a regional agreement with participating towns. At this time, 31.93% of the students at the school are from Chelmsford. When this reaches 40%, this would trigger another seat on the board. Enrollment in general has increased over the past year.

Chelmsford Superintendent of Schools Dr. Jay Lang - School Department's Budgetary Status for the Current Fiscal Year and Outlook for the Upcoming Fiscal Year

Dr. Lang provided the current FY21 budget status. Agreements are in place with all unions through FY 22. There are no concerns with accounts at this time. Grants and Revolving Accounts are in good condition. State funding helped with re-opening the schools.

Data was provided on net school spending, student/teacher ratio, average teacher salary, per pupil expenditures, and other topics. Dr. Lang felt that most are in line with other comparable districts. He would like more ability to reward teachers and attract more talent.

Regarding MCAS scores, about 65% of students meet or exceed expectations in science. High School results showed that 81% exceed in language arts. In Math, 84% exceeded.

Wage related increases were listed; transportation, cleaning, and utility expense increases were listed.

Dr. Lang advised that he is requesting another \$2 million increase from \$63 million to \$65 million for a level service FY 2022 budget for the Chelmsford Public Schools. Town Meeting approved a \$61.6 million budget last year. Town Manager Cohen's budget adds \$2 million to the \$61.6 million amount.

Ms. Duffett listed areas where the department found savings last year, and requested clarification on how the \$1.3 million in savings was realized. Dr. Lang advised that savings in transportation was used to pre-pay some Special Education costs. Other savings of \$200,000.00 were used to pay separation costs of several retirements. There were no cuts, just re-allocations.

This year, there have been no savings in transportation. Contracts are still in negotiation. The same number of buses are still running, even with the hybrid model of attendance caused by the pandemic.

Some staff have taken a leave of absence this year. Future retirements are difficult to determine. Some Special Education costs have been streamlined and brought in-district. More data will be provided and forwarded. Out of District enrollment is declining, and the savings were reallocated to the in-house programs.

Dr. Lang noted that staff and parents have been phenomenal in light of all the changes the department has faced.

Finance Committee member Eric Chambers questioned the cost of transportation, which is between \$3.5-4 million. Mr. Chambers asked whether there would be any savings because there is no school being held on Wednesdays. Dr. Lang explained the bus companies cannot lay off the drivers for one day. There are things being negotiated that cannot be quantified at this time.

Finance Committee Member Annita Tanini praised the school department and staff for putting in extra time and effort during this time. Ms. Tanini was concerned about students that will be left behind and are struggling. Parents have to supplement the education. There will be additional costs to get the students back on track.

Dr. Lang agreed that remote learning has been difficult. The focus will be on Special Education and ELL students, and he hopes to get help from state and federal governments.

Board Member Timmins asked whether there has there been an impact from students getting home schooled or switching from public to private schools. Dr. Lang reported that there are 107 students home schooled, which is up from 35 last year. There are about 90 more students attending private or parochial schools.

Board Member Antul asked since there are no MCAS tests this year, could the saved time be used for remedial activity? Dr. Lang advised that the State will reduce testing time, but testing is still there. The School Department does not "teach to the test". The students do well naturally based on what they do in class. Some assessment will still be done in the Spring.

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Town Manager Paul Cohen - Financial Condition of the Town, Revenue and Expenditure Forecasts, and Other Relevant Information Pertaining to the Fiscal Year 2022 Budget

Town Manager Cohen announced this year's budget is a \$139 million operating budget.

A breakdown of how funds are allocated was shown: Schools, Nashoba Valley Technical High School, Benefits and Insurance, Debt Service, Public Works/Facilities, Police, Fire, General Government & Human Services, State Assessments and Overlay, and the Library.

Tax bill allocations were shown by percentage and category.

The Operating Budget has increased by 16.8% (\$20 million) during the past five fiscal years. Over a ten year period, the budget increased by 38%, or \$39 million.

Property Tax makes up to 77% of revenues, 13% comes from state aid, while local receipts and other funds are 10%. Residential property values continue to increase, and commercial values continue to decrease.

Taxes are increasing everywhere, and state aid is decreasing as a portion of the budget everywhere. This trend has been happening over the past ten years, and is anticipated to continue happening. State aid is a declining share of the Town's budget. The current Chapter 70 funding formula doesn't treat all communities equally.

This year's budget priorities remain the same: Education, Public Safety, and Health and Human Services. Public school cost data was provided. The Town has 10 more General Government employees, and 92 more school employees for FY21, compared to FY08.

Mr. Cohen is hoping to exit from the pandemic, while attempting to maintain the quality of local government services.

Budgetary increases were summarized:

-The Nashoba Technical High School Assessment is estimated to increase by \$280,000.00, or 8.12%.

-Employee compensation is estimated to increase by \$500,000.00, including unresolved union contracts. This estimate is over \$1 million on the School side.

-Employee & Retiree Health Insurance costs are estimated to increase by \$925,000.00, or 7.2%. There are 932 retirees at this time. The town pays 75% of these costs for active employees, and 63% for retirees. Total costs average \$25,000.00 annually per employee.

-The Middlesex County Retirement Assessment will increase by an estimated \$371,547, or 3.91%. A ten year history & analysis was provided. The unfunded liability costs are increasing dramatically. They will increase by \$655,023 for FY23.

-Solid Waste, Recycling and Disposal Collection costs are increasing by \$80,000.00, or 4.37%. There is a shortage of landfills and treatment plants. Tipping fees are increasing by \$20.00/ton as more landfills are closing, and plants are retrofitted. This will be an overall increase of \$400,000.00.

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- Excluded Debt Service is decreasing by \$460,000.00, or 12.6%
- Property, Casualty, and Workers Compensation Insurance costs are expected to increase by \$50,000.00, or 5.25%.
- Medicare tax has increased by \$46,000, or 4.5%.

The total increases of all categories is \$4,652,000.00

Regarding anticipated revenues, the estimated available new levy capacity from property tax is \$4,252,732. This includes the fully allowed 2.5% increase and estimated new growth. State aid is being assumed to be the same as last year, at \$17,487,456.00. This could change.

State aid is not keeping up with increased costs.

Local receipts are estimated to increase by 7%, or \$632,000.00, as people go back to work after the pandemic. This figure includes estimated meals tax increases, as social gatherings increase. Permits may still increase. Overall, this is an anticipated 3.5% increase, or \$4,884,732.00

In the Chelmsford Public Schools, the current total 8th grade class is 320 students, which will be moving to the High School. This is an extraordinarily small class. This year, 373 students will be graduating, and 320 are going in.

Upcoming capital investments in Facilities include the following:

- HVAC system upgrades at the public schools. Total costs have not been estimated yet, but the estimate will be very large.
- West Fire Station renovation/expansion
- CHS outdoor tennis and basketball courts renovation.

The average single family tax bill went up \$49.00. Other communities' average single family tax bills increased by \$140-231.00. This reflects the impacts of using the stabilization fund to help fund the budget during the pandemic.

This year, the Town's OPEB contribution was decreased by \$400,000.00, and the snow and ice budget was reduced by \$500,000.00. Going forward, these accounts may return to previous funding levels. This would mean that tax bills would increase by \$420.00, on average, to \$7,831.00, or 5.7%.

The Town will continue to rely heavily on property tax. The Select Board has requested that the tax levy be raised below the 2.5% limit for this fiscal year. Mr. Cohen suggested to target a \$144 million budget, and at the Fall Town Meeting it can be discussed whether to use Free Cash or the Stabilization Fund to reduce the FY22 tax levy. The \$144M target represents raising to the full levy limit, which includes the difference between FY21 budget and what the budget would have been had the full 2.5% levy been used in FY21 along with assuming FY22 will raise the tax levy to the full 2.5% limit. Mr. Cohen noted that inadequate State aid is catching up to many municipalities.

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The FY22 Operating and Capital Budgets will be submitted on January 25, 2021.

There is a potential for additional relief, or economic recovery that will help, but the details are unknown at this time.

Discussion and Vote Regarding the Development of a Coordinated and Balanced Budget

Board Member Timmins asked about road infrastructure costs. Mr. Cohen advised that Chapter 90 funding has been the same for the last 8 years, coming in at \$1.2 million each year. Funding comes from the state gas tax, which has not been adjusted in many years. Non-gas vehicles (electric) do not pay into the gas tax formula. The State could implement a miles driven formula, but it will be difficult to be approved. The current allotment pays for less than half of what is needed. Grants are applied for when possible.

Board Member Timmins stated that budgeting and fiscal strategies are needed to reduce budgets, or to find efficiencies, and slow the increase in taxes. Chairman Lefebvre advised that the Town Manager's budget goal was to budget under the levy limit. The Select Board receives a lot of feedback that taxes are too high.

Finance Committee Member Annita Tanini felt the Town needs to be careful where it cuts expenses. The Select Board needs to be clear what is going to be sacrificed, be it on the School side, or the General Government side. Finance Committee Chairman James Clancy added the Town may have to tax to the levy to keep services or it will have to reduce employee count. There is not much fat to cut. Capital needs are not going away. OPEB and Middlesex Retirement liabilities are increasing, and will continue to increase. Mr. Cohen added that many fixed costs can't be cut from the budget.

Ms. Duffett noted that service cuts will impact many people more than the tax savings.

Mr. Chambers questioned why school employees are being added when school enrollment is decreasing. Dr. Lang explained they have added staff within their budget. Building in-district programs offsets other costs, but you need people to run the programs. Dr. Lang advised that he based his budget on the assumption that the Schools would be funded at \$65 million. He didn't expect to have a decrease of \$1.3 million in funding as proposed in the Town Manager's Budget. This is a cut. While the school system made adjustments last year, those adjustments were unique to the economic climate created by the pandemic and did not represent a long term cut to the base budget amount for normal school operations. Mr. Cohen was asked to revisit this to reconcile the disconnect with Dr. Lang. Mr. Cohen recalled that \$2 million was used from the Stabilization Fund, and only \$800,000.00 was returned. The Town does not want to lose its bond rating. School Committee Member John Moses felt that most residents would be willing to pay to the 2.5% tax limit, in order to preserve services. Town Finance Director John Sousa advised that many costs and assessments will continue to rise rapidly.

Mr. Cohen anticipates that Spring Town Meeting will be delayed again this year, due to the pandemic. There would be more information available in June, rather than April. He would recommend moving

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Town Meeting back to June again. There was stimulus money that helped in 2008, it could happen again. Dr. Lang agreed that a delay would impact their school capital budget, so they can get the work done in the summer, rather than later. Mr. Clancy felt that not taxing to the limit is not practical or possible under the constraints presented tonight.

Town Manager Cohen and Dr. Lang will continue to work on the \$1.3 million difference. Mr. Cohen is asking for a budget target of \$144 million which assumes using the full levy limits including the difference in the levy limit used in FY21 as well as the full 2.5% limit in FY22.

School Committee Member Donna Newcomb stated she expects to see enrollments increase as students return to the public schools once the pandemic is over. There are a lot of unknowns they need to look at on the school side. Ms. Tanini anticipates that there will be more requests for Individual Education Plans in the next 2 years. This will be expensive. School Committee Member Maria Santos agreed that coming out of the pandemic, more parents have had time to observe their children, and they will see a need to request evaluations. Students will legitimately need help.

There was general agreement that more communication is needed at the State level for increased State Aid.

Motion: by Select Board Member Antul to allow the Town Manager to budget to the full levy limit of 2.5%. **Motion was amended** by Select Board Member Timmins to allow the Town Manager to budget to the full levy limit. Seconded by Select Board Member Wojtas.

Roll Call:

Board Member Wojtas: Aye

Board Member Antul: Aye

Board Member Timmins: Aye

Chairman Lefebvre: Aye

Motion passes, unanimous, 4-0.

This Vote was taken as an override of the Town Manager's goal to budget under the tax levy limit.

Adjournment

Motion: by Board Member Timmins to adjourn this meeting at 9:42PM. Seconded by Board Member Wojtas. Vote was taken by show of hands. **Motion carries, unanimous.**

Respectfully Submitted,
Vivian W. Merrill,
Recording Secretary

Supporting Documents:
-Operating Budget Presentation
- Zoom Chat for this Meeting