

**Board of Selectmen's Meeting**  
**Joint Meeting with School and Finance Committees**  
**November 15, 2011, 7:00 PM**  
**Medway High School Library**  
**88 Summer Street**

**Present: Chairman John Foresto, Selectman Andrew Espinosa, Selectman Dennis Crowley, Selectman Glenn Trindade (7:16) and Town Administrator Suzanne Kennedy. Selectman Richard Dunne was absent.**

Also Present: School Committee: Jeff DeVolder, Chair; Carol Bernstein, Vice Chair; Diane Bernstein; Cindy Sullivan; Deb Trindade; Judith Evans, Superintendent, Medway Public Schools; David Verdolino, Finance Director, Medway Public Schools.

Also Present: Finance Committee: Martin Dietrich, Chair; Jeff O'Neill, Vice Chair; Members: Christine Devine (7:10), Kevin Dickie, Frank Rossi, and Jim Sheehan.

At 7:02 PM Vice Chairman Foresto called the meeting to order and led the gathering in the Pledge of Allegiance.

*Documents submitted for this meeting include the following: Final Budget Status Report relative to the FY11 Budget; Overview, Operating Expenses Summary and Budgeted Staff Analysis relative to the Realigned Budget; and Town-Wide Facilities Management Report.*

**Review – FY11 School Dept. Budget:**

Mr. David Verdolino briefly explained how the report was put together, noting there was no use of circuit breaker funds included. Two grants were received; an ED Jobs grant in the amount of \$600,000 and a Special Education ARRA grant for \$300,000 that was used to fund positions. He noted some retirements were filled with contract positions, and one maintenance person resigned without replacement.

Mr. Verdolino stated that budget variances occurred in building-based services by rotations, while the middle school and high school had significant variance. Budget was frozen before many expenses were incurred. Even with these expenses, circuit breaker funds were not used at that time. There is often a lengthy delay before all expenses are reported, such as students coming into programs mid-year, or delivering services outside of the district.

Other variances were in transportation, adding a bus to eliminate double runs. The School Committee elected to fund this out of school choice funds. There was a wide variance in utility expense, partly due to extreme cold weather and not yet implementing recommendations from the TRANE report. Mr. Verdolino clarified that the sources of funds typically directs where the specific funds can be used, i.e., circuit breaker can only be used for special education.

Mr. Martin Dietrich, Chairman, Finance Committee, stated he found it unusual that the budget is to the dollar. Mr. Verdolino responded that it is hard to predict in the spring what year-end totals will be until the final bills come in later in the summer. Town Meeting appropriation is always used first, followed by reserve funds. Some expenses are incurred after it is known what funds remain in the budget before unused funds are reverted back to the Town. Circuit breaker funds of \$462,000 were brought forward into FY12.

Mr. Verdolino continued, stating electricity is less due to the solar panel installation. Other utilities such as water and sewer were slightly higher, including contracted services for trash disposal. Custodial services are included as an operating cost, not as a representation of salary/personnel.

Chairman Foresto asked if there was a “best practices” methodology applied to the budget process. Mr. Verdolino responded that a precise business model cannot be used for this type of accounting because the cycles are so different. Discussion followed on school ranking, comparison to other communities and school districts, use of reserves, etc. Superintendent Judy Evans stated the schools are in a good position due to conservative use of funds, somewhat reduced enrollment, and keeping Special Education costs under control.

Mr. Dietrich asked what types of things are being deferred. When you get to a point where it can't be deferred, will it be a balloon payment that will be difficult? How long can you kick the can out of the road? Dr. Evans reiterated that the schools are in a good position. The Town was very generous in giving money for technology, and the middle school project will provide additional resources for technological upgrades. She emphasized that those resources have been pretty efficiently managed. Mr. Dietrich mentioned that a lot of roads and pipes around the community all have to be redone, and wondered about how that would apply to schools.

Mr. Jeff DeVolder stated the schools would love to add a curriculum director, but after looking at state tax receipts, they will just have to manage with what they have. He noted that sometimes the unexpected happens. A placement at a special school such as Perkins School for the Blind could significantly impact the budget, possibly as much as \$300,000 annually. Discussion followed on how school choice affects funds moving in and out of the budget. Dr. Evans stated her belief that more students will be coming into the district due to good standardized test scores; school choice students could total 100 by next year. Each grade level is scrutinized so that additional students do not create a need for additional classrooms or sections.

Mr. Jeff O'Neill, Finance Committee, suggested the cost of educating one student to be around \$10,000 per year. Mr. DeVolder responded that it depends on the situation. If there is a seat in a classroom that brings the classroom total to equal that of similar classrooms, the inherent cost is negligible.

Mr. Verdolino stated the schools are pleased that the reserves are as strong as they are (nearly \$1 million), but that is a recent resurgence of funds, noting the infusion of ARRA funds coupled with fiscal prudence.

Mr. O'Neill asked about revolving funds, perhaps for the lunch program. Mr. DeVolder stated that last year the schools lost money on it as participation in the hot lunch program was down. The belief is that it was somewhat due to the recession, and parents are sending students with lunch rather than buying lunch. Mr. O'Neill stated his children report the lunch line is too long, not enough time to get it and then eat it, and it's faster to bring lunch from home. Mr. Verdolino stated additional lines were added. He said he timed it once and noted the process of getting through the line took only two minutes. He commented that students may be opting out because they want French fries, which are no longer offered. He stated the program is still solvent even though the French fries are not available.

Referring to the last page of this section, Mr. Verdolino stated grants require that funds be spent by the end of the school year so no funds can be carried over until the next year.

#### **Discussion – School Dept. Realigned FY12 Budget:**

Mr. Verdolino stated they expanded some programs with associated costs, and still came in at a good level. He explained the summary, noting earlier versions did not include changes in personnel or expense revisions, and infusion of circuit breaker funds. This particular summary shows changes from year to year, as well as changes from budget votes at Annual Town Meeting and subsequent realignments. For specifics, see A-E notes on bottom of Funding Source Summary.

Selectman Crowley asked why there is a \$10,000 discrepancy between what these reports show and what the MUNIS system shows. Mr. Verdolino stated much of that is attributed to variances in staff. He said that while they could not add a curriculum director, they knew they would add three teachers. Additionally, twelve specific situations (retirements, leaves of absence, and resignations) were not known before Town Meeting, and some were not known even through the summer. Most often staff members were replaced by new hires at a lower salary level. Brief discussion on teacher attrition followed, noting that a budgeted average salary references a Masters Degree +6; difference between actual and budgeted is approximately \$1900 per position. The bulk of this discrepancy involves the non-renewal of three special education positions. Other attrition is deployment of paraprofessionals, three more than listed on the original budget.

There were also attrition adjustments relative to two administrative positions. Mr. Verdolino briefly reviewed other positions added, some associated with specific programs, such as MOVE. With respect to a solar power project manager, he stated that person oversees construction of the project and protects the interests of the School Department. Money for that position is available only in the event that a project manager is desired, as a salaried employee. The position may not be necessary; they will not know until the engineering study has been completed. The current vendor, Broadway Electric, may not be the vendor for future installations.

Mr. Verdolino stated that \$95,000 is associated with advanced degrees obtained by staff members, which equates to increases in their salaries. Staff must inform school by September 1 if there will be a degree change so it can be included in budget.

Finally, Mr. Verdolino reviewed the collective salary section showing each individual, their salary rate, location, and source of funding for their salary (budget or grant).

Mr. Verdolino directed the group's attention to the page titled Analysis of FY2012 SPED Tuitions – Initial vs. Re-aligned Budget, which shows expenses per student (names redacted for privacy) based on the out-of-district school at which they are enrolled. He stated the Commonwealth approves tuition rates for all special schools (schools where a student could be placed) at a collaborative meeting. Medway has no control over it.

Superintendent Evans briefly reviewed the MOVE program. Some students are significantly impaired and need life skills as well as vocational placement. The school employs a Job Coach who accompanies them out into the community. A program was developed for the students based on their needs, a teacher was hired, and the eventual plan is to be able to take more students from outside the district. Because of their impairment and unique needs, the school district is responsible for them until they turn age 22. Currently there are four students in the program, and significant savings are realized by not having to transport out of district. Dr. Evans stated they would also like to offer services to the community.

Mr. Verdolino stated MOVE is a good program, but acknowledged it is in its infancy, only two months old. The program could hold up to six students, depending on their specific needs. Selectman Trindade asked if this program follows school choice rules. Mr. Verdolino stated fees can be negotiated to cover the costs. Brief discussion on collaborative programs and Medway occupational vocational education followed.

Mr. DeVolder asked if there were any additional questions, stating that he hoped this was helpful as the schools are dedicated to increased transparency. Selectman Espinosa commented that the information was very well put together, and that the color coding was helpful.

Selectman Crowley asked when the realigned budget figures would be reflected in the MUNIS system. Mr. Verdolino responded that it would probably be in December, but not before end of November.

Selectman Crowley stated he noticed the maintenance budget had been reduced. Mr. Verdolino stated he was not sure if they will come in under \$300,000, but will try. The maintenance staff has been reduced by one maintenance person due to retirement. He noted that a decreased maintenance cost will occur once the middle school project is completed. Selectman Crowley asked if much of the cost is contracts like pest control, or other system maintenance contracts. Mr. Verdolino responded that replacement of univent filters, for example, has little cost other than the supplies, and the work is done by employees.

Selectman Trindade asked if there were any scheduled maintenance routines being deferred by economics. Dr. Evans stated the line between custodial, maintenance and facilities maintenance is kind of blurred. For example, if a window is broken, sometimes the repair work is done by custodians, which is not reflected as a maintenance cost. On a per pupil basis, the overall maintenance costs are average for schools of a similar size.

Selectman Crowley commented there has been a substantial jump in community education. Dr. Evans responded the school district hosts a day care program for teachers. As the program needs to be self-sustaining, it was opened up to municipal employees because there were spaces available.

### **Discussion – Town Wide Facility Management Study:**

Chairman Foresto stated he met with Robert Parrella and Robert Ferrari of the Town Wide Facilities Management Committee to discuss the report and its recommendations. He added that the Board of Selectmen are in general agreement with the vision put forth in the report, but are not quite sure about the execution of the plan. Chairman Foresto stated that the relationship between the Board of Selectmen, Finance Committee and School Committee is crucial to making such a thing happen. This is for the community as a whole, and the Selectmen think it is an important step.

For the benefit of the Finance Committee, Mr. DeVolder (also a member of the Town Wide Facilities Management Committee) stated the gist of the recommendation of the committee is to combine facilities management into a single entity. He briefly reviewed the highlights of the report, pointing out that the Town Charter does not allow facilities management to come under anyone other than the Town Administrator. Therefore, any advisory board would report to the Town Administrator, who ultimately has the final say over the allocation of resources.

That important point complicates the process somewhat. Mr. DeVolder explained that a single department would be in charge of assigning repairs when requested. Responding to a question from Ms. Christine Devine, Selectman Crowley explained that maintenance line items (dollar amounts) would come out of all departmental budgets, and monies combined under the purview of the Facilities Advisory Board. Mr. O'Neill asked if this means additional employees will be hired. Mr. DeVolder responded that the intent is to hire one very experienced, well qualified, Facilities Director at an annual salary of approximately \$125,000.

Selectman Espinosa remarked that the blurred line between maintenance, custodial, Capital Improvements Planning Committee and preventative maintenance is a problem. He believes it is important to coordinate preventative maintenance and manage repairs, as well as seriously consider some kind of approach to deal with deteriorating equipment and limited resources.

Selectman Trindade stated that the committee was comprised of very qualified people who indicated that typically 2-4% of a municipal budget is spent on maintenance, and the Town is not even close to such an expenditure. Some items are being dealt with through the Capital Improvements Planning

Committee, but that doesn't deal with day-to-day things. Using the HVAC units at the library as an example, he stated no one checked them to see if they needed servicing; in fact, no one looked at them until they stopped working completely. Selectman Trindade suggested the same reporting structure be used to request repairs or handle projects so that contracts with outside vendors can be coordinated.

Selectman Crowley admitted the Board of Selectmen was not in favor of it in the beginning. The Board believes there is a lot of tweaking that needs to be done, as well as clarification of responsibilities and scope of duty. He asked if we do not approach it now, when will we have the opportunity to get people together again to revisit it?

Ms. Deb Trindade agreed with Selectmen Crowley that the report was a broad overview. Personally, she has no idea who does maintenance work for the Town – the Department of Public Services or someone else? If people are contracted to work in a school, do they become municipal employees? Lots of details need to be worked out. Ms. Kennedy confirmed that facilities management includes custodial work.

Selectman Trindade stated the whole idea is to make things better and to better utilize these resources. He said if they look at the communities that have implemented this kind of program -- they are getting better use of taxpayer dollars.

Mr. DeVolder stated it boils down to the age-old resource battle between municipalities and their schools. Will one side inherently ignore the other? Is it a lack of trust or a perceived slighting? Will the Town ignore the schools, while municipal concerns get first notice, or the other way around?

Selectman Espinosa commented that it needs to be done. Mr. DeVolder stated that some communities hired outside sources to develop a preventative maintenance schedule which seems to be working. It was noted that any program or schedule could be undone if it did not work out.

Mr. DeVolder stated the shared Information Technology services between the Town and the schools is working fairly well. Conversely, he does not think the shared Human Resources effort is working well. Selectman Espinosa wondered if enough effort was made to try to make it work.

Mr. O'Neill asked if a Facilities Director would need to be a Town employee, or a consultant to set up the program, and turn it over to existing employees to implement. He clarified that \$125,000 is an expensive salary to pay every year.

Selectman Crowley commented that the Town Wide Facilities Management Committee worked hard on developing this concept and its recommendations, and they need to look at it to see what could be done to move forward a little, a step at a time.

Ms. Carol Bernstein stated she supports blending for efficiencies, but expressed concern that many details need to be considered to determine how viable it will be. How will things be prioritized? Will this person understand how schools work? Things involving delivery of services to students are seemingly more important than something at the senior center, for example. Selectman Trindade

stated daily requests can take place the same way they are now; the process merely needs to be looked at.

Dr. Evans stated she does not like the idea of a five-member board between her and what she needs to get done. The shared Information Technology position works because job description was crafted specifically. Selectman Espinosa commented that there does not necessarily have to be a committee. An advisory board is merely what is featured in the report.

Selectman Trindade noted that more money was put into the effort of shared IT services, notably to update PC's, networks, etc., across Town. Similarly, contracts for like items, such as pest control, can be consolidated, and perhaps savings can be realized.

Mr. Verdolino stated the report almost implies that nothing is being done with maintenance, and that is not necessarily true. Theoretically, it is a good idea, but he expressed concern that years from now when resources may not be as good, the schools will have to cut teachers.

Selectman Trindade stressed that everyone has to drop the "us vs. them" mindset. This is for the good of the community.

Dr. Evans echoed Mr. Verdolino's comment that there is an assumption that the schools are not doing a good job of maintenance. There are some superficial things that need to be addressed, but major systems are in good shape, at least to her knowledge.

Mr. O'Neill asked what else is available, besides this approach. Selectman Trindade asked him if he buys into the overall idea. Mr. O'Neill responded that he did.

Ms. Trindade stated that, based on the report, which is more like a concept, it needs more research.

Ms. Bernstein wondered what the workflow look like, and suggested more analysis of specific steps.

Ms. Kennedy emphasized that one really important document to remember is the Town Charter, and as a result of the Charter change, things are being improved. Until the change took effect, nothing could be done.

Chairman Foresto threw the question to the whole group, specifically, this is just a model, and do we agree with it as a whole? Do we want to explore this further? The Board of Selectmen has decided to spend energy and time to explore it.

Mr. DeVolder stated he would like to see tighter integration on some aspects of the concept. He is in favor of looking at something.

Ms. Bernstein agreed, stating she will remain open-minded. She expressed concern with responsibility being housed on one side or the other.

Selectman Crowley expressed concern that the project may fall into a hole if they fail to move forward in a timely fashion.

Ms. Diane Borgatti agreed the Board should go ahead with it as the shared IT has worked out well. She would like a clearer understanding of how it would work.

Ms. Cindy Sullivan agreed that she needed more information. She stated she does not like the idea of a committee, but is in favor of collaboration to come up with additional options.

Ms. Trindade stated that she thinks it can work and they have an obligation to try to structure something that will work for people doing our jobs in the future, something that will not fail when personalities collide or when resources are scarce. She said they do not want to create a pitfall for people in the future.

Responding to a question from Chairman Foresto, Selectman Crowley stated the next step is that the Finance Committee meets with the Town Wide Facilities Management Committee. Mr. Dietrich said they could probably meet with them in December, but did not think the process should be halted to wait for that meeting to take place.

Mr. DeVolder suggested the matter also be discussed at the Leadership meeting on November 28.

Dr. Evans summarized her position by stating that more resources are needed, as well as professional expertise, to improve maintenance. She acknowledged that the schools may not have been as proactive in that regard, but limited resources do not allow this.

**At 9:34 PM Selectman Trindade moved to adjourn; Selectman Espinosa seconded. No discussion. All ayes, 4-0.**