

FINANCE COMMITTEE

**TOWN HALL BUILDING
8 PARK STREET**

**FINANCE COMMITTEE MINUTES, 04/12/18, 6:00 p.m.
ADAMS TOWN HALL, 1ST FL. BOARD OF SELECTMEN MEETING ROOM**

CALL TO ORDER: Meeting was called to order by Chairman Burdick at 6:00 p.m. Members Kleiner, Corrigan, Smigel, Parrott, Johnson, Foster, Lefebvre, Tomkowicz and Cowie were present as well Superintendent Putnam and Business Manager Snyder, School Committee Chairman Butler, and McCann Business Manager Dan and Representative Maher.

FY2019 BUDGET REVIEW:

Adams-Cheshire Regional School District: *School Committee Chairman Butler* gave an overview of the budget highlights and information about the intervention positions added into the budget. He reviewed further investments in Project Lead the Way, additional STEM staff, high school content staff and Paraprofessionals. He noted that Retiree splits were changed and updates to the foundation formula that impacted assessments were reviewed. Chapter 70 funding is expected to increase in a minimal amount. The total assessments were reviewed briefly. Repurposed positions and net school spending versus target spending was explained. *ACRSD Superintendent Putnam* explained the elective position moving into one of the four core areas. He explained that the Collins Study noted students have too many study halls and this change will offer more courses to students and add a STEM teacher. Testing and raw scores were noted as dropping off in the science areas. Accuplacer information will be looked at for performance evaluations. A retirement is taking place and the District will be hiring someone with appropriate licensure. It was explained that the District is pushing toward health care programming to provide success for students in that academic area. It was noted that a significant number of Cheshire students went to Pittsfield, Central Berkshire and Lanesborough Schools. It was inquired why the District is adding staff with a continued decrease of enrollment over the years. It was noted that no administrative positions were added, but past cut instructional staff were being added back in due to Special Education laws. It was noted that the Foundation enrollment is different than the October 1st enrollment numbers. *Business Manager Snyder* reviewed the slides presentation that had been previously given and reiterated the highlights. The Budget components, Cherry Sheet, expenditures, savings and assessments, Foundation, Transportation and Capital were explained. The Cherry Sheet was outlined to show an extra \$20 per student. Charter tuition reimbursement and School Choice amounts were reviewed. Finance Committee Members asked for clarification on numbers that did not match and it was explained that the budgets were figured conservatively and ended up being a 60% higher assessment versus 70% real costs. Residential locations for special education were explained. Charter School tuition costs were noted as around \$13,000 per student, and numbers change as tuition rates are finalized for the schools. Contractual increases and additional funds in Capital for the potential roof repair that may not be covered under warranty were explained. It was noted that the Teachers' Union last year negotiated a new salary schedule which minimized increases. Contract negotiations last year moved from a 12-year step to a 19-year step wage schedule. It was noted that the average wages in Massachusetts are in the top five in the country for salary. Reduced stipends last year paid out \$30,000 less than the previous year.

It was noted that the School move added new stipends. An inquiry was made about rolled over funding for stipends, and it was noted there were \$110,000 total in stipends but all stipends were reduced. It was explained that School Choice law notes that transportation is entirely the parents' responsibility but the District will pick up a child if the parent can get the student to a bus stop and there is room on the bus. Students opting for School Choice who required Special Education or are homeless are provided with transportation. The Charter School and School Choice assessment histories were reviewed. Building maintenance was noted as being \$40,000 for Hoosac Valley Middle and High School roof for items not covered under the warranty. It was explained that the School District used building maintenance funds for the C.T. Plunkett School for carpet removal, tile installation, repair to the lift, brick repointing, an EDM Engineering contract, the repair of the back steps, fire safety work, and frozen pipe heating issues that took place. *Superintendent Putnam* reviewed the Hoosac Valley High School roof leak in more depth, describing leaks in the A Wing and also B Wing which was reported to the company that did the work. He explained the three roofing systems done by three different roofing projects. The warranty was outlined. Committee Members inquired about the funds in the budget for the stairs at the C.T. Plunkett Elementary School building which is listed in a Capital project for \$300,000 that the Town of Adams is covering. Superintendent Putnam meets regularly with Interim Town Administrator Cesan regarding Capital Projects and the funds are being spent down entirely. \$36,000 is left from Capital Assessments. The stairs were evaluated by EDM and the Building Commissioner and the project should be completed under \$10,000. Committee Members asked what the balance is of the building maintenance funds. *Ms. Snyder* advised they exceeded the expected amount in repairs for the boiler and whatever is left over goes into the District's Excess and Deficiency Fund. Committee Members expressed concern and noted that the Town had gone through the process of appropriating funds for maintenance and then when the work was not done the Town had to appropriate funds again for the same repairs. It was explained that the historical use of maintenance funds was not known by School District, but this year the funds are going toward building projects. She noted that brick pointing and masonry are in dire need of repair. The School District submitted a Statement of Interest to redo the whole building to the Massachusetts School Business Authority. It was explained that the 1994 section of the roof is in good shape but the 1924 middle section of the entire roof needs to be done and the brick pointing on that section is in disrepair. The gymnasium and auditorium also need a great deal of work. Windows and their maintenance over the years was discussed and it was pointed out that there are 318 aluminum frame windows that were replaced in 1994. Only the windows at the entrance to the original building are wood framed and need work. Committee Members noted the stairs could have been maintained instead of waiting until the State had to come in to get them fixed. On April 23rd Allegrone is coming to repair the stairs. The chimney and portico were pointed out to be more pressing problems and needed to be fenced or boxed in. Several masonry companies gave estimates for repointing the building and it has been worked on since this building was chosen as the location to relocate the kids. It was explained that there is a tremendous amount of work to be done to maintain the building. Replacement of roofs will be more than either Town can afford, so the School District is looking for help from the State. An inquiry was made of the School District to provide a 2017 year-end report of the list of repairs and maintenance contracts for anything over \$3,000. It was noted that the maintenance budget for the building was \$248,000, and contracts only totaled \$54,500, but the year-end report shows the total paid out was \$174,392 and contracted services at \$120,000. A gap in the amount was noted and an inquiry was made where the money is and where it goes. Concern was expressed that a lot of maintenance money is not spent but the Town is being told the School District needs more maintenance money and the unspent funds may possibly be going to stabilization.

Ms. Snyder advised it is budgeted appropriately for next year to do what is expected for projects. She clarified that any extra funds are put into Excess and Deficiency. Ms. Snyder will research whether contracts include other costs and provide answers. Committee Members explained that the Town budget shows what is appropriated and expended for the prior two years, what was budgeted for the current fiscal year as well as what is spent to present date, plus and what is budgeted for 2019. It was recommended and agreed to that the School District provide this information for the next budget year. It was noted that there are no other stairway issues, other than the portico on the McDonalds side. Custodial Services supplies for the Elementary School were read as being over \$14,000 but the High School and Middle School are much bigger and less than half that amount is spent on supplies for each of those buildings. It was explained that custodial equipment was \$5,000 for the Elementary School, \$700 for the Middle School and \$700 for the High School. Some floor cleaners have to be purchased this year and next year. Supplies are an actual representation of what is spent. The Middle and High Schools have one bathroom for several students and there are a large number of bathrooms in the classrooms in the C.T. Plunkett Elementary School. Expenditures and savings, the costs of the building closure and net metering credits were reviewed. Retiree active plans and MEDEX are being phased over three years to a 51/49 split in 8% increments. MEDEX was explained in depth. Enrollment penalty information was shared. It was noted that the monetary value of the changes provided a savings to the School District. Added and repurposing of positions was outlined. It was noted that a Retiree drug subsidy reimbursement based on MEDEX enrollment returned \$208,000 back to the District. Foundation budget calculations were reviewed. Changes in enrollment, demographics and wages were reviewed. Municipality wealth and property values of the municipalities were noted as being a factor. The minimum local contribution per DESE was read. The calculations and the formula used were reviewed and it was noted that the School District is using Excess and Deficiency funds to offset assessments. The Town of Adams' required contributions were reviewed and the total foundation assessment was noted as increasing slightly. Transportation assessment calculations were reviewed and based on the Governor's budget. Capital assessment was noted as increased for the roof repair. Ratios and splits between Adams and Cheshire for Boiler Bonds were explained. Building Project debt outside the Levy Limit and items in the Levy Limit were listed. A discrepancy in the DESE number of SPED Teachers in the District and the actuality was discussed. This information is input by a Student Information Management System, which is paid to manage the data for the School District. Reports are uploaded into the system, including information about every teacher. Massachusetts curriculum requirements and reporting were discussed and some remain undefined. Committee Members commented on the Collins Report that stated Math and Science in the School District were deficient. Required degrees, qualified substitute teachers and the cost to hire a substitute per day were discussed. It was noted that McDonalds pays more than a Substitute Teacher is paid. The difficulty in getting substitutes was discussed and a Paraprofessional steps in to teach. The substitute is for the Paraprofessional. Thirty Paraprofessionals have degrees. Special education numbers and percentages were reviewed and it was noted that 17% is the State average but this School District is at 24%. North Adams is at 27% Berkshire Hills at 21%. It was noted that this higher number may be a result of better identification of issues with the RADAR software package. It was expressed that there is a possibility that more students have been identified than should be and some should have Tier II intervention. It was noted as unknown how many children come in from out of the area where they may not have been educated properly. Special Education data was translated for Committee Members. Residential placement for students that the School District cannot provide legally required services and needs for was discussed and it was noted that by law there must be integrated services for students offered. The only residential placements are one for the School for the Deaf, and for vision.

The School District recently partnered with North Berkshire Academy to meet the needs of students so they are not being sent to Pittsfield, Connecticut, or other locations. The cost was noted as \$93,000 per student at one place and if the School District cannot offer the service it must be provided. A follow-up Collins Report is expected but not yet received. Teacher absenteeism noted in the report was addressed in the new contracts and a pay incentive was given for not using sick days. Doctor notes are required earlier than in past practice for sick days. It was noted that there was an impact to the level and quality of education if teachers are out. The School District was thanked for making the changes. The buyout for sick time for retirement was noted as being different for each unit but requirements included twenty years, and age over 55 years, over 80 days of sick time and teachers only for \$10,000. Non-teachers are paid some sick time but all contracts are different. The contracts were noted as being available online. ***Motion made by Member Lefebvre for the Finance Committee to RECOMMEND the Adams-Cheshire Regional School District budget for approval, second by Member Cowie. Vote: unanimous.***

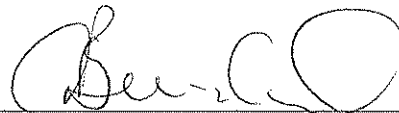
McCann Technical School: Mr. Maloney and School Committee Chair Mahar gave an overview of the budget and the positive achievements of the year. McCann was raised to a Level 1 High School. Machine Technology won the gold medal in Louisville KY for the National Competition. The students have been engaged in community service projects for Louison House and PopCares. Robotics placed third in their competition and excelled in their program. They have participated in community service projects including local food pantries, creating railings, roofs, sheds, and fancy stamp for weights and measures done in the shops. It was noted that there is barely enough money to keep the programs going the way they are. Superintendent Brosnan was noted as being remarkable as a finder of grants and found over \$470,000 last year, the majority of which were used for equipment upgrades for McCann. Grants received were used for software, CAD, new lathes and CNC Machines. It was pointed out that McCann graduates often come back to teach. McCann worked with National Grid to put in LED lighting to manage usage of energy and students are doing lighting projects. The Cafeteria has detail and trim work provided from the Carpentry program. It was noted that the students take pride in their work and there is no graffiti or damage to the building, and very little discipline. The lack of state funding was noted as being the biggest challenge as expenses continue to increase approximately 3% every year. Transportation funding was touched on. An explanation was given that when someone retires the position is evaluated to see if it can be filled at a lower salary or eliminated. If the trend continues the School will need to look at providing fewer programs. Insurance from Berkshire Health Group showed at 0% increase. Building maintenance was discussed more at length. The roof is nearing twenty years old and requires roofing repairs every year. Most windows are single pane glass and the frames are getting rusty so there will need to be local school assistance planned for in the future to be sure the project is ready when funding is available. Cuts were made to bring the total budget increase down to only \$3,800. The increase from the State this year is a \$20 per student increase. The Town of Adams' assessment was explained and is a decrease from last year. Enrollment numbers were reviewed and a shift in enrollment was noted as the fluid ratio between Hoosac Valley High School, Mt. Greylock High School and McCann. Transportation funding was planned at a higher estimate so the School does not have to ask for more money and will refund money back to the Towns if excess transportation funds are not needed. Bonds and the Town's responsibilities were briefly touched on. It was pointed out that most budget lines have been level funded except for a \$5,000 jump in salary for step increases. Contracted services showed additional financial software as required by the State. Teaching salaries balanced out some of the budget because two retirements were not replaced. An inquiry was made about whether Superintendent Brosnan would be retiring soon.

Substitutes were noted as being an issue but there are very few staff absences. In the past the School has overspent the Substitute Teacher accounts and this budget was increased to match actuality. Professional Development stipends were explained. Instructional Technology is increased by \$10,000 for a software upgrade and updates. Bus transportation was noted as being in the second year of a five year fixed contract with Dufour. Athletic supplies changed by \$6,000 for replacement of ten-year-old uniforms and for safer football helmets. Building heating costs were noted as overspent on natural gas this year due to a very cold winter. The oil tank in the ground was replaced and the school occasionally runs the boilers with oil to make sure they function properly. Electricity showed an \$8,000 increase and the School is trying to manage this with LED lighting. Grants will hopefully stabilize this. HVAC and plumbing shows what has been spent to replace aging components. Retirement funds, unemployment and severance lines were explained. Sick leave buy back is capped at 225 days, and at \$35 a day. Unemployment costs were explained. Grants are being used to reinvest in the school for capital projects and with tighter budgets one project a year is being accomplished. 90% of the building has been rehabilitated over time in this fashion. The custodial staff was noted as being outstanding and there are licensed contractors on the teaching staff. An inquiry was made about solar panel use, and McCann does utilize net-zero solar tax credits from solar farms. Solar panels may be implemented with controls and monitoring for educational purposes. An inquiry was made about how many graduates go directly into the workforce versus enrolling in college. The structure of the academic versus shop schedule was explained. It was noted that there is not a Plumbing program but Metal Fabrication covers some of it. One instructor is a licensed Plumber. There is not enough space to add another program but there are after hours programs offered at McCann for Plumbers and Electricians for local contractors to keep their licenses up. The courses are revenue neutral because it costs money to pay the instructor and use the space, but it is a great service to the area. ***Motion made by Member Lefebvre for the Finance Committee to RECOMMEND the McCann Technical School budget for approval, second by Member Cowie. Vote: unanimous.***

ADJOURNMENT: Motion made by Member Lefebvre to adjourn the meeting, second by Member Cowie. Vote: unanimous.

The meeting adjourned at 8:12 p.m.

Respectfully Submitted by Deborah J. Dunlap,
Recording Secretary

A handwritten signature in black ink, appearing to read "Timothy Burdick", written over a horizontal line.

Timothy Burdick, Chairman