

Chariho District Financial Meeting/Public Budget Hearing
March 2, 2021

Committee Members Present: Chair Linda Lyall, Vice Chair Catherine Giusti, George Abbott, Ryan Callahan, Donna Chambers, William Day, Gary Liguori, Craig Louzon, Lisa Macaruso, G. Linda McAllister and David Stall. Absent: Sheila Grover.

Administrators Present: Superintendent Gina Picard, Assistant Superintendent Jane Daly, Director of Administration and Finance Ned Draper, Retired Director of Administration and Finance Susan Rogers, Director of Technology Shawn Cole and Systems Administrator Eric O'Brien. Also in attendance: Westerly Sun Reporter Cynthia Drummond and School Committee Clerk Donna Sieczkiewicz.

Charlestown Moderator Charles Beck called the Chariho District Financial Meeting/Public Budget Hearing, which was held virtually, to order at 7:46 PM; at which time a quorum was met. He introduced himself and welcomed all to the Chariho Budget Hearing. He thanked all who have worked tirelessly to open Chariho Regional School District; Chariho has succeeded in opening despite the pandemic. He then asked all to please stand for the Pledge of Allegiance and a moment of silent meditation. He noted that a quorum of registered voters was present and he shared the count from each town: Charlestown 36; Richmond 26; and Hopkinton 45. The rules that will govern this meeting were reviewed by Moderator Beck. Please raise your hand at which time you will be called on. State your name and town of residence. The time allotment is five minutes. This is a Public Hearing; there will be no votes taken this evening. The budget will be adopted on the March 9th meeting of the School Committee and the All-Day Referendum (vote on the budget) is scheduled for April 6. He asked that reading of the Warrant and Minutes from last year's meeting be waived. Craig Louzon made a motion, which was seconded by Ryan Callahan, to waive the reading of the Warrant and Minutes of last year's meeting. There were no objections. Moderator Beck then introduced School Committee Chair Linda Lyall who recognized fellow School Committee members and Administrators in attendance. Chair Lyall stated that the School Committee has approved the FY2022 budget in the amount of \$54,704,347 (Member Towns' Contribution with Debt Service); an increase of 2.23%. Impact to each town is as follows: Charlestown - an increase of 1.41%, Richmond – an increase of 2.66%; and Hopkinton – an increase of 2.33%. She then turned the floor back over to Moderator Beck who noted that most questions will be answered by Ned Draper.

Hopkinton resident Sylvia Thompson was the first to speak. She thanked the School Committee for their service through this difficult year. She then thanked administrators, teachers, support staff, bus drivers and monitors for making sure that students remain safe. She noted her concern with general fund spending which is anticipated to be about a \$3 million increase. The District ended last year with a surplus of \$2.79 million. For about twelve years, the surplus has exceeded in increase in the budget. She feels this is over taxation and referenced the employee benefit line item as one example. Enrollment is down and she stated that they just cannot afford this. She is not in favor of a shiny new elementary school and bussing students. Moderator Beck commented that she was getting off track.

Hopkinton Councilor Scott Bill Hirst, Chariho Class of 1971 (50 years this year) asked what was done with all the questions he submitted prior to the meeting. Superintendent Picard replied that Ned does have the responses to his questions if Mr. Hirst would like him to share them. Scott requested that he share the responses. The following are the questions from Mr. Hirst with the responses:

What is the maintenance of effort number in the proposed budget? Ned noted that he did not use RIDE calculations as it has been an upside-down year. For Hopkinton - revenue to Chariho Regional School District, after anticipated state aid, is estimated for FY22 to be \$14,971,000 with

1,188 students or \$12,602 per student. In FY21, Hopkinton's revenue to CRDS, after anticipated state aid, is \$14,711,000 for 1,153 student or \$12,759 per student. FY22 is an estimated decrease of \$157 per student. RIDE has not yet advised how maintenance of effort will be officially assessed due to FY20 skewing.

How much was the value of discarded, distributed, and sold school district property last year?
The Yard Sale resulted in the District collecting \$380.

How much financial commitment Hopkinton elementary schools have been getting for maintenance? Ned noted that he has prepared a spreadsheet of capital spending across the District. He reviewed the items and funding on the document and stated that he will share the spreadsheet with Brian Rosso. The financial commitment for Hopkinton's two schools is \$594,620 which includes salaries. He will send a detailed description to Brian as well.

What has been done to keep the growth of staffing in check? Ned explained the budget process and noted that we are planning for 3.5 FTE less in FY22 than in FY21. The staffing positions are detailed in Section 8 of the online budget book.

Scott Bill Hirst then asked why people should vote for the budget without a management study to which Chair Lyall replied that the District has an external audit done yearly; the link is on the website.

Barbara Capalbo from Hopkinton thanked all for what has been done during this difficult year. She would like to see the fund balance reduced to 2% seeing that the federal government has approved a bill with \$1.3 billion going to schools. She is glad they have put teachers on the fast track for vaccinations. Schools will be getting more money so she does not feel that it will be difficult to cut the fund balance.

Martha Vida from Hopkinton stated that she has problems with the audit that is done as it is not a true audit. Every year, Chariho's administration gives numbers to the auditor and the auditor writes a report. It is not backed up by the auditor's personal review of checks written, which is called a checkbook audit, the invoices, contracts, etc. A good audit is one when there is a change in administration. So they can't say they have an annual audit. We have not had a true audit from what, the 1950's to today.

Hopkinton resident Georgia Ure was next to speak. She thanked everyone for dealing with the pandemic and feels the schools handled it as good as could be expected. She wanted to know how much of the proposed budget had been allocated to planning the consolidation of the District's elementary schools. She asked if there are any funds in this proposed budget that will be used for planning, drawing architectural sketches, evaluating options moving forward on the costly project of constructing a huge factory in the field that the public finds objectionable for our youngest and smallest students. The factory school in the field is a bad idea to which Moderator Beck explained that this discussion was not part of the budget. Georgia replied that she wants her point heard. Bigger is not better. Smaller schools provide benefits. Superintendent Picard commented that Ned will discuss what is in the budget to which Ned reviewed the capital budget. He stated that the capital budget will not change regardless if the District moves forward with the newer, fewer initiative or maintenance of effort. George Abbott asked how much money is being spent for preliminary work, architectural or otherwise, on the new large school. Ned explained that \$1,092,000 has been set aside to possibly fund the new school planning but this could also be used to maintain the existing school buildings. Whether that money will actually be spent on those specific items you noted, member Abbott, remains to be seen but that is the amount that would be reallocated from the existing projects into that. Chair Linda Lyall reiterated that school consolidation would be discussed. Whatever has been done to date will be shared with the public and then the public will have a chance to comment. Georgia stated that she has five minutes and will continue to speak at which point Moderator Beck again reminded her that this topic is not on

the meeting agenda and further discussion would constitute a violation of the Rhode Island Open Meetings Act. He asked that she present her argument at the next School Committee Meeting to which Ms. Ure continued to discuss statistics and advantages of smaller schools versus larger ones. Wasted hours will be spent on noisy, uncomfortable buses. Five to ten or more hours a week will be spent traveling from neighborhoods to the factory in the fields. As this point, District Clerk Donna Sieczkiewicz called for a point of order. We are violating the Open Meetings Act and I am not violating the OMA. We can't discuss this; it is not on the agenda. Ned reminded all that regardless of the direction the District goes in, that number will remain the same in the capital budget for FY22.

Committee members William Day and George Abbott both commented that the resident's question, regarding if funds will be allocated to a single new school, should be answered. Ned responded that over the next five years, maintaining the eight Chariho Schools will cost more than \$10 million. When you look at that on a five-year basis, that's in the \$2 million a year range so we have to justify to RIDE that spending and the capital budget you see before you at \$2.5 million is working towards that obligation. So whether we do that in the format of newer and fewer or we do that with our existing infrastructure, we still have to maintain the buildings.

Richmond resident Robin Woodmansee, Chariho graduate Class of 1998 and her father graduation in 1970, also thanked everyone for working incredibly hard; this year has been insane. She commented on Barbara's views about bringing the fund balance to 2% and encouraged residents to get involved as we have wonderful schools. We should be proud. If things are to change that will affect us negatively, parents can always choose to send their kids to Charter Schools. Our schools are not the schools of 1968.

Ron Areglado, former School Committee Member from Charlestown, commended the School Committee, Administration, faculty and staff for dealing with the catastrophic effects of the pandemic. The most effective instruction is direct instruction and we need to know how to make up for two years of lost time. He has little confidence that we will see the \$1.9 trillion trickle down to our schools. The budget deficit at the State level will have an effect so for that reason he cautioned the Committee against bowing to pressure to further reduce the fund balance. We have to be careful because costs are going to be very, very difficult to ascertain as we go forward. There are many unknowns as to what's going to happen when schools reopen. I would be remiss as a resident to say that we should cut this budget. I would rather have that fund balance and potentially give it back, to some degree, knowing that we'd secured ourselves. He noted that some comments that have been made tonight are clearly a violation of the Open Meetings Act and he would respectfully ask the Moderator to rule those individuals/comments out of order. He does not want to see us spend frivolous amounts of money on lawsuits as we have had to do in the past. He looks forward to discussion on consolidation at the appropriate time because of the misinformation that is out there on this issue. He fully supports the budget as is.

School Committee Member David Stall asked Ned to provide a general summary as to what is in the budget (conditional) that will answer a piece of Georgia's question that was budget-related. Ned noted that if the District moves forward with a building plan, the money that is set aside will be used for that but if the District doesn't move forward in this direction, the money will be used for repairs that are needed. For sure, over the next five years, \$15 million (or maybe closer to \$20 million, will be used to maintain what we have. We have to justify to RIDE what we spend and the capital budget is working towards that obligation. He will go more into detail on the 9th but we know we will have to spend that amount of money each year.

Hopkinton resident Cheryl Preston commended all for the great job this past year. Her family loves the system and she supports the budget as it. It is important to have a strong school district and parents do have choices.

Lauren Cacciola from Richmond noted her full support for the teachers and everyone for coming on. The District has had audits which have been great. Audits cost money as do lawsuits. She supports the budget as is.

Bill Day noted that he does not support reducing the fund balance as we have professional individuals who advise us and we do not have as much fund balance as the towns do. He is opposed to the budget because of the capital projects. We hired a company out of Providence and they did a terrible job. He has not heard a word and would like more firm information than what RGB gave us; flawed dollars and cents and how it is going to impact schools.

George stated that he feels it was appropriate for a member of the community to discuss funds in the current proposed budget so he doesn't know how that can be a violation of OMA.

Superintendent Picard, in response to Bill's and George's comments, said that they had concerns as well around certain projects so that is why they brought in Colliers to drill down those numbers. The capital plan won't change. If eye wash stations come down in cost and we save \$5,000, that money will be used for another project. She did review with legal counsel concerns on how to handle comments related to the building plan/options and he noted that they have to stick with discussion on the budget only. So while it is appropriate to ask questions concerning the budget, it is not appropriate to discuss the building plan at all.

Craig Louzon noted his agreement with the Superintendent and District Clerk. Conversation was deviating way too much from the agenda which is an OMA violation. He stated that normally School Committee members don't speak at this meeting; they listen to comments and feedback from the public. He hopes they remember that.

Barbara Capalbo offered her appreciation to Mr. Draper for the information he shared. She commented that there are different kinds of audits. We do not do a forensic audit as that costs a fortune. She is still recommending that the fund balance be cut to 2%. She explained that the reason the towns have a greater fund balance than the school district is because they have to pay \$1 million to the school district each month and they get this money from the taxpayers. They have to keep money in the fund balance in case they do not receive the tax money.

Sylvia Thompson agreed. She then went back to her concern about the Employee Benefit line item which is higher than the audited 2020 budget. That line item is increasing yet there was money left over. She understands that emergencies come up and referenced the emergency at Hope Valley School that cost the District over \$1.1 million. The School Committee had this money in the fund balance and at the end of that year, they still ended with \$2.2 million. She would like this line item decreased.

Scott Bill Hirst stated that people misinterpreted his question. He wants an outside management study done. Why should someone support this budget for one elementary school without a management study?

Upon seeing no other hands raised and no other comments, Moderator Beck called for a motion to adjourn.

Craig Louzon made a motion, which was seconded by Ryan Callahan, to adjourn the meeting at 8:48 PM. As there were no objections, Moderator Beck adjourned the meeting. Mr. Beck was thanked for his assistance this evening.

Donna J. Sieczkiewicz, Clerk