

Draft FinCom & Board of Selectmen FY2015 Budget Hearing **Minutes February 12, 2014**

Present: FinCom: Marshall Carroll, Frank Yeomans, Bruce Golden, Riggs Parker, Linda Coutinho, James Malkin and Alan Porter. **Selectmen:** Jonathan Mayhew. *Warren Doty and Bill Rossi absent.* **Others:** Tim Carroll, Ellen Biskis, Melanie Becker, Diana DeBlase,

At 6:30 PM Chairman Marshall Carroll called meeting to order in the Selectmen's meeting room.

Minutes:

Draft minutes from January 28, 2014 meeting were reviewed and corrections made. Draft minutes from January 29, 2014 meeting were reviewed and corrections made. Draft minutes from January 30, 2014 meeting were reviewed and corrections made. February 5, 2014 draft minutes were reviewed and corrections made. February 6, 2014 draft minutes were reviewed and corrections made.

Dr. Golden moved to approve all of these minutes as corrected. Mr. Malkin seconded the motion. **SO VOTED: FinCom 7 Ayes, Selectmen 1 Aye, 2 absent.**

At 6:55 Dr. Weiss, Amy Tierney, Susan Stevens, Richard Lionette, Dan Cabot, Mark Freedman, Steve Nixon and Matt Diandra arrived.

Tri-Town Ambulance Budget # 231 Update:

Workman's Comp went up and health insurance went down. They did not put in enough money for holidays (putting in approximately \$5K and then realizing they needed \$19K). This year didn't budget enough money and needed to move funds from other lines - \$10K from special events fund and \$8K from another line.

Debt Service #751:

Treasurer Becker presented information along with Tim Carroll concerning debt service and how it's handled including refinancing. Discussion took place regarding retirement of debt interest and principal. A FinCom member asked is there a chance to refinance this debt? Mrs. Becker said The 2004 bond will be eligible for refinancing this fall. The town has previously refinanced school bonds and combined it with the MLR bond for a savings in issuance cost. Refunding the 2004 would have estimated issuance cost of \$25,000.00. Combining it with borrowing for something new may make sense, dependent on the nature of the project. Melanie noted for her excellent work.

Education #300 MV Public Schools Superintendent's Office & Shared Programs:

Dr. Weiss – Shared services (special education programs) that are shown in this budget are for special services that are operated in the various school buildings including: physical therapy, occupational therapy, language therapy, school psychologist, categorical programs, Bridge classes (children on the autism spectrum) and social skills program.

Education #300 MV Public Schools Superintendent's Office & Shared Programs Continued..

The budget is up significantly due to the large increase in the need for these programs on the Island. Not sure why this is happening, it is. We are expanding the number of classes offering these programs in particular the Bridge program.

Also having an impact on the School Budget was a cut of \$189,923 in Federal and State grants due in part to the Sequester (5% loss of Federal grant funds) and also a reduction in state grants. Our students are Island youngsters.

Transportation is another factor that affects our budget numbers due to an increase in special education students and one additional person to address this expansion in the special education expenses.

\$5.4 million are ear-marked for the special education requirements. Some of these expenses are related to health but the largest part of the funds is for educational programs.

There is a push-down on the requirements we must adhere to but not receiving the needed financial support. Our local delegation [of elected officials] are very supportive [of our needs] Compounding the challenge is that two very strong local supports are stepping down: Leven Turner and Terrice Murray.

Question: How does our percentage of special needs students compare to other school districts in the Commonwealth. We identify more students, proportionally, than other districts in the Commonwealth. We identify about 20% while in the Commonwealth average is about 14-15%. The reason for this is that we are small society with a relatively intelligent population who are knowledgeable, aware of the law and advocate for their children. Same holds in Nantucket.

Question: Is this possibly the case that people know the Island's orientation to special needs children resulting in them coming to the Island for that purpose? That could be one of the factors that contribute to our higher percentage of identified special needs children.

Chapter 7 Funding – The State pays 10% of the Tisbury school budget. In contrast in Laurence it's 90%.

Superintendent search is a line item as Dr. Weiss will be retiring a year from June.

Question: What do other towns do when their tax base doesn't support the educational needs of their town? The Individual Education Plan (IEP) cannot be cut and would need to get funds from elsewhere in the budget. We are funded appropriately for special education as a result of the generosity of the Island.

What happens elsewhere? Falmouth is considering laying off 44 teachers to address their budgetary issues which are significant. Override of up to \$1.4 million. The requirement is to provide these special services by law and need to get the money from somewhere.

There is a formula that deals with all of this, a thing called circuit breaker that dictates what the State will provide. Circuit breaker will kick in when your budget is 4 times the State average. The State will give us a percentage back if the legislature funds it but not at 100%.

Oak Bluffs school is talking about a new program that is funded up to a certain number of people. If there are more than that set number the people have to fund it.

Re: scheduling of school budget reviews: Aquinnah is the last Town and West Tisbury is in process as are the other towns.

Often 60% of town budgets is education. For background the Martha's Vineyard Public Schools have a budget of \$50 million dollars, with 550 employees serving 2100 students. We transport 1500 students and serve meals to 1800 students a day.

Question re: residential placement: Elementary and High School budgets dealing with these residential placements. This year we are trying to accommodate these students in a special on-Island program.

Up-Island Regional School District:

The UIRSD Committee held a series of meetings over the last several months considering budget issues. Last night recertified its budget. Cape Cod Municipal Health Group has lowered their rates in the neighborhood of 8% as a result lowered the budget by nearly \$50K. The 2/11/14 certified budget overall increase is 6.93% with a budget of \$9.7 million. Each town's contribution is based on enrollment of each town via the regional formula.

Budget carefully reviewed by the School Committee on a line by line basis.

Question: Added any additional staff to the budget? Added an additional 5th grade teacher since the "divit" has passed the 5th grade. Also added a part-time enrichment person. Superintendent shared expense is \$257K and \$198K increase in residential placement with a family that moved to the Island and the child needed to be in a residential placement.

Calculating the cost per student comes to approximately \$28K/student.

Question re: "divit" affect moving up the grades in the Junior High Level? There should be no real impact from a budget perspective regarding staffing and programming.

Circuit Breaker off-set, using some of these funds to pay for the residential placements. School choice off-set re: Edgartown, Oak Bluffs and Tisbury. Funding comes in at \$5K per student. Up Island School District accepts 53 and sends out 24.

Excess and Difficiencies at \$200K, Half of what we are allowed to keep.

Superintendent's budget 20% High School and the rest is the elementary school. Equipment line item reflects the need to catch up on needs in the schools.

There was an increase as a result of additional teachers with the growth in the number of students.

Project Headway is that a contractual item, yes, is the answer.

Contracts: 5 bargaining units, 2 year with teachers in the first year, 3 year with custodians with this being the first year and 3 year contract with food service workers also in the first year of their contract. In mediation with our assistants, educational support professionals (ESP), and beginning negotiation with our secretaries for this year's contract. The year to year increases to teacher's salaries over the course of the contract are: 2%, 2.5%, and 3%. The reason for these increases is due to the fact that we've added an additional day to the calendar. Then a second additional day was added in the 2nd year of the contract.

Half days? There are two types of ½ days on the calendar. Teacher/professional development days and parent/teacher conference days and these half days add up to about 7-8 days. Last year we had a few late openings and a few cancellations. There was some speculation that with increases in the number of school days the last day of school could be the last day in June or even July. The response to that was that by law school cannot be in session in July.

Looking at the assessment portion of the budget. In the almost \$10 million budget we are seeing an \$800K increase which is a 9.24% increase. This is the biggest increase in spending we've ever had by almost two-fold.

MV Regional High School:

Principal Nixon distributed two packets, and presented the FY15 High School budget.

The first packet is the budget and explanations. The second packet has what we get as a result of our spending. We have achieved the highest SAT and AP scores in the history of the school and a 90th percentile in proficiency in the MCAS.

They also prepared/presented a MVRHS Highlight sheet covering all the key information that is covered in the two packets. Mr. Nixon indicated he is more than happy to respond to specific questions at any time.

Mr. Nixon explained that they start the budget process at the end of August approaching looking at level funding. He said salary increases are represented in this budget are mandated by contract. Important to note that retirement, insurance and debt service account for 25% of the budget – over \$4 million. 55%, \$10 million, in salaries is for salaries. These four items account for nearly 80% of the budget. A lot of our staff are veteran staff with higher degrees with 85% with higher degrees (Masters and above). We don't have the "usual" new graduates taking the place of older retiring teachers. Because of the high cost of living on the Island a new graduate cannot afford to live on the Island. We hired four new teachers who are husband/wife pairs.

Important for us to keep the educational standards high and we need to be a lot of things to a lot of kids and doing this being fiscally responsible. We are able to do that with our operating expenses being under 5%. The overall assessed budget is 5.9%. The decrease in health care in the amount of \$104K will need to be considered in the revised/certified budget

Graduation rates: state data vs real data explanation.

Cost for the roof funded by a 10 year bond in the amount of \$1.8 million.

Chilmark roof, \$100K this year.

MV Regional High School Continued:

Non-English speaking students as a percent of the total school population. Exploring this as a financial issue in the schools.

Chilmark enrollment is up 5 this year verses last.

High School graduation rate for special education students stands at 98% versus 65% in the rest of the state.

PARCC testing is to replace MCAS with pilot testing along with MCAS. The design for the switch will allow for a understanding of the value of the various testing approaches.

Graduation rates, 10-20% higher. We are working on accurate college graduation rates. It's very difficult to get these data given the privacy issues around college grades.

Naviance program that will light up where every MV student is all over the world.

School representatives left the meeting at 8:12pm.

Up Island Council On Aging #541:

Skipper Manter who is on the Board of Directors for the UICOA spoke on behalf of Joyce Bowker who is unavailable tonight.

Joyce Bowker is "wonder woman"... noted by Bruce Golden

9.7% increase coming as a result of an increase in staff members

- Activity Director 28-35 hrs/week
- Admin Clerk from 16 – 25 hrs/week

With the increased complexity of the legal issues around social security and health care the need for additional hours and personnel is evident. Further there is a need for enhanced computer skills. The COA had been using volunteer staff but need additional paid help to fill the gap.

There is an increase in the number of people reaching the qualifying age for services (44% of Chilmark population is 60 and over).

COA budget increase is 8.3%.

Bruce Golden noted and supported by Skipper Manter: Service has been fantastic including helping people with changes to Medicare drug plans. "They make the hard stuff easy."

Mr. Manter closed saying community lunch is every Thursday, just call two days in advance.

Legal # 151:

Mr. Tim Carroll said that the town is currently over expended in legal costs. Mr. Carroll said that the town has received a donation of \$14,000.00 to help defend the towns no pesticides in Squibnocket Pond area law. Mr. Carroll went on to say that Ron Rappaport often gives a reduction off the bill each time. Discussion turned to phragmites.

Parks & Recreation # 650:

Mr. Carroll said that the budget is for the mowing at Peaked Hill ball field. This line will be decreased by \$500.00 with a total of \$1,200.00.

Mr. Parker said he would like the Bulkhead Leases to be managed by the Selectmen and not Park & Rec. Mr. Carroll said that in 1940 there was a town bylaw created requesting Park & Rec to manage the Bulkhead leases.

Discussion turned to preparations for the next FinCom meeting tomorrow night. Mr. Carroll said there will be updated sources of available funds and estimated revenues will be available tomorrow. Mrs. Biskis said she will have raise and appropriate articles for tomorrow night as well. The proposed budget for FY15 is \$8,713,212.40

Mr. Carroll recommended looking through all the budgets to see what could be pulled to put into the Selectmen's discretionary account.

At 9:07 PM Mr. Parker moved to adjourn. Mr. Malkin seconded the motion.

SO VOTED: Fincom 7 Ayes, Selectmen: 1 Aye 2 absent

Draft minutes respectfully submitted by Diana DeBlase