

Town of Wellfleet Finance Committee
715 Old King's Highway, Conference Room
Wednesday February 12, 2020, 7:00pm
Meeting Minutes

Members Present: Fred Magee, Chair; Ira Wood, Janet Loewenstein, Stephen Polowczyk, Jeff Tash, Sarah Robin (8:03pm)

Members Absent: Kathy Granlund, Linda Pellegrino, Bob Wallace

Others Present: Tom Conrad, Superintendent of Nauset School System; Mary Beth Rodman, principal Wellfleet Elementary; Giovanna Venditti, Director of Finance and Operations Nauset Regional School System; Greg Lavoisier, Chairman of the high school building committee; Jennifer Wertkin, Director Wellfleet Library; Retha Ciotti (chair, Board of Trustees), Mr. Easley (observer)

Nauset School System Budget Review ~ Tom Conrad, Mary Beth Rodman and Giovanna

- Rodman and Venditti presented the budget for Wellfleet Elementary School. She explained that the budget increase is a 3.7%. She went on to go over the different funds that will be supplied. She talked about the after school programs. Loewenstein asked what was driving the increase in the budget. Rodman stated it was the special education.
- Rodman talked about the school's own collaborative program in which the students can stay with their peers until the point where it is no longer in the student's best interest to attend WES and need to be schooled elsewhere.
- Chair Magee addressed the issue of a sprinkler system needing to be installed. Rodman explained that this is a requirement from the Wellfleet Fire Department. They have amortized the total (approx.. \$1 million) over several years of the WES capital plan to reduce the one-year impact. The system will be installed in 2022.
- Chair Magee asked what if anything big she could foresee for the next three to five years. He asked about special need's students. Rodman explained that they have two special need students this year and they will move forward to middle school and she doesn't expect a large increase with special need students.
- Venditti reviewed the middle school and high school capital budgets with the committee. Chair Magee asked her if the main portion of the capital budget was oriented more towards the middle school than the high school, considering the proposed HS upgrade and Ms. Venditti said it was.

- Polowczyk asked her what she had on reserve for cash, Venditti explained that the district amount that was certified by the state was \$1,457,257.00 which was certified July 1st. They are applying for extraordinary relief from the state due to the large amount of special needs students that are coming in. She talked about the E&D fund, which is considered the schools free cash. The E&D can be used to adjust the school's budget if needed.
 - Polowczyk asked about the interest earned and was it a good amount. She stated that it was.
- Loewenstein asked if Venditti had received the letter circulating about the cost of school choice that was submitted to the FinCom – relating to cost to Wellfleet of NRHS apparently spending more than it receives for students attending from outside the region. She stated she had not seen the letter. Chair Magee asked to hold this discussion until correspondence, when the letter will be addressed, thinking this will lead to a much more detailed discussion.
- Chair Magee asked about the region-only budget, Venditti explained it was up about \$43,000 mostly due to salary increases. She went on to discuss the regional budget, school choice, students leaving the district (in terms of the cost to the region) and went on to discuss special needs students and the teacher's salaries.
- She stated there was a decrease in the transportation cost. She explained this is based on the incoming students. Chair Magee asked that when the committee looks at the \$20,000 cost to educate a student per student per year - is this an average calculated from the total cost (e.g. budget) divided by the entire school population?
 - She explained they send in a report to Department of Elementary and Secondary Education to formulate all the information and they develop an appropriate number, which goes out to all the districts and the charter schools. It's not only the costs that are in the operating budgets but also grants that are received which helps calculate the amount.
- Venditti moved forward with insurance increases, which will continue to go up because the current buildings are not up to market value and will need work which causes the insurance to go up. This doesn't include the new school that will be built; this is only for the current buildings.
- Chair Magee asked Venditti if she can project whether the next three to five years will have any significant new expenses - other than what they are aware of. She stated that she feels the health insurance and special education costs will be going up.

- Venditti moved on and presented the committee with a pie chart to explain how funds are appropriated and spent. The main increase is in salaries. She continued to move on with operating budgets. She explained she would go through each section and if there were questions, she would explain.
- Venditti explained to the group that the school would be going applying for approximately \$800,000 in circuit breaker funds. She explained they would use some funds from the revolving account. Loewenstein asked if she could clarify what circuit breaker funds are. Venditti explained that they are funds they receive from the state for special education costs but they don't include transportation. She explained it will change in fiscal year 2021 but she isn't sure right now how much those amounts will be. There is a meeting in March with the collaborative where she will get more information.
- She went on to discuss the school choice revolving fund. There is a decrease this year because in the past they have utilized the additional fund balance as a resource. They are now depleted, caused by a reduction in revenue from school choice. They budgeted for 320 student and only received 292 students last year.
 - Right now, they have 283 students and have budgeted for that number. For budgeting students, they estimate \$5500 to include special education increment per student. They are utilizing money from the Cape Cod tech revolving fund as they provide consulting services at the tech cafeteria. They also plan to utilize funds from the international student fund not using it in the past two years.
- Central Office costs were reviewed after school choice – as there has been an increase in costs. Chair Magee stated up until 2017 they listed transfers in from revolving fund as income and now it looks like an expense. She stated they were utilizing the amounts from revolving accounts and including them in the income portion of the budget and the state came in and told them they couldn't do it that way and had to charge directly to the revolving accounts.
- Ms. Venditti provided estimates on the number of students from each town for the coming year. Venditti continued by explaining that Wellfleet has lost one student and the total population for the number of enrolled students is 1,199 students. They have the allocation for the number of students for each town.
- She moved on to the debt services, which includes the windows and roof for the new high school and the roof of the middle school. The debt is less than last year and had reduced slightly. Chair Magee asked how long the roof debt would run, she said she believed it was a twenty-year debt and they are five years in. She discussed capital planned projects.
- The committee thanked her for all the information; Venditti stated the committee could contact her at any time with questions.

- Lavoisier presented to the board on behalf of the high school building committee, he handed the board a spreadsheet explaining the final budget for the high school building project that was settled by the building committee and the MSBA (Massachusetts School Building Authority) on January 16th 2020 in Boston.
- He stated he could do an overview of the project or specific details of the project. Chair Magee stated he would like an update as to where they are now with the project and what the variables are that could change their projections; e.g. construction costs rising or falling.
- Lavoisier provided an overview of the process. The MSBA is a state agency that helps fund school projects when requested to do so by a school district. He stated it is generally a five to seven-year wait. They have roughly 80-85 school apply each year.
- He explained there are 5 steps through the process they are currently in step 3 which he explained means a lot of paperwork. He continued with what is expected from the MSBA to be in the program and what codes that are required by MSBA. He went on to explain all the considerations that went into this project.
- Chair Magee asked if they were able to leverage anything from the tech high school, Lavoisier stated it was a completely different project. He continued to say they reviewed many options for the site and are now where they are in the process, renovating and adding to the current high school. He explained to the board the process in which they will go about renovating some buildings and completely taking down other buildings and the reason they came to these decisions.
- He expressed that the state has changed their regulations and the school must conform to those regulations. He continued to go over where each building will be and where each building will be located on the land. He explained that the original budget was 140 million dollars, they have since refined the budget for that, the staff went through the original space. There was a lot of reduction and reduced the project by 9 million dollars. He explained that is the capital budget as of today, to fund this, the commonwealth of Massachusetts will grant the Nauset Regional School District a facilities' grant in the amount of \$36,661,35.05 this is the maximum grant the balance to the town is \$95,000,000. He said this can't be set until the project goes out for bid.
- Chair Magee questioned about Wellfleet's balance for this project, Venditti explained to the board it was about 13% for Wellfleet, which comes out to be approximately \$12,000,000. Conrad explained to the committee he would like a twenty-year bond at 4%. They continued to discuss the environment while the construction is occurring, modular classrooms will be used during construction. Tash asked what the projected date

for the project, it was stated that if it all goes through at the town meetings, the project will go out to bid in May and hoping to have the project beginning of June of 2021.

- The board thanked them for their thorough presentation and detailed information.

Library Budget Review

- Wertkin presented to the board her budget for 2021. She is asking for an increase in her materials budget. She stated her salaries will increase with the union contract, but she stated she needed an increase in materials. She explained to the board that the town is not compliance with Massachusetts general law that states 19.5% of the library's operating budget goes towards operating materials, which currently the town currently is not.
- Wertkin went on to explain what the materials were, she stated regular books were her least expensive material, but reference materials are expensive, along with Ebooks, dvd's, cd's. She would like to have hot spot materials to offer to the library patrons, so they are able to take it home and have Wi-Fi at their residence so they don't have to spend hours at the library or sitting outside the library when the library is closed.
- Wertkin would like to use Open Cape, which she is unable to do that now due to poor cables in the building. The library would be able to stream videos which open cape would allow them to do. The committee discussed Open Cape and its advantages.
- Loewenstein stated she wanted Wertkin to meet with the finance committee so that she would be comfortable when she did need to come to them for larger priced items. Thinking three to five years out, Wertkin stated to the board that the library would be doing a feasibility study. She stated she is well aware that the public would like more space at the library she explained she did move stacks to make more room but there is going to be need in the future.
- Wood asked what other contributions the library received, Wertkin explained trustees receive donation and gifts, the Friends group fund raises for the library and help fund major projects. Wood asked if the trustee contributions were from a public budget? Wertkin stated it was not.
- The committee continued to discuss upcoming projects and ideas that will be put towards the library in the future. The committee asked about the role of the trustees. Wertkin explained that their main job is hiring the director and going over costs. The board thanked both for their time.

Strategic Planning

- No report currently.

Liaison Reports

- Jeff Tash stated the energy and environmental committees are applying for some grants that are dollar matching in the sum of \$50,000, he couldn't give all the details.

Correspondence

- Letter from Bill Dugan to the finance committee regarding school choice. Chair Magee stated it was a three-page document to be distributed to the finance committee. Dugan is suggesting that school choice be stopped, so the town wouldn't lose money. They discussed the letter further. Easley asked to be recognized and stated he would like to have a further discussion with the finance committee regarding the letter. Chair Magee stated he will put this on a future agenda to be discussed.

Minutes

- January 22, 2020 ~ Polowczyk moved to accept the minutes as written, Wood seconded the motion, motion carried 5-0

Transfers

Other Business

- Jim Hood will be at the meeting on February 19th with his finalized budget

Polowczyk motioned to adjourn, Wood seconded the motion, carried 5-0

Meeting adjourned 9:05pm