

Chariho School Committee Special Meeting/Budget Workshop - Virtual
Regular Session Minutes – January 25, 2022

Committee Members Attendance: Chair Linda Lyall, Vice Chair Catherine Giusti, George Abbott Ryan Callahan, Donna Chambers, William Day, Gary Liguori (arrived at 6:05 PM), Craig Louzon, Lisa Macaruso, Linda McAllister, Karen Reynolds and endawnis Spears.

Administrators and Others Attendance: Superintendent Gina Picard, Assistant Superintendent Michael Comella, Director of Administration and Finance Ned Draper, Assistant Director of Administration and Finance Gail Wilcox, Attorney for the School Committee Jon Anderson, Charlestown Town Council President Deb Carney, 6 community members and District Clerk Donna Sieczkiewicz.

I. Meeting Call to Order/Pledge of Allegiance, Silent Meditation

Chair Lyall called the Virtual Special Meeting/Budget Workshop to order at 6:01 PM. The Pledge of Allegiance was then followed by a moment of silent meditation.

II. Stage I Application Regarding Our 5-Year Capital Improvement Plan

Ned explained that every five years we approach the Department of Education for capital projects we want to do. Last year we put our Stage II application on pause so we are revising the Stage I application to focus on our capital plan (items like roofing, security, safety). We will discuss HVAC more on Thursday as that needs work. We have about \$10 million in needs over the next five years. Colliers will assist us to get the State Aid reimbursement. Craig noted that the page that details the \$22,500 Service Fee for Colliers was not included in the packet. Ned placed the document on the screen for all to see. Craig commented that it seems like a standard form so he would make a motion to approve it. Chair Lyall noted that the motion for this would come under the next agenda item if Craig could put that on hold for now. Gina stated that the Stage I application to RIDE is standard operating procedure now. It is a newer process that they have had to go through the past few years to get the 61% State Aide reimbursement. She recommended approval of the Stage I application for the five-year capital plan. Craig made a motion, which was seconded by Ryan, to approve the Stage I application for our 5-year capital plan. George asked if this could lead to a new building plan to which Gina responded that, at any point in the next two years, you could put in a Stage II application but this does not include it. Stage I is to finalize the capital improvement plan. George clarified that in no way this opens up the door for a new building to which Ryan explained that this is the maintenance of effort portion. Anything of a new building nature would have to come before the public and the School Committee.

Craig Louzon made a motion, seconded by Ryan Callahan and it was

VOTED: To approve the Stage I Application regarding our 5-year Capital Improvement Plan. In favor: Unanimous.

III. Agreement with Collier's International for Completion/Submission of Stage I Application

Superintendent Picard recommended approval of the Agreement with Collier's International for completion/submission of our Stage I application to RIDE. Collier's is part of the MPA. Craig made a motion, which was seconded by Ryan, to approve the Agreement with Collier's International for completion/submission of our Stage I application to RIDE. Craig questioned the \$10 million deferred maintenance. We have \$1.2 million in the next budget. Are we going to have

to post a bond to do all this in 3-5 years? How will we be able to do it? Ned replied that is an excellent question. The \$10 million is a pretty intimidating number. We recycle State Aid from the current year and it goes into the next year's budget. We could see up to \$7 million in State Aid reimbursement so this would bring the number down to about \$600,000 per year. We will have conversations about long-term plans for these buildings. We know we need a new roof at CTC; septic systems not sure about. We do have to get our reimbursements in place. RGB had presented a variety of HVAC improvements which amounted to millions. We were not sure we wanted to go in that direction. Right now it looks like we can manage over the next few years and then determine long-term. George asked if Colliers employed or was affiliated with anyone who works at RGB to which Ned responded that he is not aware of this. Colliers is an independent third party; they work for us. George wondered if they have a liaison with any plans. Ned replied they could. We had to work with RGB on asbestos concerns so Colliers worked with them to get this information. Bill commented that he was on the Building Committee and worked weekly with Colliers. He has complete confidence in them and will support them 150%. They were all over RGB to do what they had to. There is no indication that Colliers took anything from contractors or RGB.

Craig Louzon made a motion, seconded by Ryan Callahan and it was
VOTED: To approve the Agreement with Collier's International for completion/submission of our Stage I application to RIDE. In favor: Unanimous.

IV. Title IV Grant Application

Superintendent Picard recommended approval of the Title IV Grant Application. RIDE had a quick turnaround for the timeline so it had to be submitted right away. Dr. Comella is here to answer any questions. Craig made a motion, which was seconded by Ryan to approve the Title IV Grant Application. Chair Lyall opened the floor for questions. There were no questions.

Craig Louzon made a motion, seconded by Ryan Callahan and it was
VOTED: To approve the Title IV Grant Application. In favor: Unanimous.

V. Budget Workshop

Gina shared a couple updates. Late Friday afternoon the Governor dropped his budget and State Aid is funded like it was last year which is great for Charlestown and Hopkinton but not for Richmond; they will be losing around \$200,000 for this year. There are a handful of communities that were impacted. Richmond put in low income housing and they should get the extra \$200,000+. Legislation will have a lot to say. She is going to reach out to Karen Pinch. Ned added that if this goes forward, the whole state will have to consider what it will mean for next year if enrollment is considered. We are not in that position as we have been stable. He is not sure how they will approach that cliff. Next year's fund balance conversation may be more challenging. Gina noted another item in the Governor's budget – Transportation Categorical Aid. She will ask Senator Algiere and Representatives Filippi and Kennedy for their support as we are receiving \$590,584 less than last year. We should be receiving \$2,127,908 to be consistent with state law. There is strength in numbers. Ned sent out information on the other four regional districts this impacts. There is a \$1.6 million decrease to regional transportation that affects all four regional districts. Gary questioned the rationale behind the cut; why is it such a deep cut? Gina noted that this has been a topic of conversation for years. We have been promised it but the Governor's budget cuts our allocation and this budget becomes law. Ned stated that the Department of Education was helpful in explaining the formula but the state has departed from using the formula with no reasoning applied. It is not clear to him why it was done this way. Hopefully we can work with legislators to repair this. He thinks the District is in a good position to

argue for it this year. Gina noted that all questions gathered from workshops and the Omnibus Meeting are included on the FAQ that has been sent to all towns and is on our website. This allows everyone to see what has been asked with responses along with links to all budget information. Catherine commented that the Omnibus Meeting was short. Has there been any feedback from the towns? Usually by now we have a lot more feedback. The lack of talk about the budget leads her to believe that people won't support it. Gina replied that she and Ned have worked with all three town finance directors and have responded to their questions. They have explained everything to them. Any cuts to our budget are a gamble as there is not much wiggle room. The budget was presented with the fund balance at 2.25%.

VI. Adjustments to Superintendent's Proposed Budget

Ryan questioned, based on the shift in State Aid, if Ned had the numbers for the title page yet to which Ned responded that he did a draft based on the Governor's recommendation just so he would have the percentages which are as follows: Charlestown (with State Aid) is at 3.88%; Richmond (with State Aid) is at 3.68% and Hopkinton (with State Aid) is at 2.7%. We have a slight loss of about \$50,000 using the Governor's recommended budget. Ryan commented on the significant shift from where we were. He made a motion, which was seconded by Craig, to move the fund balance to 2% to which Chair Lyall noted that would be a savings of about \$143,000. Gary stated that he does not know the history; has it been that low to which Craig replied that this is the sacrificial lamb. We end up reducing it to 2% every year. Catherine felt this was a good suggestion as it is the only one so far. It is a reasonable one but they need to warn people that there will be less money to offset next year's budget. A word of caution but she will support the motion. Lisa asked Ned for historical information; what was the fund balance for the past four years. Ned replied that he will research that. Lisa stated they have the same conversation every year. We have taken the advice of the auditors for sustainability as a district. We have to prepare for all things. They never recommend going below 2.5% and she is not going to be able to move forward on this to support it. She feels they still have lots of time. If they reduce it now, the only other place to cut will affect programs and staff. We have not heard everything yet. Bill agreed with Lisa. He would like to see Ned give them a few pros and cons. This is a little too smooth to be comfortable with it. He is not sure they are getting the whole story. They should wait until the drop dead date. He will go with Lisa's recommendation as he feels they are jumping the gun. Linda McAllister also agreed with Lisa. The right path to go is to rely on the historical value of members who have been here; do more thinking on it. Craig commented that people have short memories. Every year we reduce it to 2.0%; we have never been at 2.5% or 3.0%. endawnis appreciated the history and input from others. She does feel they have time. She is not necessarily against it but more discussion is needed before they vote. Catherine felt it was a good idea to look back. There has not been any conversation about cutting it. She is happy to listen to the rationale. She would be shocked if they got through the budget process without any cuts. They should cut where it does not affect staff or programs. Ryan thanked all for the feedback. That is why he made the motion but he will withdraw it. Craig, with some hesitation, withdrew his second even though he didn't really want to. We are on our third budget workshop and nothing has been done. Chair Lyall thanked all for the good discussion. She, too, feels they still have time. She noted a recommendation that was made from Brian Rosso to look at health insurance costs and not budget for everyone to have a family plan. Ned replied that consistent with the challenge we received, we are not filling all our positions; this is not typical. Vacancies are what is really driving the fund balance. He is not comfortable abandoning family plans for single ones. They should look at the fund balance and the health plan. We are self-insured and have had good years with favorable outcomes over the past few years. COVID has had an effect on this. Donna asked why don't they consider this as it makes sense to her. Chair Lyall noted that Donna could make a motion or Ned could come back with some numbers. Donna

liked the idea of Ned putting together some numbers and see what it will look like. Ned noted that he can put this in the FAQs. Bill commented that the District has an advantage over town budgets as the Committee controls the bottom line. We have the flexibility to transfer funds. Anything they can do to keep a fund balance but would favor something that will help with taxation. Lisa pivoted to spending more money. They haven't come to a resolution on Preschool tuition and she thought this was going to be discussed during a workshop to which the Chair replied Lisa was correct. Lisa stated that she is not sure if everyone is prepared tonight or if they want to think about it. Do they want a more corporate philosophy or 'All Kids. All the Time' philosophy? Ned noted that he is ready with financial information and Lisa thanked him for being neutral-minded. The Superintendent stated that they could talk about this tonight or add it to the conversation on Thursday. Chair Lyall asked if Ned could send out the information so it could be reviewed for Thursday, would Lisa be OK with this to which Lisa replied that she was fine with this. Lisa felt the more informed they are, the better. More transparency. She does not think they should raise rates as she sees the value neurotypical students are bringing to special needs students. This is the way she is leaning. Chair Lyall opened the floor for questions. There were no questions.

VII. Adjournment

Ryan Callahan made a motion, seconded by Gary Liguori and it was

VOTED: To adjourn at 7:02 PM. In favor: Unanimous.

Donna Sieczkiewicz, District Clerk