

At a Special Joint Meeting of the Gloucester Town Council and the Gloucester School Committee on July 29, 2026

I. Call to Order

Councilor W. Worthy called the meeting to order at 6:30 p.m.

II. Roll Call

Councilor W. Worthy asked the Clerk to call the roll:

Members present: Jonathan E. Burlingame; Stephanie C. Westgate; Cheryl A. Greathouse; Walter M. O. Steere, III, Vice- President; William A. Worthy, Jr., President

Also present: Jean Fecteau, Town Clerk and Christine Mathieu, Deputy Town Clerk

Also present: D. Bergantino, RI Auditor General

K. Fraatz, Clerk to Gloucester School Committee, called the roll for the Gloucester School Committee:

Members present: C. Joyce; M. Rizzo, M. Joyce, A. Ferreira, B. Keeling, A. Dupuis

Also present: R. Palazzo, Supt. of Gloucester Schools; K. Fraatz, Clerk and G. Piccirilli, School Committee Solicitor

III. Pledge of Allegiance

Councilor W. Worthy asked all to stand for the Pledge of Allegiance.

Discussion:

Councilor W. Worthy stated his thanks to the School Committee, Auditor General and residents in attendance for coming to the meeting tonight. Councilor W.

Worthy stated that tonight is about the education of our children, the teachers and the taxpayer burden. Councilor W. Worthy stated that tonight's meeting is a way to look or ask for guidance and perspective. Councilor stated that the meeting is to be conducted using facts and the historic record and not assumptions or blame. Councilor W. Worthy stated he is asking for professional decorum and that anyone who is rude or disrespectful will be asked to refrain and if the behavior continues will be asked to leave. Councilor W. Worthy stated that this has been

a problem for at least several years and that the problem will not be solved tonight.

Councilor W. Worthy stated that the reason for tonight's meeting is to discuss the shortfall of about \$300,000 in the school budget for 2026. Councilor W. Worthy stated that the past two years also had deficits which have been largely driven by special education costs and fringe benefits. Councilor W. Worthy stated that no corrective action plan was produced despite being asked.

Councilor W. Worthy did state that the 2027 school budget asks for less money than the 2026 and leans on anticipated state growth instead of the taxpayers. Councilor W. Worthy stated that tonight is about answering where the money went, why no corrective action plan was filed and figuring out a multi year plan going forward that keeps the future tax increase for residents under 3 percent.

D. Bergantino, RI Auditor General, stated that his office is tasked with financial monitoring of municipalities. D. Bergantino stated that what he's seen in Glocester is similar to what he sees in other municipalities in that special education numbers, out of district transportation and health costs have been consistent challenges for most school departments. D. Bergantino stated that cost of living has increased and that when the money from the pandemic ended, it left structural deficits in a lot of budgets. D. Bergantino stated that both parties have minimized the 26 deficits. D. Bergantino stated that the financial challenges are real and are a by-product of the environment and economics that the state and all municipalities have faced since the pandemic.

R. Palazzo, Supt. of Glocester Schools, stated her appreciation for the opportunity to be here tonight and that the costs for special education, transportation and health benefits are major concerns.

R. Palazzo stated that there has been a deficit since 2016 except for one year and that the local appropriation remained the same for the years 2016 through 2019.

R. Palazzo stated that the pandemic funds were used because of need and when the pandemic money ended, the needs stayed.

R. Palazzo stated her opinion that that RI state law requires the school department

to have a business manager. R. Palazzo stated that there were many meetings held between herself and the Finance Director from August through February. R. Palazzo stated that when the deficit was discovered in March by the Finance Director that steps were taken to address it. R. Palazzo stated that a lot of work is done towards a budget before having pertinent information.

R. Palazzo stated that Council was provided with an updated deficit amount for 2026 tonight. Councilor W. Worthy asked if there were any outstanding bills. K. Lamontagne, Finance Dept., stated that the bills for June and the adjustment for transportation.

Councilor W. Worthy stated that Glocester has been close to the 4% cap the last few years and that the town budget is very tight. Councilor W. Worthy stated that it seems that the major issues are spending on special education, transportation and payroll and health benefits. Councilor W. Worthy asked if the school included the extra amount per student as stated in the special education and categorical aid extraordinary cost threshold. R. Palazzo stated she would have to ask the finance dept. but that any amount for eligible students is reimbursed the following year.

Councilor W. Worthy asked about the costs for special education students either brought in or that are sent out of district. B. Keeling, School Comm. member, stated that if the student needs cannot be met by the school dept. then the student is sent out of district. B. Keeling stated that the school dept. may not have a say where the child is placed and that one student placed out of district cost \$90,000 per year. B. Keeling stated that often the school does not know of these situations until the school year starts.

A. Ferreira, School Comm. Member, stated her opinion that many of these cases are welfare cases so the extra funds special education and categorical aid does not apply.

R. Palazzo stated that transportation costs are difficult to predict because they often don't know the student needs until after budget process is complete. D. Bergantino stated his opinion that the state rates charged for transport are not set

until after the budget process is complete.

Councilor W. Worthy stated that he prepared a proposed multi year plan for discussion but that means hard decisions and cuts. R. Palazzo stated that she does not know what else could be cut and that the cuts made bring the budget in line with the local appropriation.

Councilor W. Worthy stated again that hard decisions need to be made as this issue is financial. D. Bergantino asked why the state aid was less the past two years than in previous years. R. Palazzo stated she did not know.

B. Keeling stated that R. Palazzo had a proposed revenue plan that would involve creating a special needs room where other communities would pay to send their special needs students

Councilor W. Worthy asked about bussing. B. Keeling stated that a new law was passed requiring bus companies to pay prevailing wage which places a burden on the current transportation company. R. Palazzo stated that the contractual cost of transportation is in the budget. R. Palazzo stated that the issue is the unknown transportation issues which may not be known until close to the start of the school year. R. Palazzo stated that the state sets the rates for bussing and they do not come out until after the budget process is complete so it is difficult to determine a number. K. Lamontagne stated that RIDE does send an estimated bill in January. R. Palazzo stated that her office looks at the bill from RIDE to make sure it is correct as to the students being transported and if there changes then a revised bill is sent. R. Palazzo stated that there is a proposal from RIDE for districts that share transportation to also share the cost but it would not go into effect until 27-28 school year.

Councilor W. Worthy asked the options as to bussing. R. Palazzo stated an idea of bringing special needs students back who have been placed out of district and/or to purchase a van to use for transport but it would need to have all required safety equipment installed.

Councilor W. Worthy stated the last topic is healthcare benefits. B. Keeling stated

the school already saved a lot of money when they switched a few years ago to the Trust.

Councilor W. Worthy stated that the town does not want to create any structural deficit. Councilor J. Burlingame stated that any appropriation would have to be authorized by the voters. R. Palazzo stated that she feels there are no other cuts that can be made. Councilor W. Worthy asked if one school could be closed. Councilor J. Burlingame stated that this proposal was looked into a few years ago and determined at the time to not be feasible. R. Palazzo stated that it could be looked into but stated that enrollment has not changed.

M. Rizzo, School Comm member, stated the cost for a school business manager is not currently paid for by the school and asked how it would be paid if the school becomes responsible for their own accounting. R. Palazzo stated a suggestion that the town update their budget software.

D. Bergantino stated that the school will most likely end up with a deficit for 2026. D. Bergantino stated that as to the 2027 budget to try and manage it during the year. D. Bergantino stated his recommendation is to make a 5- year plan that is reviewed by both the school and the town.

D. Bergantino stated that his office will not be in touch until there final numbers for 2026 from the audit. D. Bergantino stated that it is not clear if the school will have a cumulative deficit for 2026 right now so there is no need to press for a corrective action plan. D. Bergantino stated that the focus should be on managing the 2027 budget and suggested that the council and school comm. meet often to work on the next year's budget. D. Bergantino stated that he will reach out to RIDE to find out why Glocester's state aid has been so low the past two years.

Councilor W. Steere stated that the legislators should be invited to future discussion as they play a big part in this matter since so many municipalities have the same issues.

Councilor W. Worthy asked why the town has not received a corrective action plan

from the school superintendent despite having asked for one. R. Palazzo stated that she followed the same process as previous year which was to send a letter. R. Palazzo stated that she does not have a corrective action plan that would close the deficit for 2026. R. Palazzo stated that 2027 is a tight budget so will keep eye on it and rectify any deficit when it occurs.

J. Fecteau stated that the solicitor stated if a special referendum is needed then it could not happen until January or February as special legislation is needed and the General Assembly is not back in session until January.

B. Keeling, School Comm. member, asked why the reimbursement money from the furnaces could not be used for the deficit without voter approval. J. Fecteau stated it was being proposed to be used for something other than capital improvements and it is a capital improvement fund. Councilor J. Burlingame stated that the money is coming back as reimbursement into a town capital improvement fund and is being proposed to be used for a non -capital reason so the voters need to vote.

J. DiPietro stated an explanation of how this capital improvement fund was created and funded.

Councilor W. Worthy stated that if anyone wishes to speak on any issues to please step to the microphone and state your name when called on.

1. W. Steere, resident, stated his opinion that the bus payment change was known a few years ago, that the savings of one million dollars received as reimbursement due to the change in health care providers was used to cover deficits, that money outside the appropriation can only be approved by the voters, and that was not followed in the past. W. Steere stated his opinion that the charter requires the school comm. with maintaining a budget without a deficit.

2. B. Kelly, resident, stated his opinion as to several proposals that included; In house vendor for bussing, special needs students to be placed by similarities between several communities, not using fund balance to cover deficits, permanent cuts in the budget, no step increases in salaries for a year or two with no recapture clause.

3. H. Andrews, resident, stated that Council was told by the Finance Director at a

Council meeting in January and not March of the potential deficit. H. Andrews stated her opinion that the idea of a revenue producing special needs program is a creative one but needs a lot of questions answered especially as to cost analysis to determine if it would be a good idea.

A. Ferreira, School Comm member stated her opinion that there may ways to change the environment or practice in how students are scaffolded and regulated to reduce some behavior. A. Ferreira spoke of a potential bill that will hopefully manifest.

Councilor S. Westgate stated that it seems as long as a deficit is justifiable then it is okay to operate as such but that is in conflict with our charter. Councilor S. Westgate stated that if all of these municipalities are facing the same issue then it is a legislator issue to address. D. Bergantino stated that municipalities face a conflict between what has to be provided and the costs in a budget.

D. Bergantino stated that his office looks at finances and crafts corrective action plans and does not get involved in policy or lobby the general assembly. D. Bergantino recommends that Council talk to the state legislators and RIDE to see if any changes can be made.

Councilor W. Worthy stated a suggestion to schedule another meeting once a finance director has been hired; that he recommends a 5- year plan. W. Worthy stated that the school did a good job with the 2027 budget and his goal is to go to the taxpayers with less taxes.

No Action Taken

IV. Auditor General Letter of May 22, 2026 - Discussion and/or Action

Council received a copy of correspondence sent to the School Committee and Superintendent, in May 2026, regarding a projected deficit for the fiscal year 2026

No Action Taken

V. Town Council and Gloucester School Committee

- A. Discuss financial issues relating to past, current and future budgets - Discussion and/or Action

Addressed in discussion above

VI. Potential Ballot Question for November General Election -Discussion and/or Action

No Action Taken

VII. Adjourn

MOTION was made by Councilor W. Steere to ADJOURN at 8:55 p.m.; seconded by Councilor J. Burlingame

Discussion: None

VOTE: AYES- Burlingame, Westgate, Greathouse, Steere, Worthy

NAYS-0

MOTION PASSED

MOTION was made by School Committee member A. Dupuis to ADJOURN at 8:55 p.m.; seconded by Gloucester School Committee member C. Joyce

Discussion: Gloucester School Committee member, A. Ferreira was not present for this motion

VOTE: AYES- C. Joyce; M. Rizzo, M. Joyce, B. Keeling, A. Dupuis

NAYS-0

MOTION PASSED

