

# **Town of Smithfield**

## ***Financial Review Commission***

64 FARNUM PIKE

ESMOND, RHODE ISLAND 02917

### **September 4, 2019**

### **Meeting Minutes**

**PRESENT:** Michael Iannotti, Mirek Kula, Michael Tartaglia,

**ABSENT:** Christopher Bilotti, Patrick McAssey

**OTHERS:** Maxine Cavanagh, *Town Council Member*, Rosemary Cipriano, Richard Iannitelli  
*School Committee Members*, Judy Paolucci, *School Superintendent*, Jason  
Parmelee, *Finance Director*

Chairman Michael Iannotti opened the September 4, 2019 Financial Review Commission meeting at 5:35 p.m.

#### **EMERGENCY EVACUATION AND HEALTH NOTIFICATION**

Jason Parmelee gave the emergency evacuation and health notification.

#### **APPROVAL OF MEETING MINUTES**

The minutes from the August 7, 2019 meeting were reviewed.

Michael Tartaglia made a motion, seconded by Mirek Kula, to approve the minutes from the August 7, 2019 meeting. The vote on the motion was all in favor and the motion carried.

#### **DISCUSSION OF COMMISSION PROJECTS**

##### **I. Analysis of Street Light Potential Purchase**

There was no update on this agenda item.

##### **II. Capital Improvement Program Status**

There was no update on this agenda item.

### III. 3-5 Year Town Financial Plan

- a. Impact of Land Use and Residential Development
- b. Impact of School-Age Population Increase or Loss
- c. Required tax levy due to current and projected borrowing

- a. There was no update on this agenda item.
- b. Superintendent Paolucci distributed a handout of a report from the New England School Development Council (NESDC) on enrollment data and stated that there has been some misinformation that enrollment is declining in the school system. Ms. Paolucci stated that enrollment has actually been flat but has fluctuated and is projected to go up.
- c. There was no update on this agenda item.

### **SCHOOL DEPARTMENT ISSUES (GUEST: DR. JUDITH PAOLUCCI)**

#### I. Establishment of a Capital Revolving Fund

Superintendent Paolucci stated that most school districts that she has worked in have had a capital fund to plan for maintaining the schools and distributed a draft of a capital funding plan that she developed. Ms. Paolucci stated that there are established rules with regard to expenditure of the funds including that the funds only be used for capital improvements having a 10-20 year life, having committee oversight, and all RIDE reimbursements go back into the capital fund.

Michael Iannotti stated that, in February of 2016, this Commission submitted a similar plan to the Town Council and noted that the State reimburses the Town more quickly if there is this type of plan in place. Mr. Iannotti added that the sticking point was that nobody on the Council knew where to get the funds to start funding it. Superintendent Paolucci stated that she is in favor of getting this project done and suggested using an annual town allocation along with any fund balance and reimbursements from the State to fund it.

Mirek Kula stated his concern is that this is somehow accounted for in the tax rate and, by asking taxpayers to fund this, he would like it to be explicitly stated to the taxpayer. Superintendent Paolucci stated that the capital fund would result in taking better care of the buildings and being able to do bigger projects without bonding. Michael Iannotti stated that one advantage to this is that, for projects less than \$200,000, RIDE reimburses the Town within a year and therefore, the cost of money is lower. Ms. Paolucci added that there is an incentive for her to find savings in her budget because the remaining money goes into the capital fund. Mr. Kula stated that the issue remains on whether the Town should tax people to save.

Superintendent Paolucci stated that they are putting items on a rotating list in order to plan ahead and cited an example of buying one truck every 3 years which would mean each truck would be 18 years old at the time of replacement. Michael Iannotti stated that he thinks the Public Works Department should be taking care of the work which would eliminate the need for the School Department trucks. Ms. Paolucci replied that she thinks the amount of work that their

maintenance workers do should be analyzed and noted that they have their own plumbers and electricians and don't have to go out to purchase those services which would be more expensive.

Superintendent Paolucci review other handouts including a project cost list for estimates and planning and a track cost analysis stating that they are looking at a lease agreement to present to the Athletic Facilities Committee. Mike Tartaglia questioned whether the School Department could generate funds by renting out their facilities and Ms. Paolucci replied that they had a policy where any funds generated would go towards maintenance of the facilities.

Richard Iannitelli stated that he recommends taking the two Capital Fund plans that have been developed by both this Commission and the Superintendent and send it over to the School Committee for their approval and recommendation to the Town Council.

Jason Parmelee stated that he is in agreement with the idea of a capital fund but is concerned with the timing because, if it comes online next year, the Town would be over the 4% tax increase.

## II. Elementary School Reconfiguration Plan Changes

Superintendent Paolucci stated that the Stage 3 found additional problems including identifying Stage 2 design inefficiencies, i.e., parking area redesigned, and stated that all 3 buildings will still get the renovations they need.

Mike Iannotti questioned what changes were made to get back down to the \$45 million project and Superintendent Paolucci summarized the changes that were made to the plans. Mike Tartaglia stated his concern is whether the end result serves the purpose of what is needed to educate as well as maintain growth in the future. Ms. Paolucci stated that certain things were done to get a cost estimate that was required in order to go out to bond.

## III. School Building Maintenance

Superintendent Paolucci stated that included in her packet is an estimate of capital projects costs that was developed as part of a tour of the middle school and high school with the Town Council.

## IV. Potential for a Charter School and Impact on Budget

Superintendent Paolucci stated that the way the State sets up charter schools to be reimbursed by the Town is unfair and can demolish the school system. Mirek Kula stated that the results are better for the same amount of money or less and that this Commission is pushing hard for the Town Council to recommend competition to the public school system in this Town. Ms. Paolucci stated that, in her professional opinion, charter schools are to the detriment of this Town.

## **COMMENTS - PUBLIC**

There was no one present from the public to comment.

## **ADJOURNMENT**

*At 7:20 p.m., Michael Tartaglia made a motion, seconded by Mirek Kula, to adjourn the meeting. The vote on the motion was all in favor and the motion carried.*

The next meeting is scheduled for **October 2, 2019 at 5:30 p.m.**

Respectfully submitted,

Donna A. Corrao  
Recording Secretary