

**NORTHFIELD FINCOM MEMBERS PRESENT:** Lois Stearns, Dan Campbell, Bernhard Porada, Sue Kaczinski, Tony Matteo and Bonnie L'Etoile

**NORTHFIELD SELECTBOARD MEMBERS PRESENT:** Alex Meisner and Julia Blyth

**BERNARDSTON FINCOM MEMBERS PRESENT:** Jody Coleman, Brian Hervieux, Jane Dutcher, Steve Nestanpower

**BERNARDSTON SELECTBOARD MEMBERS PRESENT:** Brian Keir, Bob Raymond, Stan Garland

**LEYDEN FINCOM MEMBERS PRESENT:** Michele Higgins, Barbara Francis, Ginger Robinson

**LEYDEN SELECTBOARD MEMBERS PRESENT:** Bill Glabach,

**WARWICK FINCOM MEMBERS PRESENT:** Clyde Perkins Sr., Laurette Crane, Olivier Flagollet, Diane Noble

**WARWICK SELECTBOARD MEMBERS PRESENT:** Jim Erviti, Todd Dexter, Doc Pruyne

**OTHER INDIVIDUALS PRESENT:** Rick Kingsley (PVRSD Financial Overseer), Jean Page (Heart Committee Bernardston), Sue O'Reilly-McRae (Heart Committee & Warwick School Committee), Kristen Gonzalez (Northfield School Committee), Tanya Gaylord (PVRSD Director of Finance) Michele Giarusso (Leyden), Mike Townsley (Bernardston School Committee), Max Marcus (Greenfield Recorder), Bethany Walker (FINCOM Secretary), Tony Streeter, Bob Keir (Heart Committee), Susan Wright (Warwick), Jessica Foote (Warwick), Christian Haines (School Choice Parent Warwick), Sara (School Choice Parent Orange), John Scagel (PVRSD Superintendent), Andrea Llamas (Northfield Town Administrator)

*The Northfield FINCOM meeting was called to order*

*The Bernardston FINCOM meeting was called to order*

*The Leyden FINCOM meeting was called to order*

*The Bernardston Selectboard was called to order*

*The Warwick Selectboard called to order*

*The Warwick FINCOM called to order*

*The Northfield Selectboard called to order*

*The Leyden Selectboard did not have a quorum; not called to order*

*This meeting was voice recorded*

*Stearns advised that this meeting was properly posted and there will be no public comment period.*

## • INTRODUCTION

- Stearns gave a quick summary to update the members of the Warwick FINCOM (as they are all new members) of how this group meeting evolved.
  - Summer of 2018 there was talk of a short fall of funding for PVRSD for (2) budget years and the State had met with the school committee and administration; Stearns and Dutcher had asked if those same individuals from the state would meet with the Selectboard and Finance Committees of the 4 district towns to discuss this problem from the perspective of the town(s). Mary Jane Handy of DOR (Department of Revenue) and Jay Sullivan of DESE (Department of Elementary and Secondary Education) along with members of their staff came out to Pioneer in August of 2018. Handy advised the school committee members that were present to start the FY20 budget process in October of 2018 and that they should involve the towns. This suggestion of meeting didn't seem to transpire, so on October 1<sup>st</sup>, 2018, members of the Selectboard and FINCOMS from the (4) towns met in Bernardston. There were decisions at that meeting as to how this 4 town group would proceed. It was also at this meeting that it was suggested to have this group meet quarterly to discuss items of mutual concern. Group agreed and scheduled a January 28<sup>th</sup> meeting in Northfield.

- **ACKNOWLEDGEMENT OF 10-1-2018 MEETING MINUTES**

- David Lorenz of the Bernardston FINCOM took the minutes of the 10/1/2018 meeting

- **PRESENTATION BY RICK KINSLEY, OVERSEER TO THE PVRSD**

- Dutcher introduced Kingsley with a brief summary of his background and experience
- Kingsley outlined the roles of the Commissioner of Education, as this is a major role in the overseer position (Kingsley referred to himself as the “middle man”)
  - Based on the Special Act, the Commissioner has a very broad authority over the district’s finances.
  - The Commissioner has to approve, in writing, the adopted budget, or any amendment to that budget
  - The Commissioner has to approve any budgetary transfers between the line items in the budget.
  - The Commissioner has to approve any borrowing for the \$453,000 to cover the accumulated deficits
  - Commissioner approves collective bargaining agreements or amendments to those collective bargaining agreements
  - The Commissioner approves any new or amended contracts that are valued over \$25,000
  - The Commissioner approves any new fees and or user fees as well as any increases or decreases to those fees
- Kingsley’s role
  - Be the Commissioner’s eyes and ears at the district
  - Supervise and oversee the finances of the district
  - Assist with the preparation of the budget
  - Monitor the expenditures and revenues
  - Make recommendations to the Commissioner anytime anything occurs where it is required for his written approval. (For example, when a collective bargaining agreement is approved by the school committee, the school committee has to prepare a letter requesting that the Commissioner approve it. School committee sends their documentation, along with a letter to Kingsley then Kingsley attaches his letter of recommendation to the Commissioner as to whether or not it should be done).
  - Assess and monitor the district’s ability to manage its own finances going forward. This is critical in the legislation because if this is not happening, the Commissioner has the authority to recommend a finance control board, which is quite a bit stronger than what is in place now. Kingsley stated that currently things are lining up to avoid having to have a finance control board.
  - Answer to the Commissioner and report to the Commissioner
- Kingsley reported on the progress he has seen in the last 10 weeks that he has been on the job as well as some of the issues that have come up
  - Very impressed with the new administration; the Superintendent and Director of Finance. He has also been impressed with the political leadership with the school committee chair and the chair of the budget sub-committee. Kingsley stated that these are all new people who are working very hard to right what’s wrong with the district. He reminded the group that what’s occurred in this district hasn’t happened in the last 6-12 months, it really happened over the last 5-10 years, or “percolating for a while” and keeping that in mind, this will probably take a couple years to turn around; hopeful to make good headway in the next fiscal year.

- When Kingsley first came on board, he stated it was not known if the deficit was going to be a million or two million. An audit by Melanson and Heath was done quicker than expected. The close of FY18 by Gaylord was good; there were no material adjustments to the numbers, no material weaknesses in the finance procedures (unlike FY17, where a lot of things were missed, per Kingsley). That was terrific news for the district in two fronts: It validated the work in the administrative offices in the district in terms of the close, and the deficit did not get any worse, in fact it got better.
- FY19 budget does have a lot of issues. Just received December's Local Aid distribution where it shows the updated school choice figures are. Numbers came in \$140,000 less than the cherry sheet estimate for FY19. Historically, the district has used that school choice income to offset retiree health insurance. Hoping to deal with this problem internally and get out of FY19 without a deficit.
- School Choice figures, available on DOE website, PVRSD has lost 76 incoming pupils over the last 10 years. School Choice pupils leaving the district has gone up to 43 pupils over the last 10 years
- Transportation aide for FY20 is looking to be at least \$100,000 less than what is on the cherry sheet
- Transportation costs for FY20 are appearing to be going up based on the new bids for the bus contracts; about a \$78,000-\$80,000 increase
- Have to forecast a decrease in school choice incoming pupils, which will be in the area of \$200,000
- Salary numbers for paying for steps and the teacher's salary schedules is approximately \$160,000 (without a cost of living adjustment). Also to note that there is not a settled teachers' contract for FY19
- Questions and Comments
  - Steve (Bernardston FINCOM): all (4) towns are striving the best they can, can only afford what each town can within its means. Steve has attended the budget subcommittee meetings and at the last meeting, showed an increase, without salaries, an increase of \$107,219 and some of the four towns have suggested a zero assessment increase. Where is the money coming from?
  - Jim Erviti (Warwick): wanted to know if Kingsley had an opinion on the closing of the Warwick and Leyden Elementary schools. Kingsley would not offer opinion on Leyden vs. Warwick, but stated the district does need to look into. Also wanted to know Kingsley's opinion on enlarging the district. Kingsley thought it to be a good idea but wouldn't get done by this spring. Regionalization is hard work, and due to the current situation it would be even more difficult. Not possible for FY20, but perhaps in later years.
  - Question regarding virtual/online education and experiences. Kingsley stated that the Superintendent is working on programs and initiatives to keep the kids we have in the district and to attract others to come to the district
  - Noble (Warwick FINCOM): Inquired about a 4 day school week. Kingsley does not have experience with a 4 day school week but doesn't feel it would be a significant savings.
  - Question: any plan on the state restructuring school districts (example given that Vermont had this happen). Kingsley stated it is a valid point as a lot of districts are struggling.
  - Doc Pruyne had contacted Jeffrey Wulfson's office and received information about Superintendent salary costs per student. Examples included Acton paid their Superintendent \$95 per student, Amherst is \$58.93 per student, Charlemont pays \$169.28 per student, Brookline is \$22.36 per student and PVRSD is \$193.00 per student. Kingsley noted that smaller school/district pay more since it's a smaller distribution. Kingsley stated that the PVRSD Superintendent is actually paid on the lower side.

- Dutcher noted that one report revealed that we (Bernardston, Leyden, Northfield and Warwick) are funding our district at 64% above the required minimum, which is high in comparison to other districts across the state. 23.9% is the average. Dutcher would like Kingsley to bring this information back to the district and advise them that the towns are not prepared to continue to support the district at 64%. Kingsley would like patience and understanding as district is trying.
- Looking for an update on FY20 Projected budget; no figure set yet. Stearns followed up noting that at the October meeting, the group wanted the FINCOM committees of each town to come up with a recommendation as to what they could do for the budget for next year and it was said that the chairs of the four FINCOMS would get together and come up with a common recommendation and the recommendation that they made to the school committee, because the budget subcommittee had not started meeting, was that there be no increase in assessment to the towns for the FY20 budget
- L'Etoile stated that all the Selectboard and FINCOM members that are present tonight are for the towns perspective and looking at the big picture of the towns, but the school is the one that is in trouble and they are getting their oversight and help to figure out how to reduce costs and when group is about to talk budget, Kingsley would be leaving. L'Etoile would like Kingsley present to give advice or how to come up with a plan to work things out. There are no conversations about the towns and school working together. Kingsley doesn't feel that they are at that point yet, still working to put budget numbers together. Hopefully within the next week or two, when numbers are done, he may be in a position to do that. Due to the role of Overseer, it's a part time job and the more time and longer he meets with Selectboard & FINCOM's the more it will cost. Kingsley understands that towns can't do any more financially. Comment was made that since there are fewer enrolled the budget should be going down. Cuts need to come from the top.

Dutcher would like to go out of order of the agenda and now go directly to the Discussion on Financing while Kingsley is still in attendance

• **DISCUSSION/POSSIBLE RECOMMENDATION REGARDING PVRSD FINANCING**

- Dutcher stated that some towns have had discussion about requesting that the towns be allowed to make the second payment on the school lunch debt (\$90,000) and doing it with available funds so the towns could make the checks to the school district in this Fiscal year so it wouldn't show as a debt in the PVRSD books on June 30. This in turn would decrease the amount of the loan. Towns would have to vote on this and then they would have to proceed to the Commissioner to accept this proposal. Secondly, the life of the loan. Why does it have to be a 10 year loan for \$453,000? Could this be reduced in length? Dutcher produced spreadsheets showing the interest and savings with different lengths of time. It was previously told to the FINCOM that this 10 years loan cannot be changed, but the FINCOM's want to pursue changing it. Kingsley stated that the 10 year is to make it more manageable for towns and school district.
- It was asked where Kingsley's priority fell whether it be with DESE or a workable solution between the town and the school committees. Kingsley stated that his first priority is that he works for the Commissioner and works on behalf of the school district.
- Question on Teacher agreement/negotiations, Kingsley cannot discuss the collective bargaining strategy.

Rick Kingsley leaves meeting at 7:43pm

- Stearns wanted to further discuss keeping the loans out of the budget, so it will not increase the budget.

- Stearns wanted to make sure that all people present and others outside the meeting know the role of the FINCOM according the Mass Gen Laws chapter 39 sec. 16.
- **PRESENTATION FROM HEART MEMBERS & SUMMARY OF MEETING HELD IN MONTAGUE ON 1-16-2019**
  - Robinson said that the HEART committee formed about 2 years ago and appreciates everyone's patience. HEART received an Efficiency Regionalization grant from the state. The Gill-Montague district has a group similar to HEART, called the CIVIC LEADERS, and they too received a grant, a larger one. CIVIC LEADERS is looking to regionalize with PVRSD and FCTS. HEART was able to piggy back with the Gill-Montague grant and looked into regionalization with Gill-Montague. This allowed for HEART to find out a lot of information on regionalization without using their grant money. Grant money was then used to go over issues developing over the last few weeks like the school closings, modeling future budgets and redoing the district agreement.
  - Mass Association of Regional Schools (MARS) a consultation group was hired to work with HEART and Gill-Montague CIVIC LEADERS. MARS came up with a lot of information and presented their regionalizing information to the group in Montague last week. Group was able to get some ideas as to what they can do.
    - In the grant a continuum of collaboration; shared central office and shared administrative staff with Gill-Montague. This could be done before they form more complicated agreements.
    - A superintendent union
    - Sharing programs and the possibility of creating new programs
  - Blyth spoke about the steps involved
    - A Planning Committee would have to be formed. All six towns (Bernardston, Northfield, Leyden, Warwick, Gill, Montague and possibly a seventh town, Erving) would have to put members on this committee. Planning Committee would be looking at finances, education quality, how to make a district agreement and then it would have to be voted to accept a new district.
    - Each Selectboard could vote as soon as tomorrow to start this planning committee. This is an exploratory committee; it would continue the path to figuring out how to regionalize. Robinson would like each Selectboard at their next meeting to discuss this. Robinson and Blyth both stated they would be willing to attend these Selectboard meetings to help answer any questions.
    - Robinson stated that she is uncertain how much longer that the HEART committee will continue; now it is time to get everyone involved.
- **DISCUSSION OF DRAFT OF THE REVISED REGIONAL AGREEMENT**
  - January 18<sup>th</sup>, 2019 most recent draft (also have a January 2, 2019 draft edition)
  - (Issue 1) Capital costs and Operating costs
  - (Issue 2) School Closing
    - Assessment credits vs. contributing capital costs
    - Language should be geared towards a formula and not a set dollar amount for compensation
    - Possible other uses for a closed school building
  - Each town's counsel will need to review this in full and have back in time for Annual Town Meeting
  - HEART will continue to meet the 1<sup>st</sup> and 3<sup>rd</sup> Wednesday of each month at 6:30 at the Northfield Town Hall
- **COUNTY – WIDE EMERGENCY COMMUNICATIONS SYSTEM**
  - Meeting hosted by the FRCOG Thursday, January 31<sup>st</sup>, 2019 at 7pm at GCC

- Invited all towns represented; effects (3) departments Police, Fire and Ambulance
- **POSSIBLE FUTURE SHARED SERVICES**
  - Look into shared services between some of the towns
    - Police, Fire, EMS, Accountant, Hwy Supt., Senior Ctr. Director, Library Director and others
    - More discussion at a future meeting
- **FOLLOW UP DISCUSSION REGARDING PVRSD FINIANCING**
  - Dutcher: (By a show of hands) How many are in favor of going back to their towns and figuring out if they can pay their share of the \$90,000 this year? **IN FAVOR, WILL PURSUE**
    - Dutcher: Each town now needs to go back to their finance committees and Selectboard and look at their money available. Then, email Dutcher and Stearns declaring that the town has enough money to make payment (same amount as just previously paid); for a second payment. This will need to go before Town Meeting to vote, then a letter can be written to the Commissioner
  - Dutcher: (By show of hands) Do you want to finance over 5 years or do you want to finance over 10 years. All those who are interested in financing over 5 years raise your hand. **UNANIMOUS FOR 5 YEAR**
- **POSSIBLE FUTURE MEETING**
  - End of April would be 3 months (too close to Annual Town Meeting)
  - Monday, March 18<sup>th</sup>, 2019 at 6:30 pm in Bernardston confirmed by **UNANIMOUS VOTE**
    - Send agenda items to Dutcher or Stearns.
    - Location in Bernardston to be determined

*The Northfield FINCOM chair called meeting to close*  
*The Bernardston FINCOM chair called meeting to close*  
*The Leyden FINCOM chair called meeting to close*  
*The Bernardston Selectboard chair called meeting to close*  
*The Warwick Selectboard chair called meeting to close*  
*The Warwick FINCOM chair called meeting to close*  
*The Northfield Selectboard chair called meeting to close*  
*The Leyden Selectboard did not have a quorum*

**Meeting adjourned at 9:13 pm**

Submitted by:

Bethany Walker

Northfield FINCOM Secretary

