

## ADVISORY AND FINANCE COMMITTEE

### MEETING MINUTES

July 13, 2016

A meeting of the Advisory & Finance Committee was held on Wednesday, July 13, 2016. The meeting was called to order by Chairman John Moody at 7:00PM and was conducted in the Mayflower II Meeting Room at the Plymouth Town Hall, 11 Lincoln Street, Plymouth, Massachusetts.

**PRESENT**      **12 members of the committee were present:**

Kevin Canty, Betty Cavacco, Harry Helm, Ethan Kusmin, Mike Lincoln,  
Patricia McPherson, Christopher Merrill, John Moody, Patrick O'Brien, Harry Salerno,  
Marc Sirrico, Scott Stephenson

**ABSENT**      **3 members of the committee were absent:**

Robert Cote, Peter Mador, Sheila Sheridan

**Announcements**

- Dave Antoine, Government Access Coordinator for PACTV, shared a packet of information with the Advisory & Finance Committee. The Plymouth Government Channel is Comcast 15 and Verizon 47. Advisory & Finance Committee meetings are broadcast live on Wednesday nights at 7PM when there is a meeting scheduled. Meetings are replayed on Sundays at 12 and 4PM. Meeting videos on demand are also available on the PACTV website, pactv.org.
- Committee members Kevin Canty, Betty Cavacco, Harry Salerno and Scott Stephenson, were congratulated for their re-appointments to the committee. Newly appointed members, Peter Mador and Sheila Sheridan, were unable to attend tonight but will be attending next month's meeting and will be introduced at that time.

**Agenda Items**

➤ End of Year Appropriation Transfer Requests

**Town Manager Budget – Other Expenses – Legal Services**

Derek Brindisi, Assistant Town Manager, requested that \$110,000 be transferred into the Town Manager Department Budget – Other Expenses - Legal Services line. The transfer will come from the following funding sources: \$45,000 from Medicare Part B Premium – Town, \$43,000 from Medicare Part B Premium – School, and \$22,000 from Workers Compensation. This transfer is needed to pay outstanding legal expenses that the Town occurred during FY2016, largely due to the immediate and ongoing litigation that arose from the catastrophic forced sewer main rupture. Wastewater related legal expenses in FY2015 totaled just over \$13,000. Wastewater related legal expenses in the last six months of FY2016 totaled approximately \$140,000.

Questions:

- With the ongoing legal battle, what can you tell us? (H Helm) The Attorney General filed a lawsuit against Veolia and we were named as a defendant. We are seeking damages against Veolia and others.
- Will legal expenses be a part of the damages in our claim? (H Salerno) Yes.

**Chris Merrill made a motion to approve the Town Manager Budget – Other Expenses – Legal Services End of Year Appropriation Transfer in the amount of \$110,000. Patrick O'Brien, second. The motion carries unanimously (11-0-0).**

**Water Enterprise Budget – Personal Expenses – Overtime**

Rich Tierney, Water Superintendent, requested that \$25,000 be transferred into the Water Enterprise Budget – Personal Expenses - Overtime line. The transfer will come from the Water Enterprise Budget – Other Expenses - Electricity line. The transfer is necessary because of the failure of the forced sewer main. The Water Division personnel assisted in locating and marking out our water mains and services. They also excavated the water main on Westerly Road in a night operation and prepared the twelve inch water main for an insertion gate valve. Water personnel opened and closed gate valves in streets where the sewer force main failed, taking water samples at several properties, flushing water mains, hydrants, and services for a four month period.

**Patrick O'Brien made a motion to approve the Water Enterprise Budget – Personal Expenses – Overtime End of Year Appropriation Transfer in the amount of \$25,000. Harry Helm, second. The motion carries unanimously (11-0-0).**

➤ Reserve Fund Transfer Requests

Planning & Development Department Budget – Other Expenses – Technical Services

Derek Brindisi, Assistant Town Manager, reported that after a comprehensive energy audit at the Manomet Youth Center showed a projected annual energy savings of \$2,300, the town pursued quotes to replace multiple light fixtures throughout the facility. The total cost came to \$11,246. After receiving an Eversource cash incentive of \$3,721, the net project cost was \$7,525.47 plus an additional \$1,000 to Coviello Electric for a grand total of \$8,525.47. The Friends of Manomet Youth Center agreed to fund the entire project and paid the required 50% deposit up front to Eversource. Currently, there is a balance of \$4,525.47: \$3,525.47 owed to Eversource and \$1,000 to Coviello Electric. A \$4,525.47 transfer is requested from Advisory & Finance Reserve Fund to the Planning & Development Department Budget – Other Expenses – Technical Services budget so these outstanding invoices can be paid.

Questions:

- Have the Friends of the Manomet Youth Center ended their fundraising? (H Salerno) No, fundraising is ongoing and the Friends of the Manomet Youth Center will repay the town for these expenses.
- What is the timeline for repayment? (J Moody) There was no deadline established, but repayment is expected in Fiscal Year 2017.
- Where will the funds be deposited once the town is reimbursed by the Friends group? (J Moody) The funds will be deposited into the General Fund and will close out to free cash at the end of the fiscal year.

**Harry Salerno made a motion to approve the Reserve Fund Transfer in the amount of \$4,525.47.**

**Ethan Kusmin, second.**

Discussion: Moving forward, there should be a deadline negotiated if this happens again. (E Kusmin)

**The motion carries unanimously (9-0-2). Betty Cavacco and Kevin Canty, abstained.**

Chairman John Moody asked that the record show he votes in opposition.

Snow & Ice Budget – Personal & Other Expenses

The Advisory & Finance Committee received a Reserve Fund Transfer Request from Lynne Barrett, Director of Finance, to transfer the remaining balance in the Reserve Fund to offset the Snow & Ice deficit. The balance remaining for the transfer is \$42,664.53. This amount transferred will reduce the amount to be raised on the FY17 Tax Rate. This same course was taken at the end of last fiscal year.

**Patrick O'Brien made a motion to approve the Reserve Fund Transfer of \$42,664.53. Christopher Merrill, second. The motion carries unanimously (11-0-0).**

➤ Rising Tide Charter Public School

Chairman John Moody said he requested that representatives from Rising Tide Charter Public School attend our meeting to help the Committee, and the general public, understand how the Charter school is funded and how it operates. Jill Crafts, Head of School, and Eric Mello, Business Manager, agreed to make a presentation at this meeting.

Public education is funded by three levels of government: federal, state and local. Federal funding mostly consists of grants and is aimed primarily towards special education, Race to the Top, and No Child Left Behind. The state is the primary source of funding and the amount is determined by the Chapter 70 formula each year. The state determines the foundation budget which is the minimum to be spent. Then the state determines the required local contribution by considering the income of the district and property values, etc. The state fills the gap with Chapter 70 Education Aid. Then after Chapter 70, local government may contribute more, and most pay over and above the minimum.

Charter school formation was part of the nationwide 1993 Education Reform Act. Through Chapter 71, Massachusetts created charter schools which provided a choice in education. Research done in the 1980s showed that US students were behind other nations with respect to education. Charter schools are smaller, have more flexibility, and focused on innovation. Educators can try different innovative methods for teaching and assessing and they can share their best practices with districts. In 1995 the first charter school was created in Massachusetts. Massachusetts allows for charter schools to be structured in one of two ways:

- Horace Mann – require approval of local school committee
- Commonwealth Charter Public School – set up as their own district and report directly to the state, they have their own group of Trustees

Rising Tide was founded in 1998 and set up as a Commonwealth Charter Public School. Their mission includes remaining faithful to their charter, providing means for academic success, and remaining viable financially. Enrollment is by lottery and the only requirement is that the student be a resident of Massachusetts. There are three pools for the lottery: the first is siblings of Rising Tide students, the second is students in the district (19 area towns), the third pool is made up of students from towns outside the district. Charters are awarded in 5 year increments. The application and inspection processes are rigorous. Annual audits are conducted.

Bottom line regarding financing is that the money follows the student. If the student attends a charter school, then the charter school receives the Chapter 70 aid for that student. If the student attends a public school, then the public school system receives the Chapter 70 aid for that student. To help public school systems when students switch to charter schools, the state has a Chapter 46 reimbursement program. When charter school tuition payments increase for a given school district over the prior year, the state reimburses that district 100% of the increased cost in the first year. The state then reimburses 25 percent of the first year increase amount for each of the subsequent five years. This six year reimbursement schedule is referred to as the 100/25/25/25/25/25 formula. A resource to help understand the funding is <http://www.doe.mass.edu/charter/finance>.

#### Questions:

- There were questions and discussions regarding the lottery pools, advertising, and best practices.
- There were several questions regarding future expansion plans: The school opened in 1998 and they have already expanded to where they want to be. They added a high school 5 years ago. They have permission from the state to grow to as many as 700 students, there is no plan to expand beyond that. They want to remain small and get to know the students well. They had 626 students last year. They have a short term goal of relocating so that both schools can be in the same building or on the same campus and not 1 mile apart as they currently are situated.
- Funding was the primary topic of concern:
  - The perception is the town funds 2 separate school systems and Rising Tide costs \$7-\$8 million for 500 children.
  - The amount of money they receive from the towns depends on the per pupil rate in those towns. The Plymouth per pupil rate falls about in the middle of the 19 towns in their region.
  - Is it a complete wash for the Plymouth taxpayer if a child moves from Plymouth Public Schools to Rising Tide? The allocation to Rising Tide would be less than if the student stayed in PPS. District placement for special education cost is deducted and there is no health insurance for retired teachers, so that expense is subtracted as well.
  - Frustrating that our dollars are leaving our school system but we do not have the ability to voice and regulate charter schools the same way we do our public school system. It is unfair that we do not have that oversight.

- The only way to lower the town's contribution to Rising Tide would be to lower the contribution to the Plymouth Public School system.
- There is the impression that the state funds 100% of charter school costs, which is incorrect.
- There is a myth that charter schools are draining public school funds, the money just follows the student to whichever school system he/she attends.
- At the end of the year unused funds are not given back to the town like the public school system does. Charter schools are allowed to save for capital purchases because charter schools do not receive MSBA funds. The state regulates that amount by using a formula to determine the maximum allowed. If there is excess above what the state allows, then that excess would have to be returned.

➤ Committee Reorganization

The role of Chair was relinquished to Christopher Merrill who opened up nominations:

Chair: Harry Helm nominated John Moody. Betty Cavacco nominated Patrick O'Brien. Each gave a brief introduction. The committee elected John Moody as Chair, he received 8 votes. Patrick O'Brien received 1 vote.

1<sup>st</sup> Vice Chair: Patrick O'Brien nominated Harry Salerno. There were no other nominees. The vote to elect Harry Salerno 1<sup>st</sup> Vice Chair was unanimous, 9-0-0.

2<sup>nd</sup> Vice Chair: Patricia McPherson nominated Patrick O'Brien. Patrick O'Brien nominated Ethan Kusmin. Betty Cavacco nominated Kevin Canty. Patrick O'Brien received 2 votes, Ethan Kusmin received 3 votes, Kevin Canty received 3 votes. In a runoff between Canty and Kusmin, Canty was elected with 5 votes, Kusmin received 4 votes.

John Moody returned to the role of Chair.

Old/New/Other Business

- Betty Cavacco reported that the Harbor Committee cancelled this year's blessing of the fleet because of the construction at the boat ramp.
- Christopher Merrill reported that the Audit Committee had a meeting. The town is performing well. The FY2016 audit will start soon.
- John Moody reported that the Committee of Precinct Chairs cancelled their meeting next week.

Meeting Minutes

- May 18, 2016: **Betty Cavacco made a motion to approve the minutes as amended of the 5/18/16 meeting. Patrick O'Brien, second. The motion carries unanimously (9-0-1). Mike Lincoln, abstained.**

ADJOURNMENT

**Patrick O'Brien made a motion to adjourn. Betty Cavacco, second. The motion for adjournment carries unanimously (10-0-0).**  
The meeting adjourned at 8:35PM.

Respectfully submitted,  
Kere Gillette