

Finance Committee Meeting  
Minutes of Meeting 2-23-2018

Aquinnah Town Hall Selectmen's Meeting Room

Members present: Chairman Allen Rugg, Tom Murphy, Mark Foster\*

\*via conference call

Also present: Board Administration Assistant Sophia Welch, Town Administrator Jeffrey Madison, Selectman Gary Haley, Superintendent of Schools Matt D'Andrea, School Business Administrator Amelia Tierney, Assistant School Superintendent Richie Smith and MVRHS Finance Manager Mark Friedman

- The meeting began at 10:00am

- First on the agenda was the review of minutes. Allen made a motion to approve the 2/16/18 minutes as presented. Tom seconded. The Committee voted 2-0-1, the motion passed.

- First on the agenda was a meeting with the Superintendent of Schools. The Committee reviewed the proposed budget for the Up Island Regional School District FY19 and found that there was an overall increase of \$493,827.73(4.38% increase). Matt D'Andrea, Superintendent, informed the Committee that the increase is heavily impacted by contractual salary obligations, shared services budget, the move of a health teacher from .4 to 1.25 and health insurance. Matt discussed the Health Teacher increase, an outcome of the school's commitment to enhance student health education, especially with the increase of substance abuse. The Committee further reviewed the additions to the budget increase along with the deductions. Amelia Tierney, School Business Administrator, gave a brief overview of the budget process which had begun in August with the review of equivalent step increases for staff, then there was a review of health insurance and payroll obligations. The School Committee then met every month after that to fine tune the budget. There was a brief discussion regarding the increase for Special Ed ESPs line item as well as the Other Post-Employment Benefits (OPEB) increase.

On behalf of Jim Newman, Chairman of the Board of Selectmen, Tom asked what the Superintendent foresees in the next 5 to 10-years in terms of the budget and if and where there could be potential cuts to keep the budget from increasing. Matt discussed the areas that are a constant challenge for the budget (health insurance, contractual obligations and facilities). As for cutting programs, Matt and Amelia agreed that if there were programs to cut they would be cut. Tom asked, on behalf of Jim, what the ratio of supervisors to teaching staff is. Matt couldn't remember the number but noted that the Island is in-line with the rest of the State. The final question from Jim concerned the process of the budget if the Town does not approve it. Amelia informed the Committee that this budget was derived from an alternative formula method and requires unanimous approval from all three towns. If this budget is not approved unanimously, then it will be reviewed again and presented again. Amelia discussed the statutory method from the State which would shift the assessments around between the three towns and it would only require a 2/3 approval. If in any case the budget is not approved by July 1<sup>st</sup>, the State will step in and give payments of 1/12 of the previous fiscal year's budget each month until a new budget is agreed upon and approved. The Committee discussed the increase in Aquinnah's assessment (increase of roughly 30%), which is attributed to the increase in the number of Aquinnah children enrolled in the schools. The Committee reviewed the formulas presented by the Superintendent. Aquinnah's assessment is based on multiple calculations that differs in each part of the budget. For the Superintendent Office, Shared Program and School Committee the formula is based on the total enrollment per town divided by the total district enrollment, whereas the Site budgets for the two schools are

based on the enrollment per town in each school divided by the district enrollment of each school. At the request of the Committee, Amelia will forward the Up Island Super Special Census to the Committee which shows the breakdown of both schools and where the Aquinnah children are enrolled. The metric of cost/student is not a factor when developing the budget. There was discussion regarding the cost/student on Island compared to the State and the Committee found that the cost is higher on-island than off-island and is higher up-island than down-island. There was brief discussion regarding Federal Impact Aid. Amelia informed the Committee that the Town does apply for Impact Aid every year but, as far as she knows there is no real formula for how much will be received. She noted that each year roughly \$18,000.00 comes in from Impact Aid, which is minimal to the amount that the Town pays for education.

- Next, the Committee discussed the Regional High School budget. MVRHS Finance Manager Mark Friedman presented the budget to the Committee. Mark pointed out the cost drivers of the budget which included contractual salary increase (step increases, lane changes and overall percentage wage adjustments), OPEB and health insurance. There was discussion regarding the OPEB increase. Mark informed the Committee that the OPEB increase had been extensively debated by the High School Committee and a consensus was made to take a 3-year incremental approach (currently in the 2<sup>nd</sup> year) to get to a normal OPEB cost where the liability will be prevented from growing. It was noted that this issue is happening across the country and is not legally mandated at this point but if it is not addressed then the liability will continue to grow. There was brief discussion regarding the facilities increase in the budget which is a constant focus for the school. Mark noted that the school is applying to the Mass School Building Authority for assistance each year for building improvements and that there is a list of needed improvements costing over 20 million. There was a brief discussion regarding the Vacancy Rate Assumption. Mark noted that there are about 133 full-time employees, not including part-time bus drivers. The cost/student was discussed, and the Committee found that that figure is roughly \$28,600.00. The Committee briefly discussed the compensation range for FTE teachers from an entry level to the most senior. Mark informed the Committee that teacher's contracts start around \$50,000.00 and can go up to \$100,000.00 but the bulk of the teachers are in high \$80,000.00 to \$90,000.00 reflective of master's degree. There was further discussion regarding the estimated 20 million costs for facility improvements. With no other questions or discussion, the Committee thanked everyone for their time.

- Under Other Business, the Committee briefly discussed the Special Town Meeting warrant. The Committee decided to review the warrant articles at the next Finance Committee meeting.

- Under Other Business, the Committee briefly discussed the Tribe's casino and mitigation costs for the Town.

- With no other business to discuss, a motion was made and seconded to adjourn.  
**The Committee voted 3-0 in favor. The motion passed.**

- The meeting ended at 11:45am

*Respectfully submitted,*  
*Sophia Welch*  
*Board Administrative Assistant*