

SPECIAL COMMITTEE ON THE SCHOOL DEFICIT

May 10, 2000

4:00 PM

Mayor Baines called the meeting to order.

The Clerk called the roll.

Present: Mayor Baines, Alderman Cashin, School Committee Members Cook & Garrity, Ellen Healy, Linda Heath, R. MacKenzie, K. Clougherty, M. Hobson & N. Tanguay

Messrs: H. Tawney

Mayor Baines stated obviously we haven't met for some time and there are some critical issues that are facing us and some of them have been discussed over the last few days and I would just like to get an update on the benefits issue and have a general discussion about some other issues and also an update if we have anything on the debt service audit.

Mr. Clougherty stated I talked to Frank Biron early this afternoon. He said that he is moving and is supposed to have a report for us next week. He has one outstanding issue. The debt side, he said, balances. The information we gave him was complete and it was there and that doesn't seem to be an issue and there is no big swings or anything that we should be expecting. The one thing he has outstanding now is to go back through a list of projects that he is going to sent Mr. Bobbit on and they are all school related projects and they just want to make sure that they were done, closed out, if there were balances and how those balances were used. Once we have that list and hopefully we got it this afternoon we will get somebody on it and get it over to him. My understanding is that is where he is. That is good news.

Mayor Baines asked so nothing earth shattering.

Mr. Clougherty answered no. He said he didn't expect there to be anything. The records were there and complete. Just so you know, they went through everything going back to the early 80's on all of the bonds and all of the resolutions and all of the authorizations. They took a very thorough look and we are going to make copies of those records when this is all done and those will go to the School District.

Mayor Baines asked do you anticipate when the final report will be coming.

Mr. Clougherty answered I think it is a matter of wanting to get us a list of what we can do on this final piece and send it back over to him so we will try to get that done this week or early next week. It sounds like there are no big concerns or issues.

Mayor Baines addressed Item 3 of the agenda:

Discussion regarding Health Insurance.

Mr. Hobson stated Kevin Mahoney and Howard Tawney and Blue Cross had a major pow-wow this morning going through our projected numbers for this year, claims, settlements, premium costs, etc. and expected a spreadsheet about five minutes ago, but it hasn't come up yet. However, from what I understand we are going to be at or less than the projected \$1 million overrun so we will be at that \$960,000 or \$970,000 mark or somewhere in there on the School side and we are hoping to be projected on \$50,000 to \$100,000 plus on the City side. That savings on the City side is still yet to be realized or costed out as we are still looking through some of the settlement dollars from January, February and March.

Mr. Mahoney stated the essence of this mornings meeting was to reconcile the point of transition for when City Finance or Human Resources turned over to School Human Resources the administration of the health insurance payments and as we just talked about earlier in our previous meeting, the School was handling the premium payment but not receiving the settlement statement. In other words, we make the January level monthly deposits to pay claims in January and at the end of January the settlement statement comes in and whatever the difference is between the deposits and the actual claims needs to be paid. We were doing half of that. We were paying the premium piece but we weren't getting the settlement piece yet because Blue Cross was still trying to split the group so they could identify the claims. That is going to happen effective April 1 so the meeting this morning was to make sure that the payments that were made by the School Department in January and February are properly being applied to the School claims so that when we settle in April we will have that all rectified. That is the piece that was missing on Friday when there was a lot of discussion about what was projected for claims.

Mr. Clougherty stated so basically what you are saying is that all of that taken into consideration at the end of the year we are still going to be around \$900,000+...

Mr. Mahoney interjected there has been no material change since our meeting yesterday afternoon.

School Committee Member Cook stated but it is not \$1.4 million.

Mayor Baines stated the way I understand it is that we looked at initially perhaps \$1.4 million and the actual is now looking like around \$900,000 and on the City side it looks like we are going be better by \$50,000 to \$100,000. So, the dollar impact if we look at this total account on the minus side might be around \$300,000 or \$400,000. That is the way I understand it.

School Committee Member Cook asked did he say \$500,000 or did he say \$50,000.

Mr. Hobson replied I said \$50,000 to \$100,000 and it is \$102,000 in that line.

Mayor Baines responded so we have around an \$800,000 problem.

Mr. Hobson stated in that line item.

School Committee Member Cook stated so it is \$800,000, not \$1 million.

Mayor Baines stated if you look at it on a total citywide impact in terms of a deficit, we are talking about \$800,000.

Mr. Clougherty replied it is just in that one line and our policies and our initiative covers more than that and hopefully in that whole restricted area we can take care of that. We may not make that and have to go to some others, but we are making progress in that regard.

Mr. Hobson stated you should have two spreadsheets in front of you. One says City's Healthcare Budget FY00 and then it has a subtotal of City only with one column. Then you should have another spreadsheet that has two columns. One says School and the other says City. Then the bottom line is our projected for both. Now, for the press and everybody else in this room, these are tentative numbers that are subject to change due to claims, catastrophic cases, etc. This is our best guess estimate as of literally today with all of the claims information that we possess from the vendor and we hope that these numbers will get better. In other words, we hope that the \$956,162 will go down and we hope that the \$102,727 will go up.

Mayor Baines asked so the impact on the particular account in terms of the total dollars that were set aside to deal with this is what.

Mr. Hobson asked in just healthcare.

Mayor Baines answered that is correct.

Mr. Hobson asked for City and School combined.

Mayor Baines answered that is correct.

Mr. Hobson stated if we take the two budget numbers we would be close. We are at \$10 million +.

Mayor Baines stated obviously our hope was even in dealing with the \$1.4 million that we would have enough money in there to cover, but the actual is we look like we are going to be in the deficit side there for a little over \$800,000.

Mr. Hobson replied may I correct you just a little bit. What we were looking at though was the entire restricted line items/benefits to help cover the deficit. Not just healthcare, but all City benefits and dollars that were in the restricted line item account. The good news there is we are still running at a surplus for FICA so we hope that will bring \$600,000 or \$700,000 to bear against this \$900,000.

Mayor Baines stated so we may be very close looking at all of those categories we should be right where we anticipated to be.

Mr. Hobson replied as everything is moving forward, it appears that we will probably be in a break-even scenario all the way around.

Mayor Baines asked in that total area.

Mr. Hobson answered yes. In the total of what I would call the restricted items/benefits.

Mayor Baines stated we are not going to talk about it anymore but we are putting together a summary that we will be sending out to the Boards and the Trust tomorrow relating to what we are projecting for a cost savings related to the hiring freeze and cost constraints that we put on the City side since March 1, which is quite substantial so we will have positioned ourselves in a very positive way financially with being very prudent in that regard. Kevin and I talked about that today and we got together internally to discuss how we were going to prepare to

deal with this. It turns out that what we did was very, very prudent and very beneficial to the City.

Mr. Hobson stated one more bit of news and that is since we last met on healthcare issues we have also had two more reports of serious catastrophic cases. I think the last number we had was about eight weeks ago. Again, these are serious cases of Cancer or heart issues, which will go up and beyond...what they call a catastrophic case is anything over \$75,000. As one is coming off, two more are being added. It is not fun so that is why I need to caution everybody on how these numbers can change so radically. I want to applaud, really applaud, the School District management and Howard and his folks and Finance people to really try to get together and resolve this thing and give us the best number possible. I think there has been a lot of good work and I appreciate their efforts and I think that should be noted. So, that is where we are at right now, your Honor.

Mayor Baines replied the thing that happens in this area is that sometimes when we look at something preliminary it looks really bad, which is what set us off last week and then we did some more internal work and it turned out not to be as bad as we anticipated.

Mr. Clougherty stated I think that is what happens in this process. As you are trying to exchange information, the information that is from Blue Cross, get it out there and shine a light on it, take a look at it, get it reconciled and then come back to reality.

Mayor Baines replied also the other thing that is going on this year that will not be going on next year is the transition where we are dealing with two different entities and trying to reconcile the situation with the School and City side.

School Committee Member Cook asked do we have catastrophic stop loss coverage.

Mr. Hobson answered yes we do.

School Committee Member Cook asked at what level.

Mr. Hobson answered at 115% and we are looking to change it next year to remain at 115%, but also be on an individual basis of \$100,000.

School Committee Member Cook stated so it is not a per case, it is an aggregate.

Mr. Hobson replied right.

School Committee Member Cook asked so it is not when somebody's healthcare costs gets to \$30,000 and the insurance policy cuts in. It is the whole experience of the entire place.

Mr. Hobson replied right, of the pool and we are strongly looking at no matter where we go next year for health coverage we are looking at individual stop loss of let's say \$100,000. So, you get a particular case and that case goes over \$100,000...

Mayor Baines interjected can you explain that so everyone understands that.

Mr. Hobson stated we have had some pretty serious cases. A lot of them have been in the School Department. We had an employee who had premature twins. The cost of that so far is going to hit \$500,000 to take care of those preemie babies. In that particular case, if we had a stop loss on that case, on that individual of let's say \$200,000, then the City and the premium would be on the hook for the first \$200,000 and then everything over that would be paid for by this insurance company, this other carrier. We don't do it that way. We do it as part of the whole pool so when we hit 115% or 15% above where we are supposed to be at in our payments on everybody, then that stop loss kicks in and starts to pay for the extra dollar.

Mayor Baines stated but not on an individual basis.

Mr. Hobson stated of course, to put stop loss on, think of it this way to put it on an individual your costs for insurance go up because they want to charge you for that because they don't want to take the risk, they want you to assume the risk. Howard has been looking at that for about a year now in terms of trying to look at the history and see what is better for the City to do. I think...my recommendation is that I think we are at the point where we need to seriously look at that and seriously look at paying for the stop loss on an individual basis.

Mayor Baines stated that is our biggest challenge over the next month is trying to bring some strength to this area.

School Committee Member Cook stated the stop loss companies generally write their policies on a one-year basis. So, if you have an ongoing sickness because we had a couple of people who didn't have premature twins but were generally taken care of in the first year and in the second year they say we will write it for you again but the stop loss on Mrs. Smith who still has Cancer or still has whatever she has got is going to be \$250,000.

Mr. Hobson replied that is pretty much what Blue Cross was talking about in the previous meeting is that you have to slide that scale up each year based on inflation and other issues.

School Committee Member Cook stated your one time very expensive illness is covered, but your long-term real disaster illnesses you still have to plan on.

Mr. Clougherty stated it is my understanding that it is only in the last few years that we have had a lot of that. We have really enjoyed a nice curve up until this time.

Mr. Tanguay asked do these numbers reflect all reimbursements, offsets and credits.

Mr. Hobson answered to date, but I hope that there will be more Federal monies to offset...

Mr. Tanguay asked do you have the NH retirement in there.

Mr. Hobson answered yes.

Mr. Tanguay asked that also is estimated through the end of the year.

Mr. Clougherty answered yes. This is all annualized, right?

Mr. Hobson replied yes.

Mayor Baines asked does anybody else have anything to come before this Committee.

Mr. Tanguay stated I don't know if it is appropriate for this Committee, but it came up last night on the impact fees. Kevin, we don't have an accounting of those fees and I was wondering if that could be provided to us.

Mr. Clougherty replied sure.

School Committee Member Cook stated it is always good to get those surprise questions when you are sitting there with 20 people in the room.

Mr. Clougherty stated we have the impact fees. We contain them and we report them out on the quarterly financial piece. They are in the City's possession. We use them to offset debt.

Mayor Baines asked for an explanation on exactly what impact fees are.

Mr. MacKenzie answered the City, when it had gone through a growth period in the 1980's decided that...the Planning Board decided why don't we charge private development impact fees which means that every time a private developer builds a new home he would have to pay what was considered by the courts a fair proportional share. At the time, that was calculated to be about \$1,600 per dwelling, which the homebuilders weren't crazy about at the time but they went along with it because they were also getting denied on various cases. That money, under State law, can only be used for capital and can only be used for increased capacity and also you had to do planning on how you were going to use the money to increase capacity. At the time, the philosophy was to build a new middle school and add an addition to Parkside. That would cover the entire City so somebody building new houses on Hackett Hill Road they would get the benefit of it as well as the person on Bodwell Road. That was implemented in late 1994 and the money has been collected. A portion of it has already been applied to McLaughlin Middle School and the Parkside addition. It really helped make those projects possible.

Mr. Tanguay asked was it applied as a revenue to the project cost or to the debt service of the project.

Mr. MacKenzie answered it can be done either way because under State law it says that you can apply it either to the direct cost of the capital project and some of the money was or it can be applied to the debt service over time for the duration of the life of the facility. So McLaughlin Middle School we started paying the bond on a couple of years ago and for a 20 year period we can collect impact fees and apply those fees to the debt service as necessary to offset the costs.

Mr. Tanguay asked does that reduce the debt service. Does the auditor recognize that as an offset?

Mr. Clougherty answered I will check. He should.

Mr. MacKenzie stated I don't think it has been applied yet to the debt service because one of the issues was what other capacity improvements are we going to have to make and if the Boards do agree that McLaughlin Middle School should have an addition, that is perhaps one of the better ways to pay for it.

Mr. Tanguay asked so that money is just in a pool right now being held.

Mr. MacKenzie answered yes.

Mr. Tanguay asked how much is it.

Mr. Clougherty answered it is about \$1.1 million or something like that.

Mr. Tanguay asked and you are saying that could be applied to debt service but that determination has not been made and that is school money.

Mr. MacKenzie answered it is collected under State law as impact fees. It can only be used for the schools.

Mr. Tanguay stated I guess this goes to the issue of debt service again. My point is if that money is available it could certainly help to offset the employee benefits in terms of reducing the debt service number.

Mr. MacKenzie stated the debt service number that you are working with is about \$8 million and it includes all of the school projects. Now the impact fee money can be used on an annual basis to pay for a portion of the McLaughlin School and Parkside. Over \$1 million has been collected, but some of it has actually been applied to Parkside during construction.

Mr. Tanguay replied but it is not limited to McLaughlin.

Mr. MacKenzie stated it can only be used for capacity after data verification of the impact fee ordinance so the only two eligible ones we have right now are McLaughlin Middle School and Parkside. Let's say we have \$1 million. You couldn't apply it in one year because McLaughlin and Parkside together would only count for about \$200,000.

Mr. Tanguay replied I don't disagree, Mr. MacKenzie, but that is still money, whatever balance remaining, is still School money that is going to be shown on the balance sheet.

Mr. MacKenzie stated once a determination is made as to whether that is going to be debt service or Cash...

Mr. Tanguay interjected do we have the debt service number on McLaughlin and Parkside at this point.

Mr. Clougherty stated we have given you that.

Mr. Tanguay stated it should be a significant number.

Mr. Clougherty replied it could be about \$150,000 maybe.

School Committee Member Garrity asked can we take the \$1.1 million and add on to McLaughlin.

Mr. MacKenzie answered I think that we can use that money as a direct and it would save us actually the financing costs but we could apply that directly to McLaughlin if it agreed that that is the approach to take. Now pieces have been used directly for construction of Parkside and McLaughlin so it is not quite \$1.1 million.

School Committee Member Garrity asked but you can use the whole piece, right.

Mr. MacKenzie answered you can use the entire amount.

Ms. Healy asked this dollar amount has not changed since the early 1980's.

Mr. MacKenzie answered the rate has not changed since 1995.

Ms. Healy stated with so much land now being converted to residential dwelling areas, thus eliminating the tax base of businesses in the City and having a direct impact on the schools, haven't you thought of increasing this fee. You are building houses. Anyone can drive through any part of town and you see many, many dwellings going up and these aren't small houses. These people will have children in these houses and these children will go to school.

Mr. MacKenzie replied I didn't anticipate this for this meeting, but in terms of reality the growth in Manchester has been significantly less than even some of the small towns surrounding Manchester. I have a hand out for you. This is from 1980 to 1990. At a certain point in the 1980's, we were having 1,600 new dwelling units each year. This is Bodwell Road and Wellington Hill where we have had some real difficulties. The last three years it has been less than 150 units and that is actually at a level where we are not providing enough housing to meet the demand. That is why in 1992 we had vacancy rates approaching 25%. Now they are almost negligent because the housing market has not really adjusted to the demands. Getting back to your question, yes, we can look at increasing impact fees but that will have a direct impact on housing costs and I think we have to balance housing costs with the impact fee.

Mayor Baines stated the example was \$1,800 or something and somebody said that Londonderry is \$15,000 and I don't know if that is accurate.

School Committee Member Cook stated I think it was \$5,000. Do we get impact fees for single family residences only or do we get impact fees for rental units?

Mr. MacKenzie replied all residential new units although it is scaled to...we actually did an analysis of how many public school children came from each type of unit. Single family was the highest. Rental units were actually lower and about half of that.

School Committee Member Cook stated if we were setting an impact fee today given the costs of the City and the cost of construction and all of that stuff, what are we talking about. \$4,000? \$3,500? I have heard pretty big impact fees proposed in some of the towns.

Mr. MacKenzie replied it does come down to a definition of fair and proportional share of demand. That is the technical legal term they use. It is something that there is a latitude and it comes down to the community can't charge everything against new development because what I find interesting is that those school attendance areas that have negative growth right now, which means they are losing volume are actually growing in enrollments faster than places like the Green Acres attendance area. It is a fascinating statistic if you look at it. Green Acres has actually lost enrollment over the last four years. Even when you factor out the middle school change the enrollment has declined and that is the fastest growing school attendance area in the City.

Mayor Baines asked, Mr. MacKenzie, in 1994 where did the proposal come from for the impact fee. Where did that come from within government?

Mr. MacKenzie answered there was tremendous frustration at the community level at the time and ultimately the Planning Board and our staff said it is something that the Board of Mayor and Aldermen should look at and it was submitted to the Board of Mayor and Aldermen. Len Benard, at the time, worked closely with us and we all agreed that we should have it and it went to the Board of Mayor and Aldermen. I don't know if it was ever formally adopted.

Mayor Baines stated I know that the Board of Mayor and Aldermen had voted on something, but did the Planning Department come up with a proposal.

Mr. MacKenzie replied yes.

Mayor Baines stated I think it is time for you people to talk a little bit more about that and perhaps make some recommendations that we can present to the Board on that issue. How many units were built last year?

Mr. MacKenzie replied 136. That is not a lot of units.

School Committee Member stated I think a lot of people are moving into apartments with...people are showing up to rent apartments where it used to be a couple and now they are showing up with three kids and wondering why they can't live there. They are coming in to get employment, but they can't afford anymore than a one-bedroom apartment.

Mr. Tanguay asked as part of the transitional plan, are there any other funds or revenues that will be transferred to the School District.

Mr. Clougherty answered not that I am aware of. The way we look at costs this is money like your CDBG and bonds is all part of the capital planning process and is available and in essence programmed out. That is how we make it available understanding that it can only be used within the parameters that Mr. MacKenzie laid out.

Mayor Baines stated the other things in terms of McLaughlin is that the School Board has to determine whether that is the direction that they want to go in. We are very cognizant of that and that is why I would like to encourage that they look at that issue.

Mr. Tanguay stated we can look at capital improvements or just keeping the money there.

Mayor Baines replied at least we know that the money is there and available.

Deputy Clerk Johnson stated regarding the McLaughlin addition, at one of the meetings of the Board they had asked the Clerk's office to forward a one page scenario that had been submitted by Alderman Wihby and it is my understanding that Mr. MacKenzie had some more information and the thought process was to send them all over and I was just wondering what is the best way to get it to the School Board at this point. Is it better to just take a packet from Mr. MacKenzie and send it directly to you?

Mr. Tanguay replied yes.

Mr. MacKenzie stated I gave a copy to Tom Brennan today.

Deputy Clerk Johnson asked so they won't need it from us.

Mr. Tanguay answered no.

School Committee Member Garrity asked on the \$1.1 million for the impact fees is there a certain time of the year or limits on when you can take it out.

Mr. MacKenzie answered I would defer to Kevin on that.

Mr. Clougherty stated we hold it, but we only use it for what goes through the CIP. It has to be approved.

School Committee Member Cook asked at what point does the developer pay the impact fee. Before he can get his certificate of occupancy?

Mr. MacKenzie answered yes.

Mayor Baines stated the good news last night was I didn't hear anybody saying that portable classrooms were good. Having personally taught in one for a number of years, I can assure you that portable classrooms are not a very positive learning environment for kids.

Mayor Baines asked does anybody representing the teachers and principals have anything they want to bring up.

Ms. Healy stated I have a concern with the insurance. I think it is a natural concern and I understand that there is a meeting next week regarding the RFP's that are going out. You need to be aware that in the RFP I think we need to have a meeting of all City unions, not just the teachers union to determine what is comparable because all contracts read comparable insurance policies.

Mayor Baines replied I read the memo about that and I did not know about that. I talked to Mr. Hobson about that and the previous Mayor had set-up some kind of a...

Mr. Hobson interjected the previous Mayor had set-up a health insurance committee that had been meeting off and on to take a look at some of the issues that we are still wrestling with. For the first time ever, well not for the first time ever but for the first time in many, many years all City employees are paying relatively the same amount for the same health insurance and dental insurance plans so we are only managing one plan that comes in these flavors. That is an important administrative advantage and it is an important consumer advantage as well, obviously. The previous Mayor and his administration wanted to continue to monitor what was happening with the plans and some of the things that we had done and the changes with prescriptions that was laid out before us by Blue Cross in terms of the rising costs not just for Manchester but for everyone. We have also

heard, frankly, from retirees who would like to be a part of any of these discussions that you may have in the future on changing health insurance plans. We have many, many retirees in the system as you know. There is certainly a broad constituency out there concerned about what we are going to do.

Mayor Baines asked when was the last time that that Committee met.

Mr. Hobson answered it was about a year ago.

Ms. Healy stated I know that the MEA is having a meeting with the School District. I am concerned about something that I heard last night from the meeting that each body was to send out RFP's. Please correct me if I am wrong. The School District, I know, is in the process of sending out an RFP. It is my understanding that the City side will also send out an RFP.

Mayor Baines replied correct.

Ms. Healy stated why don't you send out an RFP together and send us some money.

School Committee Member Cook replied the proposal was as I understand it that the City is going to send out an RFP that talks about getting proposals to administer City, City and School, City and School separately and the Superintendent said that if we have alternative sources that could provide that service too that we can send out an RFP that talks about School, City, School and City so that we can get as many options as we can. Certainly, the actions in both cases would include one unified group of the City and School because the chances are since this is an administrative cost thing it would be cheaper to do if everyone is together.

Mayor Baines replied that is what we need to look at. There may be some advantages to the City being by itself and the School being by itself but I think we all have to keep in mind the taxpayer and we need to do the best thing for everyone.

Mayor Baines stated we should get the Committee on Health Insurance to meet again if that would be beneficial. Does anybody have any other issues?

Alderman Cashin asked who is on that Committee.

Mayor Baines answered it is a representative from all the different unions.

Mr. Hobson stated how this started actually was through the Mercer spot claims audit that was taking place. Mercer had...in the transition of HR getting started and all that stuff, Mercer was doing a spot audit checking how things were going on the City and School side and whether or not the City was paying the appropriate amount on health claims to the health insurance provider and negotiations were underway in terms of how health insurance would look so at that time the Mayor's administration decided to use Mercer to get together as sort of a leverage of a bargaining tool with the providers and Mercer also helped with the School District to design a one size fits all plan that the rest of the unions embraced. That was two years ago.

Mayor Baines replied obviously it is imperative that we try to get some handle on the costs, particularly prescriptions. A very high percentage of this increase is due to prescription drug use. A lot of that they talk about relating to the advertising that is going on and whether it is Claritin or other brand names. Advertising is creating more demand and what happens it is translating into people choosing products that are much more expensive and may not be any more beneficial than another product at a lesser price. In the area of prescription drugs, it is an area that is having a significant impact on the increase of insurance for employees hence the problem that we are facing.

Mayor Baines stated I think the information is becoming clearer and the actions we have taken are proving to be very prudent and the issue related to this overall area of the bottom line of schools is a very real situation that we have to confront. I think we have taken some prudent actions and have positioned the City very well in terms of handling it.

Mr. Hobson stated I think it was a good think last evening to talk about bringing back the idea of the alternative school concept on the special needs side of the house. As you noted, when this Committee was formed that is one of the things that we were going to take a look at. I think the only thing we have done is talk about it.

Mayor Baines stated it needs some exploration but I think the time is here. I think everyone recognizes that. That is a transformation. I can remember people on the political side talking about an alternative school and we didn't want the responsibility. The debate and conversation has changed. I think there is a general recognition that we have to do something and if we can position the City to make is financially advantageous as well as creating some alternatives for some of our students, that is going to help out the community.

School Committee Member Cook stated the frustration is we have been through this cycle several times and most of you have been through it more than I have. We talk about it in every budget cycle but we don't get enough money to make it happen or to invest in it so we end up sending more people out of district for special education. We need to spend the money somehow, somebody, some way and we are going to explore with the private providers in the area and interesting we all read the local press like we should and *The Concord Monitor* had an article this week about the same issue in Concord. Their proposal for a certain segment of their special education students to have a facility in Concord and they are going to make it available to attract people nearby would suggest that everybody has this problem. If we are spending \$30 million on special education there has to be an opportunity there for Pine Haven, Easter Seals, the Moore Center and the other folks out there providing these services so we are thinking of getting people together. LakeShore was mentioned because it was for rent. We talked about what the status of the Hackett Hill facility is and a decision has to be made on that to move quickly on whether it is going to be acquired and for what purpose. There is an opportunity, but we have to get going.

Mayor Baines stated we need some help from private partnerships.

School Committee Member Cook replied that is what appeals to me because the private sector has access to and a certain ability to get things started. If we do it as a partnership as a School District program with their participation because they claim they want to do it and I think it is time to call the card and say do you want to do this. We might want to invite other school districts to come in to because you have to have a certain mass before it works.

There being no further business to come before the Committee, On motion of School Committee Member Garrity, duly seconded by School Committee Member Cook, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee