

**JOINT BUDGET TASK FORCE COMMITTEE
MINUTES OF MEETING OF July 28, 2015**

Chairman opened the Joint Budget Task Force Committee meeting at 5:04 p.m.

PRESENT:

Chair - Allison Huges, Board of Selectman, Louise Tremblay, Finance Committee, Bob Corey, Finance Committee, Mike McNamara, School Committee, Steven Stone, Superintendent, Linda Wright, Accountant, Ann Vandal, Treasurer, Facilitator-James Duggan, Town Manager.

ABSENT:

Tony Archinski, Board of Selectman, Betsy Murphy, School Committee, Bill Frangiamore, School Finance.

Chairman Huges handed out the agenda and asked Superintendent Stone if he would begin by presenting his presentation.

Committee Reports:

Mr. Stone handed out his power point presentation to Committee and reviewed the projections for FY 2017-2021. (Handout #1)

Background/Construct:

Mr. Stone proceeded to discuss the background/construct of the school's \$43 million dollar operating budget. This budget does include all grants, reimbursements and fees that are applicable to specific operations.

Town Manager, Mr. Duggan asked if each Principal has a revolving account for these specific operations. Mr. Stone noted that yes they have their own check books which enable them to be able to fund their events, functions, etc. and all accounts are checked on a monthly basis. These accounts are also audited throughout the year.

Big Rocks & Little Rocks:

Mr. Stone talked about the Food Service program and how he is seeing a decline in the revenue due to the fact that fewer children are participating since the new strict nutrition laws that came into effect recently. More food is being wasted, i.e. fruits and vegetables, milk and juice not open and the Law requires you to throw away. State regulations require us to serve a strict nutritious meal and a child no long can refuse what they are not going to eat which has caused more waste. The State is looking into the decline/participants and hopefully this will be resolved but we have to go with the numbers we have.

Special Education:

Mr. Stone spoke about the Special Education and the responsibilities of the School if they cannot provide the proper resources for a student and may be required to send outside our school district.

The Committee asked how many students do we send out currently, what is the farthest distance a student is sent and what is age limit, i.e. cut off to the Town's obligation.

Mr. Stone said there are approximately fifty (50) students in the program, we send them as far as Boston MA and the age limit varies. If a child is not able to graduate high school then we are obligated to keep them in the program until they are twenty-two (22) years of age. Mr. Stone mentioned to the Committee that the Charter Schools and Vocational Schools are not obligated to provide the special education so if they deem a Student not able to function in their school system they are sent back to our system and become our responsibility.

Circuit Breaker & IDEA Grant:

Mr. Stone mentioned that for FY 16 Circuit Breaker will cover about 29% of the tuition cost which is approximately \$1,095,448 of the actual \$3,752,855 in tuition costs, which does not cover the cost of transportation, aids, nurses, monitors, etc. for these students.

Mr. Stone stressed the State funding varies with the economy and covered approximately 23% of the total cost of the \$9.6 million dollar operational budget of Dracut's School system.

Title 1 & Food Services:

Mr. Stone spoke about the literacy and math programs and stressed that the Dracut School does not have special "reading" teachers for younger grades which is needed. He explained if the Students is worked with at the lower grades it would prevent them from becoming part of the special education program in future, which is more costly. Mr. Stone noted that we had approximately 690 students enrolled in our Special Education and the fees occurred with the special education. He noted that we as a Community are responsible to educate all children and this falls on the municipal school system.

Food Services which are part of the HHKA (Healthy Hungry Kid Act) have a decline in participation due to the strict standards of the state. The fact that kids are bringing their own lunch or just not eating a lunch because of the dietary restrictions has caused a decline in our numbers. Mr. McNamara talked about the food service and privatizing and noted that the consensus was no, we do not want to take away job from Dracut residents and it does not have enough cost savings to be effective.

Parker School Lease:

Mr. Stone spoke about the Parker School decline in enrollment which caused the Town made a decision to close. Mr. Stone did not want the school property to be sold for a One- time cash flow and has been able to lease/rent the property. He currently has it leased out for five (5) years which will generate revenue for the next five (5) years. The property in the future may be used again for Dracut Students, if the enrollment increases, or the life of the eight (8) modular that are currently being used by Dracut Students are no longer useable/expire.

User Fees: (Offsetting Operational Cost)

Mr. Stone discussed the offsetting of operational cost i.e. transportation/bus fees for younger grades and all sports activities. Although these fees have gone up it still will not be enough to cover the \$2, 132, 3555.00 costs for actual transportation of school students. The School will be charging fees for the use of their facilities for non-school events i.e. fields, auditorium, gymnasium, etc.

Mr. McNamara mentioned that they are now charging fees to non-school events and have been forced to charge fees to groups that have already made a substantial donation to the facilities like cost of lights, equipment, repairs, etc. This has caused some commotion but unfortunately it had to be done. There has been no easy solution to help defray costs.

Mr. Stone mentioned the Performing Arts and noted although they only contributed 4.5% of their actual cost of \$450,000 by fundraising, it is a program that must be available to keep the school activates well rounded.

School Choice:

Mr. Stone said that since Dracut is School Choice we do anticipate \$140,000 in revenue for FY 16. Although we are still in the black we are seeing a decline in School Choice. Parents are just not sending their child to Dracut system. We are turning upside down in the school choice given cherry sheet assessment. You can see this on the school district chargeback on the last page of the power point. He spoke about the October 1st date on when a student who chooses to go to the Voke or Charter School under school choice and decides to return into our system. If a child is registered to go to one of the alternative school the Town has to pay the fee and does not get a rebate if the student chooses to come back to our system after October 1st.

Chairman Huges asked if it would help if the State moved the date out to November 1st would it help. No they would just lag their feet a little longer at the alternative school and the outcome would be the same.

E-Rate:

Mr. Stone stressed the importance to look at the bandwidth and wireless technology. It is essential that we act on this while the grant is still available. We need to start utilizing the \$550,000 before the Town loses the monies and the grant goes away/expires.

Mr. Stone closed his presentation with "A Reality Check" he noted that he was putting up a lot of numbers and understands that the Committee will need time to review and absorb all this information. He asked that if they have any questions on the presentation he would be more than willing to address those questions.

Mr. Stone also handed out a one (1) page document labeled Draft Revenue Forecast: Dracut Public Schools FY17-21 to the Committee. . (Handout #2)

Committee members asked about the revenue forecast and how he arrived at some of these numbers. Mr. Stone does feel confident that the state will provide the Circuit Break funding but it does vary from approximately 62-78%. Ms. Vandal noted that with this being said these monies, i.e. Circuit Breaker funds should be used as bonus/extra monies rather than in budget but unfortunately this is not the case.

It was also noted that Dracut Public school runs approximately \$3,640 less per student than the average public schools. (See figures on last page of power point presentation)

Chairman Huges stated that if anyone has any questions about Mr. Stone's handout(s) she would prefer that all questions and request be addressed to her rather than having each member call Mr. Stone. She will get questions and /or request to Mr. Stone and get back to the Committee.

Town Manager stated that he would prefer that they all come through his office since he is the Facilitator, if that is ok with her. Chairman Huges stated that would be fine.

Ann Vandal, handed out a report labeled "Draft" Revenue Projections FY16-21 (Subject to Change) and reviewed with Committee. . (Handout #3)

Taxes:

Ms. Vandal discussed the Taxes portion of the report and explained all the categories. Chairman Huges asked about the Meals Tax categories and asked what was included in the category. Ms. Vandal stated it was all the drive up window i.e. Wendy's, McDonalds, Hannaford prepared food etc. She was also asked about the Payment in Lieu of Taxes and told the Committee it was money from Dracut Housing Authority although they are exempt they do give a token amount back in taxes.

Penalties and Interest:

Committee had not issues or questions.

Departmental:

The Chairman asked about the spike in the Planning Board Fees in FY15.
Ms. Vandal stated they must have had a huge project going on that year.
Why are the Detail fees for Police so much higher than Fire?
Police use detail more frequently out on the roads than the Fire Department.
The Committee asked why no revenue in the copies, miscellaneous or special filing lines.
Ms. Vandal stated not a lot of revenue and very unpredictable.

Other Departmental Revenue:

No questions.

Licenses and Permits:

Chairman Huges asked why there was no revenue under Sealer of Weights as was the past three years. Not sure but she will correct.

Other Federal Revenue thru State:

No questions

State Revenue:

Brief discussion on Veterans benefits and what they entailed.

Special Assessments

No discussion.

Fines and Forfeits:

No discussion.

Miscellaneous:

Mr. McNamara asked why the sale of land is not put in miscellaneous.
Ms. Vandal stated that it is off set with deferred revenue.
Mr. McNamara spoke about 7 Hope Street and stated that it was supposed to go up for auction soon and is this still happening? Yes.

Proposed Infusions to Revenue:

Ms. Vandal spoke about the Assisted Living Program and New Growth and noted that although it would be \$400,000 for ALP and \$75,000 NG it would be one-time revenue.

Mr. McNamara asked if the Assisted Living Program received their building permits yet. No Pipeline growth also has potential \$400,000 revenue in FY 18 & FY19. It was also noted by

Town Manager, he is not sure what the impact will be with the pipeline so they cannot make a prediction but when he gets the information, i.e. jobs, and additional revenue, etc. he will bring forth to the Committee. The Committee asked about a Capital Improvement Fund and if the Town's Departments still have one. Yes.

Ms. Vandal noted that there is a lot of information before the Committee and if anyone has any questions they can also filter it through Town Manager as previously agreed by Chairman Huges.

Community Input:

Allison Volpe- 32 Clement Road, Dracut MA

Ms. Volpe asked about the General Funds and how that money is distributed and asked about the Charter School funds.

She spoke about the Capital Improvement Fund with reference to the Bandwidth and stated it would be a great opportunity to utilize that \$550,000 before it expires.

Ms. Volpe asked about the regionalization of services i.e. dispatches and ambulance services. Town Manager, James Duggan noted that yes there is potentially \$100, 0000 savings bringing the dispatch to a regional center with state of the art equipment. The advantage of this is to better serve the Community.

Old Business:

None

New Business:

Mr. McNamara asked if they could discuss new business and Chairman Huges stated although it is not on the agenda they certainly can discuss.

Mr. McNamara inquired about the minutes from the School Committee meeting and asked when they would be available. Town Manager stated that he has made it clear to his staff that he wants all minutes of all meetings put on the website in a timely manner. He will look into the matter and get back to Mr. McNamara.

Chairman Huges stated that the next meeting will be August 10, 2015 at 5:00. She asked that everyone take time to review the handouts today and contact the Town Managers office with any questions.

A motion to close the meeting was made by Bob Corey and seconded by Louise Tremblay. The motion passed unanimously.

Minutes by Suzanne Noel, Dracut Fire Department Administrative Assistant

Signature of Joint Budget Task Force Committee:

Alison Huges, Chair: Alison Huges Date: 9-3-15

Tony Archinski: Absent Date: _____

Louise Trembly: Louise Trembly Date: 9-3-15

Bob Corey: _____ Date: _____

Betsy Murphy: Absent Date: _____

Mike McNamara: Michael E. McNamara Date: _____

Steven Stone: _____ Date: _____

Bill Frangiamore: Absent Date: _____

Linda Wright: _____ Date: _____

Ann Vandal: _____ Date: _____

James Duggan: _____ Date: _____