



Finance Board - Regular Meeting Minutes
Tuesday, February 26, 2019 – 6:00 p.m.

Babcock Hall, Room 111
23 Highland Ave. Westerly, RI 02891

AGENDA

1. Call to Order

Mr. Swain called the meeting to order at 6:02 p.m.

Roll Call

Finance Board Members Present: Chair Kenneth J. Swain, Vice Chair Paula Brouillette, and Members Betsy Gleason, and Stephen Lynner

School Committee Members Present: Mary Adams, Christine Piezzo, Diane Bowdy, Marianne Nardone, and Christine Cooke

School Staff Present: Superintendent Mark Garceau, Director of Finance and Operations Barbara Perino, CPA, Deputy Finance Director Cindy Kirchhoff, and Director of Pupil Personnel Melissa Denton

Town staff present: Minute Taker Stephanie LaSota

2. Approval of Minutes

a. February 19, 2019

Mr. Lynner said on the last page of the minutes he asked if the fund balances were on 13 or 14 percent and Mr. Rooney said yes, not no.

b. February 21, 2019

Ms. Gleason's asked for clarification on special education costs written in the middle of page two. Dr. Garceau said it is specifically out of district special education placements. She asked if on page four, the 250,000 dollars was a bond or a transfer of fund balance and not a bond. Perino clarified it was a transfer of fund balance for the cosmetology program for relocation, plumbing costs, and equipment. Ms. Gleason also asked for clarification on the top of page five. Dr. Garceau explained and Mr. Swain suggested different wording.

Dr. Garceau requested the School Committee and school staff also receive a copy of the minutes to review before their meetings so they can make sure they are correct. Mr. Swain said they could receive copies of the approved minutes and they could be adjusted further at another open meeting, if necessary. He said they legally had to be posted within 30 days.



Mr. Lynner made a motion to approve the February 19 and February 21, 2019 Finance Board meeting minutes as amended. Ms. Brouillette seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

3. Review & Discussion

a. School Budget F/Y 2019-2020

Mr. Swain said they had copies of both (the Town and school) budgets with them tonight. Mr. Swain said it is a requirement by Town Charter that the Town Manager insert the School Committee's budget number into the Town budget and he extrapolated from that it would have to be the capital plan, as well. He said that gives them a budget a little out of balance but funds in total. He said the Town Charter also says the Finance Board and the Town Council have the rights to cut the school's budgets. He led with discussion on the school's capital budget, which appears in the Town budget on page 416. He said there was a sheet passed out last week by the school with highlighted items. He asked for more information on the following items; the phone system, security improvements, and the Springbrook safety repairs. Ms. Perino said they are budgeting 174,493 dollars for the phone system.

Mr. Lynner commented that the Rhode Island Department of Education (RIDE) reimbursement looks just short of 65,000 dollars. Ms. Perino said RIDE reimbursement was 35 percent of 499,000 dollars. She said not everything on the RIDE reimbursement is on the capital request because many of the items were under 50,000 dollars. She said this only includes items greater than 50,000 that were included in that RIDE request. There was conversation about the approval of RIDE funds. Ms. Perino said Westerly Public School (WPS) received notification from RIDE that they would receive 35 percent reimbursement on WPS our project. Instead of the project costing 218,960 dollars, it will only cost 174,493 dollars, Ms. Perino said. She clarified the process that WPS went through with RIDE for the funding. She said the money received is in a capital reserve account.

Ms. Swain said the minutes of the November 20, 2018 special meeting of the Planning Board didn't show an itemized list of what was being approved or proposed so he has to go back and look. He asked what flexibility the school had with transportation costs this year. Ms. Perino said she is evaluating two bids now versus what it costs for in-house service. She said one bid does not include purchase of busses and the other one does, but requires a schedule of vehicle replacements. Ms. Perino said until they make a decision, she would like to leave the five busses in the budget. She said they are over 12 years old and the average life of a bus is 10 to 12 years and 40 percent of the fleet is in that age group. She said they have made requests in previous years to purchase busses, but they were cut by the Town. Ms. Perino said the busses are roughly 83 to 85,000 dollars each. She said the cost would be 90,000 dollars a year for five years, which includes interest. There was further discussion on the details of the bid proposals. She said one company gave them three alternatives in their proposal and she still has to price them out, but she's not ready to cut the item until they decide what to do with transport services. Ms. Perino added they recently had two busses break down with students on them and WPS can't allow that to continue. Mr. Swain asked where the bus maintenance is reflected in the budget and Ms. Perino explained it is split among the five schools in the district. She said the total budget for vehicle maintenance parts is 155,737 dollars for 2019. She said that number should decrease if WPS buys new vehicles. She said they lowered it to about 125,000 for 2020 based on the purchase of new vehicles. Mr. Lynner clarified there is a 30,000-dollar annual offset for the 90,000-dollar annual budget item for five years.

Mr. Swain asked for more information on the phone system. Dr. Garceau said this request was in the budget last year and Ms. Perino said maybe the year before, too. She said the system they have now is no longer supported as it is old technology and if WPS doesn't do something now, they won't be able



to find someone to work on it. Dr. Garceau said there is not phone access to all the classrooms and you would not be able to identify where a call was made from with the current system. Mr. Swain asked if WPS checked with the Municipal Finance Corps (Division of Municipal Finance,) adding that restricted money should have been set aside for years for a new system. He asked if they could look into financing a system. Ms. Perino said they could potentially finance it. Mr. Swain said he would like to look at it this year, if possible. Dr. Garceau said there are planning and safety talks happening in the State, but they do not include technology and phone systems. Ms. Perino said part of the 35 percent reimbursement from RIDE included emergency money for panic buttons in the school. She said some schools have very poor cell phone service. There was discussion on possible grant money available for these purposes. Ms. Nardone asked if WPS could get more walkie talkies for teachers and staff until they could get a better phone system. Dr. Garceau said they certainly could, but they wouldn't have access to the Westerly Police Department with the walkies.

Mr. Swain began discussion on the to brickwork at Tower Street School Community Center and State Street School. Dr. Garceau said if the bond goes through there will be money in the bond for the preparation of Tower Street to serve as a swing space for WPS. He said there is a safety concern with the brickwork at Tower Street and State Street schools. There was further discussion on the cost of these products if they received the bond or did not receive the bond. There was conversation on the bleachers at Westerly High School (WHS) and their safety. Ms. Perino said the bleachers are not ADA (Americans with Disabilities Act) compliant. Ms. Bowdy said it is high priority to remove the bleachers. Dr. Garceau said WPS should get a quote on the cost of removing them. Mr. Swain said he agreed and would point the School Committee in that direction.

Ms. Perino said the two trucks WPS owns are not road serviceable. She said the Town allowed WPS to borrow the recreation truck and the other truck for sanding lots and plowing, which is not included in the vendor bid. She said she didn't want to see them get cut from the budget, because they'll have nothing. Mr. Swain said they should extend from a three-year to a five-year lease. Ms. Perino said the leasing company doesn't want to. Ms. Brouillette asked if WPS was part of the Town's vehicle replacement plan and said they shouldn't have 15-year-old vehicles that are not road-worthy. Mr. Swain said he is not sure the program presented to the Town Council included vehicles. Ms. Bowdy said it makes more sense to include them for greater leverage for better deals. Ms. Perino said you get better pricing when buying seven trucks versus two. Ms. Brouillette agreed certain school line items should be included with the Town's for leveraging purposes. She added that she looks at all the items and they should all be pay as you go. There was further discussion on dedicating a portion of the budget to it and avoiding finance plans.

Mr. Swain said the Finance Board needs a number on the savings estimate for the request for technology infrastructure. Ms. Perino said she will see what she can do on that. Mr. Swain also wanted to know, again, if they could finance a new phone system, because that would be a help, he said. Mr. Lynner asked if it was the same vendor and Ms. Perino said it is two different vendors for the phone system and infrastructure and programming work. Mr. Swain said he'll look forward to answers on that and it may be something that they discuss again.

Mr. Lynner said five people were incentivized to change their work status and asked if there was any talk to develop a more structured buy-out program for veteran teachers. Ms. Perino said a top step teacher is paid about 88,000 dollars a year and a new teacher is paid about 48,000 dollars a year. She said the savings could be as much as 50,000 dollars per year per teacher. Dr. G said WPS has not identified how they will pay for the incentivization and it may be a function of the general fund balance. Mr. Lynner said it could be viewed as an investment and it might more logically be a fund balance exercise in which you can demonstrate a rate of return, which is what WPS is doing and it results in a lower operating cost. Dr. Garceau said many folks don't understand it and don't know if they're eligible



for retirement. He said they are speaking to a person that can help with staff by giving workshops and seminars on the topic. Ms. Bowdy said they've looked at it every year and looked at what makes sense. Ms. Perino said making a structured program can cause them to lose a bargaining chip with teachers. There was further discussion on the incentives for teachers to retire. Ms. Nardone asked what the deadline was this year to retire. Ms. Perino said the deadline passed already and five teachers will retire from WPS in 2019.

Mr. Swain said they are done with discussion on the capital budget and he had questions about last week's conversation looking forward to next year's school budget. He asked about employee compensation increases for 2020 and said he was hoping for a reduction moving forward. Dr. Garceau said compensation rate increases are at 0, 1.5, and 1.5 percent for the Westerly Teachers Association (WTA.) Ms. Perino said employee benefit rates should remain at 8 percent. She said the pensions are contractual but they will increase. There was further conversation on pensions and healthcare costs. Ms. Perino said there were several factors that impact healthcare expenses, such as, an increase in the working rate and what plans employees take. Ms. Perino said last year there was a deficit because the working rate increased to 24 percent. She said WPS has seen that number start to turn around in the last couple of months and there is no longer a deficit, but a positive balance in the health fund. She said she wouldn't know the final number until May. There was further discussion on contracts.

Mr. Swain said in item number three under expenditures purchase services, he would like to get a student count attached to the three bullets; out of district tuition, special education district tuition (39 students, however no two tuitions are the same for two students, Ms. Denton said.) Ms. Denton said bullet three on transport is related to the Federal law Every Student Succeeds Act (ESSA,) which says if a child is in foster care, they are guaranteed education and transportation to their original district. She said they are currently bussing students from Warren, Smithfield and Providence back and forth to WPS. Mr. Swain asked if the 32,000 dollars is an estimate at best and Ms. Denton said yes. She said if they have a child in Providence that needs to get to WHS, they will often use State transport and how the State charges is quarterly and every quarter it's a different form for how they charge WPS. She said previously in the budget they had a line item on this and WPS made sure it be included in the 2020 budget. Mr. Swain asked how the State funded this Federal requirement and Ms. Denton said there was no funding given. She said some professionals are working with RIDE to come up with better guidelines to get state and Rhode Island Department of Children, Youth, and Families (RIDCYF) to take some responsibility, but it now falls on school districts. Mr. Perino said WPS receives 8.959 million dollars from the State. She said it has decreased and will decrease by another 94,000 dollars in 2020. Dr. Garceau said the Commissioner had mentioned they could revoke superintendents' qualifications. Mr. Swain said they seem to get more unfunded mandated State programs. Dr. Garceau said if they fail to meet mandates, the typical response is to withhold funds. Dr. Garceau said the Federal mandates are more stringent, especially if you violate Title I or Title III.

Mr. Lynner said looking at the numbers, WPS's in-district cost is the same as out of district costs per pupil. Mr. Swain said he is under the impression that they have the appropriate teacher population to increase student population and Dr. Garceau agreed. Dr. Garceau said the out of district cost is a 100 percent additional cost to the tax payer because that student's choice is to go to another school. Dr. Garceau added WPS must continue to pay teachers and keep staff, despite declining enrollment. Mr. Swain said the tax payer has to understand that students that live here and don't attend school here is a cost on their taxes. He asked if they could identify the number of students going elsewhere for programs that WHS already has in their Career and Technology Education (CTE.) There was further discussion on career pathway niches in other districts. Mr. Swain asked what the Westerly region was and Dr. Garceau said it was the same as the Chariho region. He said as long as a program is RIDE approved, they can accept students from other districts. He said WPS became RIDE certified for its medical pathway



program. He said there is a hearing tomorrow night for House Bill 5266, which Chariho School District is putting forward. Mr. Lynner asked if it specifically names WHS. Dr. Garceau said it is specific for high schools that have CTE programs. Dr. Garceau explained in 2012 regulations changed, allowing WHS to have pathways and Chariho High School and other districts do not want that. He said they currently get to review students and “cherry pick” who can attend their programs. He said WHS doesn’t have that luxury. Dr. Garceau said in the law, districts can set reasonable entrance criteria and they can deny kids access based off of that. Dr. Garceau said if we were going to accept students from another district in a CTE pathway we could have qualifying criteria, but if they show up for general education, we need to accept them. He said they have five RIDE approved programs. He said PTech (Process Technology) is another program they are seeking to grow. Ms. Gleason said House Bill 5266 passing would end any opportunity for WHS to recruit other students. Ms. Nardone said Chariho High School had a jump on Westerly for having these programs over the years. There is a mindset with some people that Chariho is better because they’ve done it longer, she said. Mr. Swain said they will always have some students that leave, but they don’t want to see the number increase. There was further conversation on the student population. Dr. Garceau said WPS serves 2,656 students; 54 attend charter schools, 77 attend Chariho and Narragansett High Schools, 50 are home schooled, 37 are in out of district placements, and 2 are in special education out of district placements. Ms. Perino said page 21 lists WPS out of district tuitions, including regular and special education. Mr. Swain asked if that 909,810-dollar increase for Chariho High School is a projected number and Ms. Perino said yes. Dr. Garceau said last year there was an increase in students leaving WHS for Chariho High School. He added that Chariho has many CTE programs. Ms. Perino said criminal justice is the biggest one they noticed and they chose to create that program at WHS. Mr. Lynner asked if Electric Boat (EB) would partner with WHS. Dr. Garceau said EB is a partner, particularly with the PTech program. He continued listing the CTE that Chariho High School has. Ms. Brouillette said the original reason why there were CTE schools was because high schools didn’t want to do it all and now, we are anyway and we are chasing money. She said this is difficult to manage over the long-term and she doesn’t have a solution. She said this was a solution to something 50 years ago because of the money. She said this is a State and Federal level problem. Ms. Bowdy said it is just like the unfunded mandates; it costs money but WPS has to respond. There was further discussion on CTE high schools. Dr. Garceau said House Bill 5266 has been a letter writing campaign for the past week and there is a hearing tomorrow. Mr. Swain said if that passes, WPS can still create CTE programs, but it will have to build it to keep students in the district. There was further discussion on the costs involved to send students out of the district. Ms. Denton said in Chariho if a child has an Individualized Education Plan and chooses them for services, WPS receives a quarterly bill for that. Mr. Swain said he hopes the bill doesn’t go through. There was further discussion on the cost to the community because of the system. Mr. Swain talked about the 4 percent property tax levy cap. He said this year they are looking at a substantial increase to the school’s budget and there’s not much they are able to look at that they’re not contractually obligated to do.

Dr. Garceau said between 2018 and 2019 WPS is down 20 positions. He reviewed the topics of discussion in the meeting; healthcare costs, out of district tuitions, and employee compensation increases of only three percent over three years (0, 1.5, and 1.5 percent.) Mr. Swain said they haven’t seen a contract of that nature for some time. Ms. Perino said they brought parity to healthcare costs and increased their co-shares as well, as for many years in the contract the WTA paid 10 percent. Dr. Garceau said as people retire and they hire new staff, the high deductible plan will be the only choice.

Mr. Swain thanked the School Committee for an understandable budget. He said the Finance Board will have deliberations on the numbers. Ms. Brouillette asked about State Street School. Dr. Garceau said Tower Street School Community Center and Bradford School are the two that are under deliberation for what to do. He said they are School Committee decisions, but when he looks at Tower



Street, it would be used as a swing space and students would vacate it if they got the bond. He said he wouldn't mind moving administrative staff to Tower Street and maybe leasing some of the space and using other space for students. He said he wouldn't want central admin in Bradford, but asked the director to consider options. Mr. Swain said if you were to invest in Bradford for special education, would those students have the choice or would they have to stay in the district. Dr. Garceau said that's an IEP decision if they can meet the student's needs in district. Chariho's RYSE School Clinical Day Program is their special education program, Dr. Garceau said. There was further discussion on the benefit of doing a special education program in house. Dr. Garceau said they can't have every program and meet every specific education profile. Mr. Swain said there needs to be a cost benefit analysis for the program. Ms. Brouillette said the projection is we will have 2,500 students and that's why she asked about use of buildings. There was discussion on constructing new buildings versus renovating old buildings.

Mr. Swain thanked the school staff and School Committee for their time. Mr. Swain asked that a copy of the WPS power point presentation by sent to John Moretta in the Westerly Town Manager's Office.

4. Other Business

There was discussion on whether or not to meet with the school on Thursday, February 28. Mr. Lynner said he would like to reserve time at the March 5 Finance Board meeting to discuss the school budget. Mr. Swain said yes and they are not constrained on time.

Mr. Swain said they may have more questions for the school staff after March 5. He said their goal is to have enough deliberation amongst the Finance Board and Town Manager to have recommendations ready before March 14 to present and discuss.

5. Public Comment

None.

6. Adjournment

Ms. Brouillette made a motion to adjourn the meeting at 7:42 p.m. Ms. Gleason seconded the motion. The motion **CARRIED** by unanimous vote with no abstentions.

Respectfully submitted,

Stephanie J. LaSota
Minute Taker

