

Jones, Ellen

Subject: RE: Question on Article 16

From: Finance Committee

Sent: Monday, May 17, 2021 8:17 AM

To: Cindy Thomas <cindyjstthomas@gmail.com>; Dan Cole <coledaniel.cole@gmail.com>; David Clough <dclough35@hotmail.com>; Emilio Mauro <emiliomauro15@gmail.com>; Reuki Schutt <reuki@sdlawma.com>; Rob Barker 2 <rhbarkerjr@schaybarker.com>; Tim McKenna <timothymckenna70@live.com>; Wai Wong <waiwong127@gmail.com>

Cc: Scollins, William <rscollins@town.canton.ma.us>

Subject: RE: Question on Article 16

Please see below. This will be posted on the website. Ellen

From: Barry Nectow <nectowb@cantonma.org>

Sent: Monday, May 17, 2021 7:44 AM

To: Alan Hines (US - ASR) <alan.hines@pwc.com>

Cc: Finance Committee <fincom@town.canton.ma.us>; Scollins, William <rscollins@town.canton.ma.us>

Subject: Re: Question on Article 16

Good morning:

The Special Education Reserve Fund replaced the Special Education Stabilization Fund in 2016, made possible by a provision in the Municipal Modernization Act of 2016. The change was made by a vote at the 2017 ATM, Article 29 (see below).

Funds can be transferred in or out of the fund with a vote by the School Committee and the Select Board.

If the school department is seeking funds for the reserve account from cash or other sources outside of the control of the school department, the request is subject to voter approval at the ATM.

The school department has requested funds for the last few years.

Funds from the reserve account are used for special education expenses, most often out-of-district tuition and transportation.

Thank you.

Barry

ANNUAL TOWN MEETING MAY 8, 2017

DISCUSSION: The Finance Committee voted unanimously to authorize formation of this stabilization fund. Under the current contract, Eversource credits the Town for the electricity produced, based upon current market value of the electricity. Since electricity rates have been relatively flat, there is a possibility that the payments made by the Town for the solar electricity will exceed the credits paid to the Town for electrical production. The purpose of establishing the Solar Facility Stabilization Fund is to buffer the impact on Town budgets when the Town becomes a net payer. At this time, no funds are being recommended to be raised or transferred to the Solar Facility Stabilization fund, so this article is simply creating a mechanism to do so in the future.

APPROVED _____ DISAPPROVED _____

ARTICLE 29

TERMINATE AND RE-ALLOCATE SPECIAL EDUCATION STABILIZATION FUND

Article 29 To see if the town will (i) terminate the previously established Special Education Stabilization Fund pursuant to MGL Chapter 40, Section 5B and replace it with a new Special Education Reserve Account under the Municipal Modernization Act pursuant to Session Laws: Chapter 218 of the Acts of 2016, Section 13D and (ii) re-allocate the existing balance in the Special Education Stabilization Fund to the new Special Education Reserve Account, or to take any other action related thereto.
Board of Selectman for School Committee

MOVED: That a new Special Education Reserve Account be hereby established in the treasury of the Town pursuant to the Municipal Modernization Act Chapter 218 of the Acts of 2016, Section 24, establishing G.L. c. 40 section 13E; and

that the amount of One Hundred Eleven Thousand One Hundred Forty Six Dollars (\$111,146) be transferred from the existing Special Education Stabilization Fund (Org. #68011) previously established pursuant to MGL Chapter 40, Section 5B; to the Special Education Reserve Account established pursuant to this motion; and

that the existing Special Education Stabilization Fund (Org. #68011) previously established pursuant to MGL Chapter 40, Section 5B be terminated and repealed.

FINANCE COMMITTEE VOTE: 8-0-0

DISCUSSION: The Finance Committee recommends approval of this article. A few years ago, the Town established a Special Education Stabilization Account, which is used to fund unforeseen special education costs. This fund requires a 2/3 vote of Town Meeting to expend, which does not provide much flexibility during the fiscal year if special education costs unexpectedly climb. This article proposes that the Town accept General Laws chapter 40, section 13E, recently enacted by the state under the Municipal Modernization Act, Section 13E, once accepted by Town Meeting and the School Committee, establishes a reserve fund for unanticipated or unbudgeted costs of special education. Monies in this reserve fund can be spent with the approval of the School Committee and the Board of Selectmen, without the need for further Town Meeting appropriation, much like the Finance Committee Reserve Fund. The balance in the Special Education Reserve Fund cannot exceed 2% of the annual net school spending for the town's schools. The Finance Committee recommends establishing the Special Education Reserve Fund, and transferring the monies currently in the Special Education Stabilization Account to this new account. The Special Education Stabilization Account would also be abolished as no longer needed.

APPROVED _____ DISAPPROVED _____

I received the following question on Article 16. I suggested that they send it in to the town e-mail but the warrant suggested that would only be available till Tue 5/11. Will the response to this be posted on the Town website?

Please describe the Special Education Reserve Fund. At prior year's ATM, there was an article for a special education stabilization fund that was established and funds were put in that fund. My understanding is that funds may be appropriated from the stabilization reserve only with a 2/3 vote at ATM. Is this article funding that stabilization reserve? If not, how does this "Reserve Account differ from that? Can the schools draw down on this reserve at will or does it require a vote by the people at ATM? If the schools can draw down from this reserve at will how does this differ from the school's annual appropriation?