

Joint City Council Budget & Finance and School Committee Building & Finance Subcommittee Meeting Minutes

Monday, December 6, 2010
Gloucester High School Library
5:00 p.m.

City Council Members

Steve Curcuru, Chairman
Paul McGeary, Vice Chairman
Jackie Hardy

School Committee Members

Kathleen Clancy, Chairperson
Melissa Teixeira
Val Gilman

Administration Present

Dr. Joseph Connelly, Interim Superintendent
Brian Tarr, Assistant Superintendent
Tom Markham, CFO
Jeffrey Towne, CFO
James Duggan, Chief Administrative Officer
Kenny Costa, Auditor
Greg Verga, City Council Member

Recorded by Cape Ann TV

I. CALL TO ORDER

Chairman Curcuru called the meeting to order on behalf of the City Council at 5:00 p.m. and introduced the committee members. Chairperson Clancy called the meeting to order on behalf of the School Committee and stated the mission of the Gloucester Public Schools. She introduced the members of the subcommittee, as well as Superintendent Connelly and CFO Tom Markham. Chairman Curcuru introduced Jim Duggan, Jeff Towne, Greg Verga, and Kenny Costa.

II. SALUTE TO THE FLAG

III. DISCUSSION

1. Gloucester Public Schools' Building Program

Dr. Connelly presented a letter from Paul Scola regarding the West Parish/Fuller School issue. He then reviewed his memorandum to the School Committee dated November 23, 2010, which contains an extensive and detailed enrollment projection forecast using a 3-year, 5-year and 10-year historical database based on birth rates, class size, and survival rates of the various grades. Dr. Connelly also reviewed current classroom and non-classroom needs and shortages and other elementary instructional space limitations. Finally, Dr. Connelly reviewed the basic assumptions that were made in preparing the report and stated that this

report will give MSBA a 10-year projection and a capacity report of the existing elementary schools.

Dr. Connelly presented the letter from MSBA to Mayor Kirk in November of 2009 inviting the school district to submit prerequisites to be considered for a school building project. He also reviewed the SOI that was submitted to the MSBA in 2009, identifying West Parish as the school in most need of renovation or new construction. Dr. Connelly indicated that some of the prerequisites still need to be submitted, such as a capital plan, history of maintenance costs, and formation of a school building committee. Once all of the prerequisites have been submitted, the MSBA will schedule a meeting to discuss the scope of the feasibility study. He explained that the feasibility study would address the needs of West Parish but would also justify that that project would address system-wide needs. Hopefully, MSBA would allow our design firm to look at other options, such as Fuller School, to determine if West Parish is, in fact, the best solution for our needs.

There was a discussion on the timing of the feasibility study. Dr. Connelly stated that if we are approved to go forward with the feasibility study, the next step would be to hire an OPM and design firm, and we should have plans and cost estimates by the spring of 2012. We would have to inform MSBA on how the feasibility study will be funded at that first meeting and commit to appropriating the money sometime this fiscal year. Dr. Connelly stressed that although the city must pay for the feasibility study up front, which could cost \$500,000, it will be reimbursed 47 percent, which is not contingent on the construction being approved. Therefore, the city's cost for the feasibility study would be approximately \$265,000. In addition, the city engineer could be designated as the OPM on the project, which would save money on the feasibility study.

Dr. Connelly indicated that he and the School Committee would like to have a public meeting to get ideas from the community and to give everyone a chance to voice their input. He stressed that the School Committee should have some consensus of what they believe is the best approach before a public meeting is held. He stated that the School Committee believes that the West Parish project could solve some of the system-wide needs of the district by adding a half dozen rooms and transferring some programs from other schools to West Parish (i.e. preschool, special ed, etc.). There is also a possibility of moving the administrative offices to West Parish. There was a discussion about the limitation on the amount of administrative space in a school and what the reimbursement would be.

Dr. Connelly indicated that the general consensus of the School Committee is that Fuller School was built as a high school and is a much larger facility than is needed. It is also in a poor location for a school and has the most potential of generating revenue for the city to help offset the costs of the West Parish project. He suggested taking Fuller School offline to help justify the need for West Parish.

Chairperson Clancy recognized Assistant Superintendent Brian Tarr, Richard Gaines from the Gloucester Daily Times, and Britt Braudo from The Beacon. She also thanked Cape Ann TV for recording the meeting.

A discussion was held on the effect of the charter school on this project. Dr. Connelly stated that the charter school has not dramatically drawn from GPS elementary schools and that, with the economy picking up, whatever students are lost to the charter school may be offset by new housing starts. Kathy Clancy also explained the cap on the number of students that the charter school is able to enroll.

Ms. Teixeira thanked the City Council committee members for agreeing to this meeting and asked them to concede that the schools are in poor condition. She stated that the status quo over the next couple of years is not a good picture and discussed the positive effects a new school would have on the community. She also stated that more space is needed regardless of what happens with the charter school. She believes that there is a strong preference for neighborhood schools in Gloucester and that Fuller School is a “golden opportunity” to generate revenue for the city. She would like to hear the community’s opinions about this issue at a public hearing. Ms. Teixeira stressed that the feasibility study should be undertaken to confirm that we are going in the right direction.

At this time, a short break was taken for Cape Ann TV to change their tape.

Ms. Teixeira stated that a new \$30 million school would only cost the city \$16 to \$18 million after reimbursement by MSBA, less approximately \$10 million from the sale of Fuller School, meaning we would have a brand new school for \$5 to \$6 million, versus the cost of renovating Fuller School (\$3 million?). She stated that she does not want to lose the \$14 to \$16 million “gift” from MSBA. Dr. Connelly cautioned against speculating on what the cost of a new school would be and stated that it could be dramatically less than \$30 million. Mrs. Hardy asked the School Committee not to jump to the conclusion that everybody in the community is willing to sell Fuller School for a new West Parish School and reminded them that the disposition of Fuller School is up to the city council.

Mrs. Gilman noted that future money for MSBA approved projects is going to be rare at the level they are at now, and the fact that Gloucester made the first cut is an opportunity that is hard to pass up. If we pull ourselves out of the queue, the chance of being up there again is very slim.

Mr. Duggan spoke about the administration’s position on the project and what they will be looking at (value of Fuller School, local aid cuts, expenses in other areas of the city, cost of repairing school roofs and heating systems if not funded by the MSBA). They will be examining everything and coming up with a potential game plan on how to address it. He committed to the city engineer acting as the OPM on the project

Chairman Curcuru expressed concern about the city not going forward with the project after spending \$265,000 on the feasibility study. Dr. Connelly stated that since the city engineer will be the OPM, the risk would be \$150,000 to \$175,000 but that we will have schematic drawings that could be used in the future. Mrs. Gilman added that the plans could be integrated into a long-term capital plan, particularly since DPW Director Mike Hale has stated that all of the school buildings are in rough shape. Ms. Teixeira provided Chairman Curcuru with a copy of the feasibility study recently done for Norwood to give him an idea of what it would look like for Gloucester.

There was a discussion about the SOI's on the roofs for the other school buildings. Dr. Connelly indicated that four of the five projects are scheduled for site visits and that he hopes to hear this month whether they have been approved.

A discussion was held on the city's current and future borrowing capacity to fund the West Parish project. Mr. Towne reviewed the costs of borrowing \$15 or \$20 million and paying it off over 20 or 30 years and stated that there is also another \$225,000 per year for the replacement of the roofs. Mr. Duggan stated that if the roof replacement is not funded by the MSBA, we will be absorbing the whole \$7 million cost. Mr. Towne also reviewed the debt that will be coming offline in the next few years.

There was a discussion about the interest on the vocational school build-out, which was projected on the enrollment of 59 students. Ms. Teixeira stated that full payment of \$246,000 is due in FY14 if the school is built by then.

Mrs. Hardy and Mr. McGeary left the meeting at 6:30 p.m.

Mr. Towne reviewed debt exclusion override figures and how they would affect the tax rate and the cost to taxpayers. Councilor Verga stressed that we need to look at the big picture and stated that Fuller School is not "the golden goose."

V. ADJOURNMENT

Upon a motion by Chairman Curcuru, seconded by Councilor Verga, it was unanimously voted to adjourn the City Council Budget & Finance Meeting of December 6, 2010 at 6:35 p.m.

III. DISCUSSION (Continued)

Kathy Clancy suggested moving forward with the prerequisites and meeting with the MSBA. There was a discussion about whether the city is committed to funding the feasibility study and whether what comes out of it will be a valuable tool. Mr. Towne indicated that there is no choice but to borrow the funds, in light of the increased costs in FY12 and loss of ARRA funds and state aid.

Chairman Curcuru suggested having a joint City Council/School Committee meeting to discuss these issues. There was a discussion about whether there should be a public hearing before the joint meeting.

Mrs. Gilman requested that Chairman Curcuru report all of this information to the full City Council at their January meeting. She indicated that the School Committee will go forward with the prerequisites and schedule a joint City Council/School Committee meeting, and that the date for a public hearing can be determined at that time. Chairman Curcuru suggested inviting the public to the joint meeting at city hall to get their input. Dr. Connelly suggested that the School Committee state what they think is the best plan and ask the community for their reaction.

Mr. Duggan reminded everyone that the Fuller School needs to be brought up to standards and asked where the money for that would come from. He also expressed concern about replacing the West Parish roof if the new construction/renovation project is delayed.

Mrs. Gilman thanked Dr. Connelly for all the work he did, which she stated usually costs school districts several thousands of dollars, and for teaching Mr. Markham how to do it. Dr. Connelly stated that since the enrollment projection is now set up, it can be updated very simply every year to project the schools' needs for the next fiscal year.

Mr. Curcuru stated that the other items on the agenda will be taken up at the next City Council Budget & Finance meeting on December 16, 2010. There was a discussion about the MOI and a newly added custodial position.

IV. OTHER – None

V. ADJOURNMENT

Upon a motion by Mrs. Gilman, seconded by Ms. Teixeira, it was unanimously voted to adjourn the School Committee Building & Finance Subcommittee Meeting of December 6, 2010 at 6:50 p.m.