

Barrington Committee on Appropriations

Meeting Minutes

April 7, 2015

Opening

The regular meeting of the Barrington Committee on Appropriations was called to order at 7:03 pm on April 7, 2015 in the Barrington Senior Center by Geoff Grove.

Present

Present: Geoff Grove, Chair, Peter Dennehy, Melissa Horne, Peter Clifford, Chad Mollica, Ann Strong (Town Council Liaison)

Also present: Kate Brody, Chair School Committee; Bob Shea, Vice Chair; Ron Tarro, Director of Finance; Mike Messore, Superintendent

Approval of Agenda

The agenda was unanimously approved as distributed.

Approval of Minutes

The minutes of the previous meeting were not available for review and vote. They will be presented at the next meeting.

Open Issues

Geoff opened meeting reviewing the email he forwarded to the School Department suggesting possible budget changes.

Ron Tarro explained that \$50K was transferred from Capital Reserve for School Improvement to School Technology in an attempt to level the budget. Kate asked that Geoff provide an explanation of the documents that were created by Peter Clifford of COA that summarized the requests. Peter C. said that the schools represent 72% of the budget and 26% municipal with the balance being Capital expenditures.

School spending per student is lower than most suburban school districts but because we are underfunded School Aid formula inflates Barrington tax base by 70% so we are underfunded by 70%. If we received state aid that was equal to the tax base our tax rate would be about \$15/thousand. Geoff agreed that the problem is at the state and we have to deal with that. Peter C noted that another issue is that in the past three years the school budget has increased at a greater percentage than the municipal budget. Approximately 25% of property owners in town will experience significant increase in property tax (10% or more) and the COA needs to be sensitive to that. Peter C. said that we (COA) were all extremely impressed with the tours of the schools and the great job that the school

committee and administrators are doing. He suggested that the school department move to return to staff to student ratio that were used five years ago. Mike Messore asked how Peter C. came to the ratios for student to staff and proceeded to explain how the administration determines how many teachers to hire. This is based on grade levels and, particularly at the upper levels, taking a look at the value of certain programs, classes, materials and equipment available. Kate asked Mike Messore to further explain how he had identified efficiencies of teachers. Mike looked at the schedules of “specials” teachers and saw that there were many gaps so schedules were changed to eliminate these gaps and extra staff was reduced. This opened up savings for either reduction in taxes or opened up funds for use for other items that were not funded.

Mike related that for the first time the district has hired an administrator on a 10-month rather than 12-month basis for even more potential cost savings going forward.

Geoff asked, based on student enrollment, at what point does the budget start tipping. Ron Tarro said that special education costs are a driving factor. The cost for one student is \$60K to \$100K for an out of district placement. If you can bring even a few students back into the district with one teacher and a couple of support staff then you’ll realize some real cost savings. Bob said that the philosophy is that every child should be educated in their home district if at all possible. Peter Clifford said his analysis showed that the cost for Special Education in Barrington is no worse than other districts and the education is better. But we are still looking at a per student increase of about 4%. Messore said that the district has outsourced to an outside agency some difficult cases that previously had been outplaced. The program has met with great success.

Chad said that the reality is that if you look over time the driving force of tax increases is driven primarily by increases in the school budget. If you break down the school budget, the operating expenses have basically been flat or declining. All the increases are coming from the labor side of the budget. We all respect how you manage your people and schools and it would be foolish of us to offer a different way of doing it. But the reality is that labor costs are rising and how do we get them more in line with inflation. We have received more state aid to provide relief to the taxpayers of Barrington but we have yet been able to do that. Ron Tarro said that he agreed with most of Chad’s assessment. The problem that we’re squeezed against neighboring communities. We have worked to decrease the unfunded liabilities. For instance, we have lowered retiree health benefits from \$21 million to \$7 million and anticipate that that number may go down below that. Peter D. commented that it’s like a shell game in a way – we can’t do anything about labor but can we do something about capital. Ron and Mike asked for clarification on the request to cut \$175 from tech and said he has to look at how he can cut his budget by \$400K. Geoff clarified the COA request.

Ron Tarro distributed a Status Report dated March 30, 2015, showing a snap shot of school projects along with a copy of the School Department “Fund Balance/ Spending Policy.” He reviewed the documents and indicated that taking \$250k out of the Capital Reserve as suggested by the COA he would have to figure out what they are not able to do. He must move forward with immediate health and safety. Melissa observed that some of the projects seem to be slated for 2016 – could he re-allocate? Kate said that there is an approval process with RIDE that the town must follow. Peter Clifford said that the school budget needs to be as transparent as possible. Ann suggested that the schools might do a better job of educating not just parents but the community at large as to what is going on at the school.

Chad said that the town is close to getting a AAA bond rating and that would be a huge savings on interest for taxpayers. Ron Tarro agreed with Chad.

Geoff questioned whether the custodial services presented an area for potential savings. Ron said that there have been some efforts to maximize staff. New hires are now also at 60% of seasoned staff. We are also looking at how overtime is allocated. The other benefit of having the people work for us is that they are very well checked from a security standpoint. Mike Messore also said that the custodians have pride in what they do and it shows in the buildings. That said, we are monitoring these costs closely.

Peter Clifford asked about sharing of services. Mike said that this is something that is already happening and, as an example related that the school department and municipal are working together on some IT projects. Kate suggested that Mike and Ron analyze what the changes suggested by the COA would look like and that would be discussed on Thursday (April 9). The School Committee would be meeting on consecutive weeks to be sure that. Geoff asked that Kate communicate the outcome of the meeting with him as soon as possible.

The COA then continued their meeting with a discussion of the Municipal Budget. Geoff reviewed Peter DeAngelis’ proposal to reimburse the Spencer Trust for the George Street Property (\$238,000) and the \$750,000 Affordable Housing Fund funding request. After a discussion, the COA agreed that the requests to transfer a total of almost \$1 million out of the fund balance is in conflict with the COA principal of raising our bond rating from AA to AAA in anticipation of significant bond issues facing the town for the middle, school road improvement, and environmental issues which and could imperil the town’s bond rating. Melissa capped the discussion stating “we feel that in general that a transfer from the reserve fund is inappropriate and therefore we cannot endorse the proposal.” A vote was taken with all in favor. Geoff will notify Peter DeAngelis and the Town Council of the decision via letter.

Geoff moved the discussion to the CIP Budget and the proposal by COA to reduce this by \$188K. Melissa stated what she felt was the operation of the individual capital accounts and questioned where the transfers are indicated on the audit report. Peter C. directed the group to COA to page 82 and the group proceeded to examine the various funds and transfers. Melissa reviewed the 2016 requests and questioned how there can be a request for more when there is already money in the account. Chad said that the explanation will be that this money is already spent. Geoff asked the group to finalize the reduction request for the municipal side of the budget. Chad asked which issues were the most important to the taxpayer. Melissa said that relatively speaking we're talking about such little amounts of money that what we really want in transparency. Chad agreed - as that pertains to the municipal side, the rating of the reserve it addresses fiscal and transparency concerns. Peter C. said that the proposed budget will incur a 1.77% prop tax increase – in my mind I would like to get the tax increase below 1%. After some discussion the COA will request that the municipal budget CIP be reduced by \$188K. The rationale is the trend line. All in Favor. Peter Clifford reiterated that the COA should be very clear that transparency is very important. .

Adjournment

Meeting was adjourned at 9:17 pm by Geoff Grove. The next general meeting will be at 7:00 pm on April 14, 2015, in Barrington Senior Center.

Minutes submitted by: Ann Strong

Approved by: Geoff Grove