



SCHOOL COMMITTEE

BUSINESS MEETING OPEN SESSION MINUTES November 19, 2019

Meeting:	School Committee
Date:	November 19, 2019
Location:	Memorial School Conference Room
Attendees:	Pamela Beaudoin, Superintendent Avi Urbas, Director of Finance Shannon Erdmann, Chairperson Ann Cameron Eric Bourke Sarah Wolf Caroline Weld
Absent:	Rachel Fitzgibbon, Vice Chairperson, Ken Warnock
Guests:	
Recorded by:	Gail Hunter

AGENDA

A. Call to Order – Ms. Erdmann called the School Committee Business meeting to order at 5:35 p.m.

B. Business Meeting Open Session

1) Public Comment – There was no public comment this evening.

2) Chairman's Report –

Ms. Erdmann reported she attended a Vaping Presentation by Suzanne Graves MD, President of Evelyn Lilly Lutz Foundation and practicing Pediatrician in Beverly, MA. Vaping refers to smoking from battery powered devices like Juul, e-cigarettes and vape pens.

Dr. Graves indicated in her presentation that kids become addicted to vaping very quickly and the number of teens addicted is annually increasing exponentially. The high kids experience from the potent vaping experience lasts approximately 30 minutes. Nicotine addiction is a relaxing high but when the high passes kids experience a crash which results in more intense anxiety and stress. Dr. Graves stated the vaping nicotine addiction is quick and serious.

Ms. Erdmann was amazed to learn there is clothing designed specifically to hold vaping devices. She encouraged Committee members to support Senator Tarr's anti-vaping legislation. She concluded by stating the presentation was interesting and scary specifically as it related to chemicals released while vaping. Dr. Graves indicated the chemicals released are equal to formaldehyde and battery acid heated up and smoked.

Ms. Erdmann will ask meHUB to consider sponsoring a presentation on vaping with Dr. Graves.

3) Superintendent's Report

Superintendent Beaudoin stated the fall sports season came to a sad ending over the weekend. The football team and girls' soccer team played well and had great seasons. Superintendent Beaudoin indicated the fall season was tightly run, well organized and a credit to newly appointed Athletic Director, Jordan Edgett.

Superintendent Beaudoin reviewed upcoming School Committee meetings indicating the Committee is meeting on December 3, 2019 to review the Tentative Budget and on December 11, 2019 for a Public Hearing on the Tentative Budget (a joint meeting with Essex and Manchester BOS and Finance Committees) with a meeting on December 17, 2019 if needed.

Elementary Schools Grade 5 Planning Group has a Plan they would like to formally present. The plan includes a SWAP Day with students visiting each other's schools, a visit with YMCA staff to prepare students for their trip to Children's Island and finally Project Adventure Day at Maureen Farm. The planning committee will prepare a written summary of their proposal for Committee consideration and approval.

Wellness Committee is a state mandated health and wellness group that oversees the Wellness Policy. Superintendent Beaudoin anticipates the Committee focuses more on curriculum than policy. Dr. Graves is serving on the Committee with meetings scheduled for the 3rd Tuesday of the month at 3:30 p.m. starting on December 17th. Superintendent Beaudoin would like a School Committee member join the Wellness Committee along with School Nurses, Health Teachers, Food Service Representative, Adjustment Counselors, MBTS Parks and Recreation Director, Ms. Marshall and Executive Director Ipswich YMCA, Mr. Bevlacqua. Ms. Wolf volunteered to serve as School Committee representative.

WT Rich and the Project Team is presenting at the Memorial School Town Meeting tomorrow at 8:45 a.m. Their presentation has developed over time to include a slide show and more.

4) Consent Agenda

- Acceptance of Warrants
- Minutes 11/5/19
- Approval of Out of State Travel (No out of State Travel to approve.)

Ms. Wolf moved to approve the Consent Agenda; Ms. Cameron seconded the motion. The motion passed with noted unanimously. Ms. Cameron abstained from approving the EBSCO Warrant.

5) Sub-Committee Reports

- **Elementary Facilities/MSBC Sub-Committee** (Ms. Weld and Ms. Cameron)

Superintendent Beaudoin indicated there had been no significant developments since the last Committee meeting. Construction is progressing as planned.

- **Finance Sub-Committee** (Ms. Cameron and Ms. Erdmann) – No Report
- **Policy/Communication Sub-Committee** (Ms. Fitzgibbon and Mr. Bourke) – No Report
- **Negotiation Team** (Ms. Wolf and Mr. Warnock) – No Report

6) Continued Business – Budget Discussion

Mr. Urbas stated the line by line budget projections for FY 21 would be ready for the Committee to review at the December 3, 2019 meeting.

The **FY 19** Wrap up on the expense side there was a small budgetary savings of \$115K. This savings is much tighter than prior years.

The District did realize a revenue increase from interest received following \$35M deposited into the reserve account to cover Memorial School construction costs. The School Committee voted to move the funds to stabilization, however, the District is required to make an adjustment to the FY 20 budget and a vote is required to approve the transfer.

FY 20 Expenses are in line with projected spending. The 2 major areas of spending are salaries and insurance. There have been no major surprises in either line item year to date.

Out-of-District placements from move-ins resulted in a \$225K increase in spending. The District anticipates using Circuit Breaker funds to cover the increase in out-of-district costs this year. Circuit Breaker funds cover relief for extraordinary events. This fund provides a one-time reimbursement from the State. Normally the District saves Circuit Breaker funds year over year, this year it has been necessary to spend down those funds.

FY 21 On the spending side, a 2.5% COLA in line with the contract and an estimated 1.5% for step and column increases. Health Insurance is estimated at a 10% increase. Mr. Urbas is waiting for a more accurate figure from the broker.

Revenue – uncertain change in state aid. The District may gain \$75K in new state spending to cover transportation costs.

Net impact on the FY 21 budget is an initial revenue deficit of \$450K with multi year implications.

Superintendent Beaudoin stated a level services budget puts the District at a \$450K gap. Ms. Cameron does not like that number and is not supporting the number as part of the discussion for the Friday Collaboration Meeting. She is concerned the statement the District would use reserves to cover the gap resolves the issue for the Towns.

Superintendent Beaudoin asked the Committee if the District should put together a multi-year budget trying to solve the gap. Mr. Urbas stated the multi-year budget is not a tool for resolving the budget it shows trends given adjustments in variables within the budget.

Reserves are currently higher than usual which is deceiving because of the \$100K that needs to be considered from last year's Essex request and the increase from interest. Reserves are 13%, moving forward reserves will likely dip below 10% by FY22.

Mr. Urbas would like the Committee to be aware there are structural challenges moving forward and the District has limited options to reduce staffing the most significant cost. He went on to state the District needs reserve funds to address Capital issues and not resolve structural challenges in the budget. On Friday he would like to review the District's use of reserves.

Ms. Cameron asked if the District could request a correction that is not an override. The Committee has committed to keeping reserves at 10%. Superintendent Beaudoin suggested the District discuss the \$1.5M, 28% increase in health insurance the District absorbed by making cuts to the budget. This expense has put the District in a position to be unable to handle the new out-of-district placements.

Ms. Erdmann stated the District has been playing catch up the result of the health care crisis for several years. Mr. Urbas stated the changes in out-of-district placements are looking permanent. Ms. Erdmann asked if a one-time correction was enough. Ms. Cameron stated the District needs to demonstrate the current position and the longer the budget issues go on unresolved the worse the situation becomes. She recognizes the District cannot request an override.

Ms. Erdmann stated the 3.8% increase is not sustainable for the District. She believes that under 4% the District is going to be hitting a wall soon and asked if she was wrong.

Superintendent Beaudoin believes the 28% increase in health care costs indicated it is not a District spending problem. The District internally managed something that was a huge hit to the District. Ms. Erdmann stated we did manage it and those members of the community who were at the table understood the hit, but the community at large was unaware. Superintendent Beaudoin asked when the right time was to ask for a correction? If the District asked this year Manchester would be at 5 ½% and Essex at 6 ½%.

Superintend Beaudoin stated she believes the District can live at 3.8% and can under normal circumstances sustain but we cannot sustain and mange a crisis. Ms. Erdmann asked for clarification sustaining the budget is possible at 3.8% but budgeting for surprises is not included

in the 3.8%. Superintendent Beaudoin would like to position the discussion from a point where the issues can be meaningfully discussed.

Ms. Wolf is a visual thinker and believes a visual representation of the what the District has done in terms of eliminating teachers, adjusting buses and decreasing expenses would help to more clearly define the historic cuts to the budget. Committee members agree lists of cuts demonstrate the amount of the budget that has been cut over the past few years.

Superintendent Beaudoin would also like to highlight compliance driven staffing in budget discussions. The HS may need a FTE adjustment counselor, Memorial has an increase in IEP identification and may require a Special Education teacher. She is recommending utilizing reserves with all the projections on the table.

Mr. Urbas would like to highlight all the District has done without asking for help: OPEB, Health Insurance and the upcoming Turf Field replacement. These types of significant increases to the budget come at the expense of flexibility and the District cannot continue to do this long term.

Mr. Urbas also reviewed the reserve fund increase and the increase in the general fund exceeding 5% of the budget. The increase in the budget as previously noted is the result of interest income and reimbursement for the foot bridge construction. These budgetary increases are gained and require a reduction in assessment or a budget increase amendment. The Collaboration Group had agreed to a vote that vote can take place at a Special Town Meeting or posted in the paper for 45 days. Prior to the vote the budget needs to be certified by the Department of Revenue.

7) School Committee Comment – There was no additional School Committee comment.

8) Adjourn

Ms. Cameron moved to adjourn the meeting; Ms. Weld seconded the motion. The motion passed unanimously.

School Committee Future Meetings

- December 3, 2019
- December 11, 2019
- December 17, 2019 (To be confirmed.)