



Town of Nantucket Finance Committee

www.nantucket-ma.gov

Committee Members: David Worth(Chair), Stephen Maury(Vice-chair), Clifford Williams, Joseph T. Grause Jr., Peter McEachern, Henry Sanford, Joanna Roche, Christopher Glowacki, Jean Grimmer

MINUTES

Thursday, January 19, 2017

4 Fairgrounds Road, Community Room – 4:00 p.m.

Called to order at 4:00 p.m.

- Staff in attendance: Brian Turbitt, Director of Finance; Julia Lindner, Financial Analyst; Terry Norton, Town Minutes Taker
- Attending Members: Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer
- Absent Members: McEachern
- Late Arrivals: Sandford, 4:02 p.m.; Roche, 4:04 p.m.
- Early Departures: None
- Documents used: January 5 & 10, 2017 minutes; Nantucket Public Schools (NPS) FY2018 proposed budget; Warrant Articles for 2017 Annual Town Meeting (ATM).

I. ANNOUNCEMENTS

1. None

II. PUBLIC COMMENT

1. None

III. APPROVAL OF PRIOR MEETING MINUTES

1. January 5, 2017 **Motion to Approve.** (made by: Williams) (seconded by: Grimmer) Carried unanimously
2. January 10, 2017 **Motion to Approve.** (made by: Williams) (seconded by: Grimmer) Carried unanimously

IV. COMMITTEE REPORTS

1. None

V. REVIEW FY2018 BUDGET, CAPITAL AND COLLECTIVE BARGAINING AGREEMENTS FOR NPS

Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer

Recused

Discussion **Michael Cozort**, Superintendent of Schools – Introduced his staff: NPS Finance Director Martin Anguelov, NPS Facilities Director Diane O’Neil, Building Principals Kim Kubisch and John Buckey and Peter Cohen, Curriculum Coordinators Michael Horton and Jean Witt, Technology Coordinator Karen McGonigle, ELL Director Jeremiah Swain, High School Assistant Principal John Lucchini, Community School Director Caitlin Waddington. Reviewed the enrollment over the last ten years to include a projection for the September 2017 Intermediate School enrollment. Reviewed the operating budget in relation to the enrollment numbers and per-pupil expenditures and the problems of being an Island school district.

Anguelov – Explained the Foundation Budget. Nantucket is at the thirty-nine percentile for low-income students. Chapter 70 ensures every school district has enough money to educate all the children; we get more money than the Foundation Budget per the State recommendation.

Cozort – Noted that the State doesn’t take into account the fact that because this is an Island school district and the cost of travel. Explained it is frustrating when the Department of Education (DOE) requires professional development, but the DOE won’t send someone to the island or pay for transportation for something that is supposed to be free. Reviewed Federal

entitlement grant monies; the largest is special education grant, which we use to offset salaries. Payroll versus expenses ratio is close to the State norm. Reviewed the Community School budget showing the Town appropriation and amount raised from donations, grants, and fund raising; they've taken over some recreational programs. Explained the Special Education Residential Tuition usually has between seven and twelve going to the mainland for residential programs, for which the costs range from \$50,000 to \$200,000 depending on the program; Circuit Breaker helps to off-set the costs; the Commonwealth of Massachusetts is going to start allowing the building of a stabilization fund to hold any surplus to be used as needed. Noted that something NPS has to work on is excessive transfers between line items; Mr. Anguelov and the principals are looking at the 5-year histories to minimize that. Reviewed the staffing increases: custodial for the new school, a nurse, elementary guidance counselors, technology teacher, new principal and assistant principal for the new school.

Kubisch – Explained the role of the guidance counselors in the elementary schools.

Cozort – Most increases in the budget are attached to opening the new school. It's hard to anticipate the increase in utilities; that will take a couple of years to figure out. With the new school, we have taken steps to meet LEEDs standards. There is \$30,000 for an in-house electrician has been added to the budget; we feel this will off-set the cost of contracting.

Worth – Asked if NPS has compared the costs of contracting custodial work to staff custodians.

Cozort – They can look at it again; currently they are in collective bargaining through 2018. Jumping into that now might violate the labor contract. If that were to be done, it would be with night work, not day work.

Worth – Asked if regards to the new school a life-cycle operating cost was done. If they did, how accurate are they relative to reality.

Cozort – He doesn't believe a life-time study was done; they did do projections. They won't know until after a year of operation before they know the actual operating costs.

Maury – Asked if Mr. Cozort thinks the budget is sufficient.

Cozort – This increase is helpful; in the past they couldn't get the elementary classes smaller due to the lack of space; that will now change for grades K-8. Given that we're opening a new school, he is hard-pressed to ask for more.

Maury – Looking at the State 2008-2015 per-pupil costs, the State average rose about 20% and Nantucket went down about .5%; in the last three years, the population of the High School has gone from 490 to 541. Asked what metric is used to determine the appropriate level of staffing and the amount of money being spent.

Cozort – Most of that work is done at the building level. Mr. Buckley can review the class load sheet. This past year we added a history teacher and part time Physical Education teacher; last year we added a science teacher. An opportunity that doesn't show up in the budget is when someone retires, we replace a person at the heavy end of the salary with starting pay.

Maury – Asked what internal metric is used to determine that they are providing for the community's needs.

Cozort – We do look at test scores but also class size and performance; class size is the first metric. We look at math proficiency; we've added math intervention teachers at the elementary and middle schools levels. English Language Learners (ELL) proficiencies is another metric; they've gone from two ELL teachers to five at the elementary level and to two ELL teachers at both the Middle School and High School. He wouldn't say the budget allows the individual attention we would like every subgroup to get but it is adequate.

Roche – Asked if National Grid has done an assessment for all the buildings and if they have looked at an aggregate buy of the energy and if so is it reflected in the budget.

Cozort – National Grid has done building assessments.

Turbitt – The Town already has a power agreement. The aggregate buy is for homeowners.

O'Neil – The utility budget number is based upon the power agreement in place.

Roche – Asked what the fall-out might be over the next four or five years.

Cozort – If we could flat-line our numbers, we could build programs; it is hard to do both as enrollment numbers rise and demographics change. We've identified properties for possible future schools.

Roche – Asked with the new developments coming on line, how the potential influx of students will impact the schools and budget.

Cozort – Those projects have to do their analysis of their impact and they provide a range. He doesn't believe the South Road project will provide twenty-two kids; he's told the Richmond representative that.

Roche – Asked how it would be addressed.

Cozort – He thinks it is something that should move forward in the planning stages; this is the time for the Town and NPS to put together the master plan.

Williams – In regards to the ELL students, your Hispanic enrollment went from 4% in 2005 to 25% last year who were born on Nantucket. Asked if there has been community outreach to try and soften that.

Cozort – Not all of them were ELL students. 25% might be ethnically Hispanic but with strong English language skills. Kindergarten registration for 2017-2018 school year has started; we already have 55 and 17 are Hispanic; registration continues up until school starts. We believe there will be a little slow down in those numbers.

Kubisch – Explained why it is difficult to project the number of ELL students and identifying non-native English speakers.

Sanford – Asked the average class size.

Cozort – Kindergarten averages 16-17 students; 1st Grade averages 19-20; 2nd Grade averages 20; 3rd Grade averages 22-23: we work to keep the primary grades as low as possible. Middle School glass sizes range from 20-25. The High School is very hard to say because there are so many different classes.

Sanford – Asked the sizes of the ELL classes.

Cozort – He can send the FinCom members that information. Noted that students at the lowest level of English proficiency will have between two and two-and-a-half hours of instruction; the instruction time decreases as proficiency increases.

O'Neil – Provided an overview of the capital projects: pave the back of the middle and high school; school improvements; Backus Lane playground and field improvements (Land Bank property switch); upgrade of High School and Middle School HVAC; and land acquisition.

Glowacki – Asked for a characterization of the aggressiveness of introducing new technology in the school.

Cozort – The school has added a lot of technology in the classrooms: reviewed the upgrades in classroom technology over the last seven years. Noted that they are trying to get a handle on how much is too much of a good thing; that is being researched to ensure that the engagement with technology is at the appropriate level.

Grause – Asked how this capital budget is being financed.

Turbitt – Free Cash and 1% Capital Expenditure Requirement under the Town Code.

Worth – Asked if NPS believes the contract negotiations will be completed by the end of February.

Cozort – We are negotiating with the teachers, teacher assistants, and custodians. It is a challenge.

VI. WARRANT ARTICLES FOR 2017 ATM (5:25)

1. Article 14: (Appropriation: New Facility for Our Island Home)
Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer
Recused None
Discussion **Worth** – This is back on the warrant as of the Board of Selection (BOS) meeting of January 18. This will be discussed later in February.
Turbitt – The money will be part of the motion; it's contingent upon a 2.5% debt exclusion vote which would happen at the annual Town election.
2. Article 15 (Appropriation: Real Property Acquisition)
Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer
Recused None
Discussion **Turbitt** – The Town Manager will talk about this at the next FinCom meeting she attends.
3. Article 24 (Designation of Use of Bond Proceeds)
Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer
Recused None
Discussion **Turbitt** – This is part of the Municipal Modernization Act (MMA); we have to add language for the designation of all bond postings.
4. Article 29 (Appropriation: Collective Bargaining Agreement/Laborer's Union)
5. Article 30 (Appropriation: Collective Bargaining Agreement/Fire)
6. Article 31 (Appropriation: Collective Bargaining Agreement/Airport Union)
7. Article 32 (Appropriation: Collective Bargaining Agreement/Our Island Home)
8. Article 33 (Appropriation: Collective Bargaining Agreement/Public Works)
9. Article 34 (Appropriation: Collective Bargaining Agreement/Police)
10. Article 35 (Appropriation: Collective Bargaining Agreement/Wannacomet Water)
Sitting Worth, Maury, Williams, Grause, McEachern, Sanford, Roche, Glowacki, Grimmer
Recused None
Discussion **Worth** – In regards to all these collective bargaining articles, if a contract is not in place one month before ATM, FinCom won't take action on them. The Unions are aware of that.
11. Article 25 (Appropriation: Ferry Embarkation Fee)
Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer
Recused None
Discussion **Turbitt** – The language has not changed from past years.
Discussion about capacity resulting in a change in revenue from this fee.
12. Article 37 (Appropriation: FY2018 Community Preservation Committee)
Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer
Recused None
Discussion Discussion about the Academy Hill windows project still being in the article and maintenance.
Worth – Removing Academy Hill would be part of the motion.
13. Article 28 (Establishment of and Appropriation for Stabilization Fund for Airport)
Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer
Recused None
Discussion **Turbitt** – This creates a stabilization fund to be used to fund future payment of accrued liabilities for compensation absences of retirees or leave employment. Part of the surplus from the Fuel Revolver Fund could be transferred into this fund and take the pressure off the operating budget. To put money in requires a simple majority but to take in out requires a two-third majority.
Worth – There has never been a mechanism for this; it is good practice to have an accrual for this.

14. Article 76 (Bylaw Amendment: District Improvement Financing (DIF))

Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer

Recused None

Discussion **Turbitt** – Money from DIF is used to pay for infrastructure within a specific development area. This article gives the Town the authority to potentially move forward on it with public hearings. Typically this is reserved for communities with no access to the bond market; outside that, the infrastructure would have to be funded through debt exclusion and/or to fund it within Proposition 2½. He is working to find out if it helps with getting grant money. Without DIF, he would normally recommend infrastructure improvements be paid through a debt exclusion.

15. Article 78 (Revolving Accounts Bylaw)

Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer

Recused None

Discussion **Turbitt** – The MMA make it easier to deal with Revolving Accounts. This article establishes the revolving funds permanently.

16. Article 79 (Revolving Accounts: Sending Limits for FY2018)

Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer

Recused None

Discussion **Turbitt** – This sets the annual spending limits, again per MMA.

17. Article 80 (Local Option Tax on Sale of Recreational Marijuana)

Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer

Recused None

Discussion **Turbitt** – Per the MMA, allows the Town to collect a local sales tax in the amount of 2% on the sale or transfer of marijuana by a local retailer operating within the Town.

18. Article 81 (Bylaw Amendment: Licenses and Permits of Delinquent Taxpayers)

Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer

Recused None

Discussion **Turbitt** – Acceptance of MGL c.40 s.57 re: withholding of permits to delinquent taxpayers, would allow withholding the issuance of permits in a more expedition fashion. This is also out of the MMA.

19. Article 82 (Acceptance of Massachusetts General Law: Authority to Set Local Speed Limits)

Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer

Recused None

Discussion **Turbitt** – Allows BOS to set local speed limits at 25 mph in thickly settled areas. Also an MMA article.

20. Article 83 (Acceptance of Massachusetts General Law: Amendments to OPEB Trust Fund)

Sitting Worth, Maury, Williams, Grause, Sanford, Roche, Glowacki, Grimmer

Recused None

Discussion **Turbitt** – Accepting this amendment changes the OPEB Trust Fund this to a qualified trust. This is also out of the MMA.

VII. NEXT MEETING DATE/ADJOURNMENT

Date: Thursday, January 26, 2017; 4:00 p.m.; 4 Fairgrounds Road Community Room

Adjourned 6:05 p.m.

Submitted by:

Terry L. Norton