

Provincetown Finance Committee

March 21, 2005

1:00 p.m.

Members Present: Sue Buerkel, Acting Chair, Matthew Clark, Gary Delius, Virginia Ross, and Walt Winnowski.

Members Absent: Gail Enos, Edward Gage, Ruth Gilbert, Mark Leach, Tom Thurston, and Robert Vetrick. (all excused)

Others: Keith Bergman, Town Manager
School Committee members as follows:
Terese Nelson, Molly Purdue, Deb Trovato, and Burt Wolfman.
School District personnel as follows:
Anthony Teso and Betty White

The meeting was called to order at 1:18 p.m.

Agenda

Review School Committee Budget

Betty White was the first person to speak in response to the data request she (and all of them) had received. The questions she had received had to do with total value of grants and their length of time as compared to the school department expenditures. The School Committee was worried about one particular grant that supplied them with a school nurse. This one will be lost in one more year. Betty continued saying that the professional development part of one of the grants will easily be expended. Ms. White then stated that she felt she had answered most of the questions raised.

The revolving accounts were discussed next and Betty felt the titles of the accounts rendered them self explanatory, i.e.,

1. Early Learning
2. Athletic (receipts from basketball games – spent on athletic equipment and needs.)
3. Industrial Arts (children pay for wood for projects so it's a wash.)
4. Lost Book – (as the name implies – replacement books.)
5. Vandalism – (if the perpetrator is caught then restitution is made.)
6. Custodial – (Group needing the services will be billed for such.)

Betty also informed the FinCom that the school lunch program lost \$15K last year and, as a result, the lunch cost has been raised to \$1.75.

School Choice has a projected income of \$240K and of that \$232K will be expended.

Betty concluded her presentation after this information was imparted.

Matthew Clark said he felt the Committee seemed to have all the information they needed and the following motion was made:

Motion: Gary Delius made a motion to approve the budget of \$4,152,958.43; Virginia Ross seconded the motion and it was approved 5-0-0.

Gary Delius said it would be helpful if the FinCom could see the complete picture of the entire school budget. He added that if there are items paid out of other areas he would like to see one format for presentation to the FinCom. Gary promised that he will look at simplification of presenting the expenditures.

Burt Wolfman said they can do a consolidated budget but he pointed out the problems with it and how arduous the auditing of it would be.

Matthew Clark said that the FinCom seemed to receive only partial pictures at a time. All the other Town budgets are on one system but the School Dept. is difficult to assess. Virginia Ross added that we have a mind-set to review the budget - line by line – and that can't seem to be done.

Walt Winnowski noted that the question of enrollment trends was glossed over. He requested more specifics. Mr. Teso said that enrollment is down all over the Cape and the general trend favors the aging population gaining ground over the young families. He further promised that he has all the information on trends and will put together a package to be shared with the FinCom.

The School Department also said they are currently looking into adult education as a means of supplementing the dwindling school population.

Terese Nelson said she regards regionalization talks as an uncomfortable subject mainly because she doesn't want her kid on a bus for hours every week. She further said, "Hopefully with a new Superintendent coming on Board, we'll have some answers." Burt Wolfman, without being specific, said they're discussing day care and year round programs, "We're trying to fully utilize our physical plant." Terese said we are going to become "A Campus For All Ages."

Betty White said that regionalization has always been around. It is not a new concept.

Mr. Clark said that, from the perspective of the FinCom, it is great to hear about these new concepts, but that they need to be more than lip service. There needs to be a business plan to develop adult education, for example, that would set clear goals. FinCom could then evaluate the School's progress against these goals in evaluating future budgets.

Virginia Ross asked if the School Department could utilize the schools for colleges who would like to use the plant for Saturday and Sunday classes?

Mr. Teso said that he's dealing with the future and the focus is always on the child. It's his #1 priority.

Mr. Clark, referring to the presentation of information stated that he applauds the effort in the current budget to have the dollar value of the individual line items reflect the School Committee's expectation of how much will actually be spent. Too often in the past, communication between the School Committee and FinCom has been impeded by dramatic increases and decreases in individual line

items that turn out to be nothing other than the fact that past budgets did not accurately reflect projected spending. The discussions regarding the increase in utility costs in this budget were a case in point. He further noted that the Schools had historically been able to cover large unexpected costs without seeking additional funds. This fact has led FinCom to wonder if there is implicit in the budget a shadow amount for “contingencies?” And while it’s clear that there are a lot of uncertainties in the operation of a district, it would be easier from a budget review perspective to have any amount reserved for contingencies clearly called out in the budget.

Betty White said that you can’t do that and she cited the reasons why, i.e. teachers suddenly retiring, teachers taking courses that move them up the salary ladder, building maintenance, etc.

Mr. Teso said this involves shifting priorities. He never thinks about a de facto slush fund and/or a contingency fund. He has no knowledge of any extra money in this budget.

Wolfman then changed the subject to borrowing as he began talking seriously about 2007. He said that the schools cannot maintain the current level of debt service unless they cut personnel and services. The initial \$12M project was approved by Town Meeting premised on a 10 year loan and the school wants a clear dialogue that they cannot meet the payments unless they have the time extended to a 20 year period.

Matthew said the decision is not required until 2008. Gary Delius felt it was a premature request.

Keith Bergman said, “This is for budget purposes. They need to know if it’s for 10 years or 20 years. It will make it easier for us to move ahead.”

Mr. Clark then asked why the Board of Selectmen did not join the School Committee in recommending this? Keith replied the reason was because the numbers were not solid.

Terese Nelson said she was new on the School Committee when the 10 year repayment loan was agreed to and she had been told at that time that 20 years was really needed but it would never pass Town Meeting so a 10 year debt was requested. She feels that since the School Committee has made the decision to use the money from the sale of the annex to make a down payment against the loan, they feel they are behaving responsibly.

Gary Delius said the state is changing its regulations so why not wait for these changes in order to make a decision.

Matthew Clark said while he would really like to poll the committee, he felt that given that there were only five FinCom members present, and that he knew many of those absent had strong feelings on the matter, he would prefer to defer a final vote on the borrowing until a future meeting. Sue Buerkel agreed.

Terese Nelson wondered if the School Committee would be invited? She was told that all the FinCom meetings are public – so, yes, definitely they would be welcome to attend.

This portion of the meeting concluded at 2:45 p.m.

Public Hearing: Capital Improvements Program Articles for April 2005 Town Meeting

This portion of the meeting opened at 2:46 p.m. and since there were no members of the public present – this public hearing closed almost immediately.

Approval of March 14th minutes.

One sentence was questioned: ATM 32 did not mention who was speaking on it. It was followed by a blank line and a question mark. It was decided to just strike the entire sentence and ATM 32 would be decided at a future meeting.

Motion: Matthew Clark made a motion to approve the minutes of the March 14th meeting with the one edit (mentioned above). Gary Delius seconded the motion and it was approved 4-0-1 abstention (W.W.)

Other business

Mr. Clark gave a proposed first draft of the “Message to Voters” to members of the FinCom. It was decided that members would take it home to read it fully and would discuss it at the meeting on this coming Thursday.

The next meeting is scheduled for Thursday, March 24th.

Sue Buerkel said that at that time we’ll finalize the schedule for the town meeting.

There was a brief discussion with Keith Bergman on a number of issues on which FinCom had questions pending: the cost of the CEM sewer betterment (Bergman confirmed the number in the Fiscal Policy Plan); the CEM sewer connection charges (Bergman indicated these were to be paid out of the Waste Water Enterprise Fund borrowing); historical CEM deficits; value of the land for the Care Campus; and a number of other issues.

The meeting adjourned at 3:10 p.m.

Respectfully submitted,

Evelyn Gaudiano

Evelyn Rogers Gaudiano

Approved by _____ **on** _____, 2005
Sue Buerkel, Acting Chair