



# Town of Orleans

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## Finance Committee Meeting

19 School Road Orleans Massachusetts 02653-3699

22 APR 8 9:52AM

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ORLEANS TOWN CLERK

### MEETING MINUTES March 23, 2022 at approx. 5:57pm

This was a virtual meeting of the Finance Committee held jointly with the Select Board (who were meeting in person in the Nauset Room at Town Hall), convened via remote participation using "Zoom" Webinar technology, with real-time public access provided by Orleans Channel 18 on the Town website and cable television.

A meeting of the Orleans Select Board was held on Wednesday, March 23, 2022. Present were Chairman Meff Runyon, Vice Chairman Andrea Reed, Clerk Mark Mathison and Committee Members Kevin Galligan and Michael Herman Finance Director Cathy Doane and Town Administrator John Kelly were also present.

#### **Joint Meeting with the Finance Committee – Discussion with OES and NRSD Representatives, et al re the FY23 OES and Nauset Regional School District Budgets**

Finance Committee Chairman Lynn Bruneau called the meeting of the Finance Committee to order at 5:57pm. Also present and thus constituting a quorum were Vice Chairman Nick Athanassiou and Clerk Tim Counihan as well as Committee members Elaine Baird, Lou Ciavarra, Chris Kanaga, Constance Kremer, Ed Mahoney and Peter O'Meara.

NRSD and OES representatives included Superintendent Brooke Clenchy; Chair of the NRSD School Committee, Chris Easley; NRSD Director of Finance & Operations Giovanna Vendetti; NRSD Director of Curriculum Dr. Robin Millen; OES Principal Elaine Pender; OES School Committee members Judith Schumacher and Josh Stewart and NRSD School Committee members Keith Kenyon and Griffin Ryder.

Superintendent Clenchy explained the challenges and transitions that have occurred over the past two years with Covid. NRSD, prior to Covid, had been working on a strategic plan. Since being back, key goals have been set in order to try to put the plan into place. Due to the needs of the students regarding social and emotional issues, specific mention of this has been added to the strategic plan. The NRSD High School building project is on schedule at present. The next step is bringing in the modular buildings while the construction commences. Patrick Clark, NRSD Assistant Principal, has been hired as NRSD Principal for the upcoming year.

The development process for the NRSD budget started last July and August. In October, the Principals submitted draft budget to the Superintendent & the school committee discussed the time-line. During November-December, the State released the Chapter 70 numbers that the School Committee members reviewed (various types of State educational support).

OES Principal Elaine Pender discussed OES enrollment trends. In 2019-2020, the total enrollment was 199; last year, 175; this year, 165. However, the kindergarten class has 30 children. The current budget for OES \$4.33M, almost 85% of which is related to personnel expenses. This year there were some retirements, but costs continue to go up. The costs for pre-school have gone down (with a declining pre-school enrollment), and there were some cost savings for special education.

Giovanna Vendetti gave an operating budget overview, noting the changes. Special education was the only line item to decrease for FY22-23, by \$43.5k; all other budget line items increased between 2%-4%.

Ms. Bruneau complimented the Orleans Elementary Budget team for transparency, noting substantial detail and diligence in the budget reporting.

Ms. Doane asked about the average class size at OES. Principal Pender explained that class sizes have been kept small by allocating staff to different areas, the average class size is 15, some classes have as few as 9.

Ms. Vendetti then explained the NRSB budget for FY22-23. There was an increase of 1.59% at NRHS, an increase of 1.67% at NRMS, a "Region Only" increase of 13.84%, as various cost drivers impact that budget for FY23. The overall total expense increase was 5.45%. Next, NRSB income was discussed, with the largest jump in Charter School Aid, which is up 59.04% to \$176.7k. The District has 92 students attending charter schools this year. The Truro and Provincetown tuition also increased (80 students from Truro and 20 from Provincetown) for an increase of 5.67%. The overall total income increase was 4.56%. The net operating budget increase is \$1.4M (5.74%).

Ms. Bruneau asked for clarification in the "region only" budget - whether the numbers in the budget are "actual" numbers for FY21, and whether some might show a pandemic influence between FY21 to FY23 (eg, the increase in transportation and special education - are these changes related to the pandemic?). Ms. Vendetti stated that some of the numbers are driven by student IEP needs, and some reflect a pandemic impact.

Kevin Galligan complimented NRSB School Committee Chairman Easley regarding the challenges faced this year. He asked how they are approaching procurement for the NRSB High School building project (noting an awareness of supply chain challenges). Mr. Easley said that an MSBA project cannot exceed agreed-upon costs. The District is approaching completion of the 90% design documents. If the bids exceed the project budget, the budget will have to be reviewed to determine how to cut costs. In each step of the project, there have been cost revision to ensure the budget is in line.

Mr. Galligan asked about the timing of and process for Truro/Provincetown tuition negotiations. Will those towns share capital costs or will they join the District and share costs with the other towns. Mr. Easley explained that if the towns were to join the District, many things would likely change in the agreement thus that would not be an easy decision and not his to make. He also noted that a more likely scenario might be to include more capital costs in a renegotiated tuition agreement.

Mr. Galligan then asked about the District's OPEB liability - where are they on funding and how will this be managed? Ms. Vendetti explained that for the past few years, they have earmarked \$400k/year to get to the recommended amount OPEB requires. Prior to this, only 1% of the total health insurance cost of active/retirees was put toward OPEB reserves. A sub-committee will be looking at this soon, when the actuaries will come in and give their recommendations.

Mr. Galligan asked about the status of the NRMS solar canopy project, in terms of start date. Ms. Vendetti explained that some work will commence during the April 2022 vacation with more work likely scheduled over the summer. They plan to have the work done in stages, minimizing the impact on the parking lot.

Mr. Runyon asked Ms. Vendetti when the contract expires with Truro and P'Town and who will be negotiating a new contract. She responded that the towns are going into their fifth year of the contract; it expires June 30, 2024.

Separately, Mr. Runyon confirmed that he supports school choice and feels it would be beneficial to all if the "accounting" related to school choice were more transparent for all involved.

Ms. Doane asked about the most recent certified per pupil cost for students at OES as well as in the District. Superintendent Clenchy responded that they do not have the per pupil cost readily available; however she will ask Ms. Vendetti to forward the information to the Select Board once it is available.

Ms. Doane then asked about the use of "E&D" ("excess & deficiency") funds to support the school budgets, noting that "E&D" funds were similar to "free cash" in the Town Budget; however, "free cash" is not used to balance the Town Budget the way "E&D" funds can be used to balance the school budgets. Her concern was the use of \$1M in "E&D" funds to balance the FY23 school budget - whether this amount was sustainable going forward.

Ms. Vendetti responded that as of February 28, 2022, the E&D fund (excess and deficiency) had a balance of \$1.77M, leaving a surplus of approximately \$772K. An annual million dollar "E&D" contribution to a budget would not be sustainable. The budget relies on a variety of sources of funding as described earlier, as well as town assessments. It is also dependent upon other factors such as students coming in and out of the district, rising costs. Things are always in movement.

**Adjourn: Motion by Mr. Counihan to adjourn the Finance Committee meeting; second by Mr. Mahoney. The vote was 9-0 with Mmes. Bruneau, Baird, Kremer and Messrs. Athanassiou, Ciavarra, Counihan, Kanaga, Mahoney and O'Meara all voting aye by visible show of hands. The Fin Comm meeting was adjourned at 7pm.**

Respectfully submitted,

Stacy Faber, Recording Secretary

All documents listed below are in the Fin Comm Drop Box except as noted:

1. March 23, 2022 Finance Committee meeting agenda
2. FY23 Budget for OES and Budget Justifications
3. FY23 Budget for Nauset Regional Middle School and Budget Justifications
4. FY23 Budget for Nauset Regional High School and Budget Justifications
5. FY23 Budget for NRSB "Region Only" and Budget Justifications
6. FY23 Budget for NRSB "Region Shared - Central Office" and Justifications
7. Region Enroll Summary for FY23 Town Assessments - 1/19/22
8. Operating Budget Summaries

The minutes for the March 23, 2022 Finance Committee meeting were reviewed and approved at the April 7, 2022 meeting. Motion to approve by Ms. Baird; second by Ms. Kremer. The vote was 6-0 with Mmes. Baird, Bruneau and Kremer and Messrs. Ciavarra, Mahoney and O'Meara all voting aye by roll-call. Messrs. Athanassiou and Kanaga had already logged off from the 4/7/22 meeting by the time the Committee voted on the meeting minutes.

Maryellen M. Bruneau  
FIN COMM CHAIRMAN  
4/8/22