

**MINUTES OF SMITHFIELD TOWN COUNCIL AND SCHOOL COMMITTEE  
WORK SESSION**

**Date: Tuesday February 20, 2018**

**Place: Smithfield Town Hall**

**Time: 5:30 P.M.**

**Present:**       **Town Council President Paul M. Santucci**  
                  **Town Council Vice-President Alberto J. LaGreca, Jr.**  
                  **Town Council Member Maxine A. Cavanagh**  
                  **Town Council Member Suzanna L. Alba**  
                  **Town Council Member T. Michael Lawton**  
                  **Town Manager Randy R. Rossi**  
                  **Town Clerk Carol A. Aquilante**

**School Committee members:**

**Sean Clough, Chair**  
                  **Virginia Harnois**  
                  **Brent Barrows**  
                  **Cheryl Hirst-Hodgins**  
                  **Rose Marie Cipriano**

**Dr. Judy Paolucci, Smithfield School Superintendent**

**Dr. Sara Monaco, Assistant Superintendent**

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**Council President Santucci calls the Tuesday, February 20, 2018 Smithfield Town Council Work Session meeting to order at 5:44 p.m.**

**Council President Santucci offers a prayer.**

**Council President Santucci conducts a salute to the flag.**

**The Emergency Evacuation and Health Announcement is made by Town Manager Rossi.**

**Discussions Items:**

**FY 2019 Preliminary School Budget:**

Council President Santucci explains that he would like to see a 0% tax increase in the budget, due to potential increase in bonding, equitable Senior Tax Freeze and a possible change in the credit rating for the Town. Council President Santucci further explains that the Financial Review Commission stated that the Town could only afford a \$20 million dollar bond for the School Department, which would result in a 5.77% tax increase on the debt service.

Council member Alba asks if Town Manager Rossi has met with Superintendent Paolucci.

Town Manager Rossi replies that meets with Superintendent Paolucci regularly.

Council member Alba states that the Town has fallen short of increasing our revenue by continuing to spend and not bring in economic development to the Town.

Town Manager Rossi states that the Town’s departments have worked together to draft a Strategic Plan which discusses future economic growth.

Superintendent Paolucci explains that she met with School Administrators and there were definitely areas of change to the budget line items.

Virginia Harnois, School Committee member, states that Superintendent Paolucci will have a more detailed report available after the School Committee meeting, and she asks the Town Council members to work with Superintendent Paolucci on next year’s budget.

Council member Alba states that this would be a starting point moving forward to July and what could be expected.

Superintendent Paolucci explains that knowing the projected revenue for next year is crucial.

Superintendent Paolucci reviews the following Summary of the Smithfield Public Schools Budget:

| SPS Budget                 | FY18 (July1, 2017) | <u>Initial Estimate for</u><br>FY19 12/18/17 | <u>Current Budget</u><br>FY19       |
|----------------------------|--------------------|--|-------------------------------------|
|                            | \$38,584,261       | \$40,148,272                                 | \$40,128,178                        |
| State aid to<br>Smithfield | \$6,260,710        | \$7,586,464<br>(+\$1,325,754)                | \$7,714,245<br>(+\$1,453,535)       |
| MISC Revenues              | \$350,000          | \$350,000                                    | \$389,000                           |
| Re-appropriated            | \$295,743          | \$0  | \$0                                 |
| Fund Balance               |                    |  |                                     |
| Town Appropriation         | \$31,677,808       | \$32,211,808<br>(+534,000)(+1.7%)            | \$32,024,933<br>(+\$347,125)(+1.1%) |

Superintendent Paolucci states that in December a budget estimate was provided with the following assumptions:

- Same staffing (negotiated increases)
- 10% health benefit increase
- 7% dental benefit increase
- 3% transportation
- Actual percentage increases in retirement
- Level services for special education
- Most other lines constant

Superintendent Paolucci further explains that between December and February the School Department devised a staffing plan for FY 19, scrutinized budget requests submitted by

Principals and Directors, and reviewed all budget lines. Superintendent Paolucci further states that the present draft budget includes additional staff, yet is lower than the estimated budget from December and additionally, this budget eliminates the reliance on the fund balance. Superintendent Paolucci also explains that the resulting increase in the Town appropriation would be an additional \$327,125 –just above 1.1% above the FY18 appropriation.

In addition to salaries, significant budget drivers include:

- +129,876 for retirement contributions due to increases in salaries, additional staff, and an increase in the percent contribution (13.24% - 13.45%). The Total increase for benefits is anticipated to be \$403,531 above FY18 values.
- +\$65,040 for instructional supplies due to new annual fee for science kit for refurbishment and for new curricular materials.
- +\$50K for transportation. A new bus contract has not yet been established.
- \$175,000 for middle school furniture.

Superintendent Paolucci would like the Town and School Department to establish a potential policy to generate a Capital Reserve Fund.

*\*See supporting documentation attached.*

Council member Alba asks Town Manager Rossi about budgeting the fund balance.

Town Manager Rossi explains that for many years the School Department has budgeted the fund balance, but never used it. Town Manager Rossi feels this is not a good practice and the fund balance should be used for one-time expenditures.

Council member Alba states that the Town Council members are aware of some of those Capital Expenditures when they are considering the budget.

Town Manager Rossi verifies with Superintendent Paolucci that the School Department is just considering the additional \$347,000 and not the asking for the additional \$280,000. Superintendent Paolucci replies that they are not considering the \$280,000 because it is not a part of the operating budget.

Council President Santucci still asks for a more detailed view of the proposed school budget.

Superintendent Paolucci states that she presented most of the basics this evening of the school budget.

**Updated State Aide Estimate for Smithfield:**

Council member Lawton asks the status of the State aid.

Superintendent Paolucci replies that the School Department should be close to hearing from RIDE within a few weeks.

Sean Clough, School Committee Chair, explains that Superintendent Paolucci will be able to provide the Town Council with more detailed budget information after the School Committee meets next week and approves the budget.

**Capital needs:**

Superintendent Paolucci will submit a list of needs after the school committee meeting next week, such as transportation.

Council Vice-President LaGreca states that a 1.1% increase in the School budget moving forward was a very well done. Council Vice-President LaGreca further states that whatever the request is of the School Department, the taxpayers of the Town will vote on it at the Financial Town meeting.

Ms. Hodgins asks what the School Department could do to offset costs.

Town Manager Rossi states that he is working with the Trust Board to help reduce the cost of health coverage and dental coverage. Town Manager Rossi states that the School Department look at their Parks & Recreation Department, Human Resources, Purchasing, etc. for future savings.

Superintendent Paolucci explains that they have been looking into replacing the lights in the School buildings to LED lights. Superintendent Paolucci further explains that some of the funds could come from fund balances, however, it will be a future operating costs savings.

Council member Cavanagh states that there may be a rebate incentive program from National Grid.

Town Manager Rossi states that the Town and School Department have signed on to review the incentives with National Grid prior to the end of the year.

Chair Clough, Chair, would like to have a future Work Session to discuss a revolving fund for capital expenditures.

Discussion takes place regarding the revolving fund proposed by the Financial Review Commission. The Town Council members agree to discuss this matter further with the Financial Review Commission and School Department.

**Motion** is made by Council member Alba, seconded by Council Vice-President LaGreca, to adjourn the Work Session.

Meeting is adjourned at 6:35 P.M.

*Carol A. Aquilante, OMC*

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Town Clerk